

Westmorland and Furness Council

Strategic Housing and Economic Needs Assessment

Westmorland and Furness Council

23 June 2026

LICHFIELDS

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68155/01/SPM/CR
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Non-Technical Summary

This Strategic Housing and Economic Needs Assessment [SHENA] has been prepared by Lichfields on behalf of Westmorland and Furness Council to provide the housing and economic evidence base to support policy development as the Council prepares its new Local Plan (2025-2045).

The study is split into three parts. The first identifies overall housing needs across Westmorland & Furness. The second considers the need for different types of housing, such as affordable or older persons, and provides policy advice across the various sub areas within the District. The third establishes land requirements and policy drivers in relation to employment land, broadly defined as offices, industrial and storage & distribution.

This SHENA will form a key part of the housing and employment land needs case underpinning the emerging Local Plan's strategic policies over the Plan period 2025-2045.

The key conclusions of the analysis are summarised below.

Local Housing Need

The Government requires the use of a Standard Methodology when calculating an area's local housing need. The latest approach (referred to as SM3) uses a formula that takes an area's housing stock as a starting point and then adjusts this to reflect local affordability pressures to identify the minimum number of homes that should be planned for. This differs from the previous version of the Standard Methodology [SM2], which used household projections as its starting point rather than the number of homes in an area.

The Local Housing Need [LHN] figure for Westmorland and Furness as generated by the new SM3 formula results in a figure of **1,330 dwellings per annum [dpa]** over the 20-year Plan period 2025-2045. This represents a very substantial uplift on the previous SM2 housing need figure of 210 dpa, due to a move away from a demographic-led projection to a stock-based one. The PPG sets out that there is an expectation that the standard method will be used and that any other method will be accepted in exceptional circumstances only.

This SHENA also assessed several other methods for calculating housing need, including using demographic and employment growth projections as the starting point. However, all of these alternative approaches to forecasting need resulted in a lower figure than 1,330 dpa. The study also calculated that should this level of housing growth be achieved, then the number of new residents moving into these new homes could sustain over 30,000 more jobs, which would be greater than even the most optimistic job forecast (of +13,300 over the next 20 years).

The SHENA concludes that the very challenging LHN generated by the Government's new approach to forecasting, of 1,330 dpa, would nevertheless be appropriate for Westmorland & Furness moving forward. This is not the housing requirement, the scale of which would be a policy choice for the Council to make taking into account a number of other planning considerations.

A key element of the work has involved splitting the overall housing need down to smaller sub-areas including the National Parks. As there is no official guidance on how this should be undertaken, and the affordability ratios which form a key part of the calculation are only available at District level, Lichfields tested two approaches: one which applied an overall District-wide affordability ratio; and a second

which applied bespoke affordability ratios calculated by Lichfields on a sub-area basis (i.e. in areas where house prices are much higher compared to resident's incomes such as the National Parks, and are less affordable as a result, the uplift to the starting point figure is greater than in more affordable areas such as Inner Barrow).

Given the size and complexity of the District, it may be appropriate to apply the outputs from either approach to the sub-areas. The outputs are summarised in Table 1.

Table 1 SM3 split by Sub-Area

	LHN using District-wide affordability ratio	LHN using bespoke sub-area affordability ratios.
Inner Barrow	166	105
Outer Barrow	213	135
BARROW TOTAL	379	240
Penrith and Surrounds	175	172
Appleby and Kirkby Stephen	107	99
Alston	13	11
North Eastern Lakes	17	27
Westmorland Dales	15	20
EDEN TOTAL	326	328
Kendal and Surroundings	276	305
Cartmel Peninsula	51	58
Furness Peninsula	109	108
Central Lakes	161	256
Dales	27	35
STH LAKES TOTAL	625	762
W&F TOTAL	1,330	1,330

Source: Lichfields *Note: rebalanced on a proportionate basis to ensure the total comes to 1,330 dpa.

Affordable Housing Needs

The SHENA also includes a calculation of current and future affordable housing need, in accordance with the guidance set out in the PPG on affordable housing needs assessment. The first part of the analysis looked at the need for social rented properties, comparing existing needs with future requirements and deducting both existing and likely future supply. The second part assessed the potential demand for intermediate, or shared ownership, housing, looking at households who could afford to rent in the local market but are unable to buy their own home outright.

Net Annual Housing Need for Affordable/Social Rent

The net annual need based on current data over the period 2025 to 2045 for the whole of the District amounts to between 963 and 1,201 homes for affordable/social rent. This assumes that the existing need (represented by people currently on the Council's Housing Waiting List) will be addressed in full in the first 5 years of the Plan. The strongest levels of affordable housing rental need are identified for South Lakeland and to a lesser extent, Barrow in Furness.

Net Annual Affordable Housing Need for Purchase

The analysis also assessed households who wish to move towards ownership tenures, but may be unable to, even if their needs are currently being met in the private rented sector. **The net annual requirement for intermediate housing is essentially zero in Barrow in Furness due to the low house prices. However, for the former District of Eden, the need for shared ownership properties ranges from 26 dpa to 41 dpa, whilst for South Lakeland the net unmet need is higher, at between 130 dpa and 146 dpa.**

Table 2 brings this all together and sets out Lichfields' suggested split of affordable housing to rent/buy. The Table reflects the fact that affordable and social rent are more affordable than intermediate homes in Barrow (although not in Eden and South Lakeland) and that due to low house prices, there is a significantly greater need for social/affordable rented properties than shared ownership in this part of Westmorland & Furness.

Table 2 Suggested Social/Affordable Rent and Intermediate Indicative Split

		Measure	Annual Housing Need (net)		Split of households in need (rounded)	Indicative Policy Split (%)
			25% / 4x income	32% / 4.5x income		
Barrow	Affordable Homes to Rent	Social Rent	434	355	96%	95%
		Affordable Rent	0	32	4%	5%
	Affordable Homes to Purchase	Discounted Housing	0	0	0%	0%
		Intermediate housing				
ALL			434	387	100%	100%
Eden	Affordable Homes to Rent	Social Rent	165	111	61%	60%
		Affordable Rent	59	48	24%	25%
	Affordable Homes to Purchase	Discounted Housing	26	41	15%	15%
		Intermediate housing				
ALL			250	200	100%	100%
South Lakeland	Affordable Homes to Rent	Social Rent	426	336	62%	60%
		Affordable Rent	117	80	16%	15%
	Affordable Homes to Purchase	Discounted Housing	130	146	23%	25%
		Intermediate housing				
ALL			673	563	100%	100%

Source: Lichfields' analysis

Housing Type, Tenure and Size of Housing Required

Lichfields analysis suggests that there is a **clear orientation in the private market towards larger households requiring at least 3-bedroom properties, with a greater need for smaller 1- and 2-bedroom homes in the social sector. In general, the markets in Eden and South Lakeland are likely to need more larger, 3 and 4+ bed properties, whilst in Barrow smaller properties are required.**

Housing waiting list information shows that most households in need of social housing require 1 or 2 bed homes, particularly in Barrow.

Table 3 Estimated overall need/demand by size and suggested housing mix for Westmorland & Furness

		1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Barrow	Market Housing	35-45%		55-65%	
	Social Housing	75-85%		15-25%	
Eden	Market Housing	20-30%		60-70%	
	Social Housing	55-75%		25-45%	
South Lakeland	Market Housing	30-40%		60-70%	
	Social Housing	55-75%		25-45%	

Source: Lichfields based on MHCLG/ONS

Housing Needs of Specific Groups

The Private Rented Sector

Build to Rent [BtR] schemes in Westmorland & Furness could cater for needs in the private rented sector, particularly for those on low to middle incomes who may prefer an alternative to traditional rental options (i.e. buy-to-let landlords). The research suggested that Barrow may be a good location for BtR development and could contribute towards meeting the needs of smaller households, potentially linked to the needs of BAE at its Barrow shipyards whereby a number of younger skilled workers are moving into the area. In contrast, it is likely that any BtR schemes in the in Eden and particularly South Lakeland would be much more modest in scale and scope. 20% is generally a suitable benchmark for the level of affordable private rent homes to be provide in any BtR scheme. If the Council wishes to take a different proportion in certain areas - such as Barrow - given the challenges facing viability in that area, it should justify this using the evidence emerging from this assessment.

Student and Purpose-Built Student Accommodation

The two main sources of future student housing needs are the University of Cumbria [UoC], which has a growing presence in Barrow, and Lancaster University, who are investing further in Furness College.

UoC operates Pears Cumbria School of Medicine in Carlisle, which currently recruits 58 students a year, with an aim to recruit 90 students a year from 2027/2028. The UoC provided a briefing on future accommodation needs based on target recruitment numbers for students at the Barrow Campus and those required to be on placement in Barrow for extended periods of time (primarily medical students). The projection suggests a need for 62 student bedspaces in 2025/26, rising to 390 bedspaces by 2035/36.

Families and Other Households with Children

The number of families and other households with children is expected to fall across all of Westmorland & Furness over the next 20 years. The pattern of decline is mirrored across the three former authorities of Barrow, Eden and South Lakeland, with households with one dependent child expected to decline the most, and slightly smaller reductions in the number of larger families.

The Needs of Older People

In line with national trends, the number of older people living in Westmorland & Furness is projected to increase by almost a fifth by 2045. Helping older people to find suitable accommodation in the District

will be a crucial challenge for the Local Plan. Lichfields' analysis suggests that between 2025 and 2045, the estimated need for older persons' housing units could range from 2,631 to 4,091 across the whole of Westmorland & Furness. The level of undersupply by former authority is split as follows:

- 867 and 1,176 units in Barrow;
- 943 and 1,341 units in Eden; and,
- 821 and 1,574 units in South Lakeland.

In addition, Lichfields projects that a further 439 elderly residents in Westmorland & Furness will reside in communal establishments (predominantly in care homes without nursing).

There is also a need to ensure that suitable provision is made for those living in private housing who do not require care home facilities but may have specific needs, for example for adaptable and accessible homes. It is recommended that c.40% of new general housing is provided to Part M4(2) standards. It is important to note that there will be some overlap between the need for adaptable and accessible homes and the identified need for elderly housing (i.e., Extra Care and Sheltered Housing).

It is a matter for the Council to consider whether it should go above the 40% minimum recommendation and take the 100% M4(2) requirement forward as per the (former) South Lakeland District Council approach which received backing from the Local Plan Inspector.

Given the ageing population over the Plan period, the SHENA also recommends that between 5% and 10% of new affordable homes should meet the M4(3) requirement for wheelchair users (albeit this is likely to overlap with some of the need for adaptable and accessible homes for older people).

Self / custom build

Regarding people wishing to build their own houses, as of the end of December 2025, the Council had 62 individuals on the self-build register. Of these, 13 new individual applications were made in the 2025 monitoring period.

Service Families

At the current time, there is no need to identify any specific additional requirements for Service Families in the District.

Children Looked After and Care Leavers

There were 261 children being looked after in Westmorland & Furness as of the 31st March 2025 at a rate of 11.4 per 10,000 children, with 184 (or 71%), of these being under the age of 16¹. This is lower than regional or national rates. 164 children looked after in Westmorland & Furness were in foster placements; 44 in secure homes and children's homes; and 14 in the District were Unaccompanied Asylum-Seeking Children as of March 2024.

The Council's *Westmorland & Furness Cared for Children and Care Experienced Young People's Sufficiency Strategy 2025-2028* notes that the number of external homes and places registered in Westmorland & Furness exceeds local demand. However, while there are many private residential homes within our area, not all of these offer the models of care that the Council needs for its children and therefore do not meet the sufficiency needs for the Council's cohort, and often care for children

¹ DfE (2025): Statistics: looked-after children <https://www.gov.uk/government/collections/statistics-looked-after-children>

from across the country. In 2026 a private children's home with school on site is closing their residential provision, potentially leaving a gap for children with complex SEND needs.

Future Employment Land Needs

Lichfields analysed employment land needs in the District, looking at a range of different growth scenarios which were then translated into land requirements. These included job forecasts from respected modellers Experian; population projections, housing scenarios (such as delivering the 1,330 dwellings required every year according to the SM3 calculation), and projecting forward recent trends in sites being delivered for office/industrial accommodation.

Most of these scenarios resulted in job growth forecasts, which were then translated into different types of employment land required over the period 2025-2045. These initial estimates are referred to as 'net' requirements, as they do not take into account the potential loss of existing employment land to other uses, and nor do they provide for any flexibility in the market (to give potential occupiers a reasonable choice of available sites). Making these adjustments converts the 'net' to 'gross' requirements.

Making these adjustments results in estimates of gross employment land need ranging from **77.6ha to 165.1ha**, over the 20 years to 2045. The lowest of these estimates (77.6ha) is based on the Past Take Up scenario, which reflects the relatively low level of employment land that has been constructed in Westmorland & Furness recently. The Net Absorption scenario, a market-facing scenario which looks at trends in transactions of new and existing employment space, produced a much higher requirement of 130.5ha. The Experian job forecasts also produced higher figures, of 114.1ha to 116.6ha. However, the highest figure (165.1ha) relates to the amount of employment land required to accommodate the level of job growth associated with the SM3 housing requirement of 1,330 dpa.

A detailed breakdown is provided in Table 4:

Table 4 Westmorland & Furness Gross Employment Land Requirements 2025-2045

		Offices / R&D (ha)	Light Industrial (ha)	General Industrial (ha)	Warehousing (ha)	Total (ha)
1a) Experian Oct 2025 incl. NPs	Net	3.25	14.99	52.88	3.63	74.75
	+ Flexibility Factor	5.14	15.96	55.39	8.82	85.31
	+ Loss Replacement	10.71	20.08	66.94	16.41	114.14
1b) Experian Oct 2025 excl. NPs	Net	3.65	14.56	53.59	5.40	77.19
	+ Flexibility Factor	5.54	15.52	56.10	10.59	87.75
	+ Loss Replacement	11.10	19.65	67.65	18.18	116.58
2a) SM3 1,330 dpa	Net	8.92	28.85	68.93	19.01	125.70
	+ Flexibility Factor	10.81	29.82	71.43	24.20	136.26
	+ Loss Replacement	16.38	33.94	82.98	31.79	165.09
2b) SM3 Aff Sens	Net	9.16	30.74	58.12	20.30	118.32
	+ Flexibility Factor	11.05	31.71	60.63	25.49	128.88
	+ Loss Replacement	16.62	35.83	72.18	33.08	157.71
2c) High Migration	Net	4.40	20.23	33.78	9.94	68.36
	+ Flexibility Factor	6.30	21.20	36.29	15.13	78.92
	+ Loss Replacement	11.86	25.33	47.84	22.72	107.75
2d) Past Housing	Net	2.57	15.28	29.94	5.15	52.93

		Offices / R&D (ha)	Light Industrial (ha)	General Industrial (ha)	Warehousing (ha)	Total (ha)
Delivery 654 dpa	+ Flexibility Factor	4.46	16.25	32.45	10.34	63.49
	+ Loss Replacement	10.02	20.37	44.00	17.92	92.32
3) Past Take Up	Net	7.56	3.42	10.03	17.18	38.19
	+ Flexibility Factor	9.45	4.39	12.53	22.37	48.75
	+ Loss Replacement	15.02	8.52	24.08	29.96	77.58
4) Net Absorption Trends	Net	1.30	54.55		35.27	91.12
	+ Flexibility Factor	3.19	58.03		40.46	101.67
	+ Loss Replacement	8.76	73.70		48.05	130.50

Source: Lichfields' analysis

The analysis went on to review the current forward supply of employment land, from a base date of 31st March 2025. Overall, the **171 ha of forward supply** across the whole of Westmorland & Furness compares to a range of 78-165 ha of need (which also includes the relevant parts of the two National Parks). Whilst the level of need that the Council seeks to address would be a policy choice for the Council to take, Lichfields recommended that strong consideration should be given to ensuring full alignment between the Council's housing and employment land aspirations. **In this regard and based on the SM3 labour supply need figure of 165 ha (at the upper end of the scale) there would be a modest quantitative over supply of around 6 ha of employment land.**

There are also a range of qualitative indicators that also suggest that much of the existing stock is of a relatively poor quality and likely to be in need of replacing within the next few years.

It should also be noted that the forecasting approach in this SHENA focusses on local employment land needs. Any need for strategic B8 logistics addressing a 'bigger than local' need would likely be in addition to these requirements.

The Needs of the Modern Economy

The final section of the SHENA reviewed the development potential for the 'modern economy' uses identified within the NPPF (essentially Laboratories; Gigafactories (battery cell manufacturing plants); Digital infrastructure (including data centres); and Freight and logistics). How well these are currently represented in Westmorland & Furness was analysed, before Lichfields moved on to examining their future growth potential and the associated planning policy implications.

As part of building a strong, competitive economy in Westmorland & Furness, planning policy could pay attention to the spatial and locational requirements of both established and emerging industries. The analysis noted that Westmorland & Furness already has existing potential for growth within manufacturing, whilst analysis of the modern economy sectors identified that the District is reasonably well positioned to support further development of freight and logistics, particularly as part of the wider supply chain.

While the focus of this report has been primarily placed upon considering the needs of the modern economy, it also referred to paragraph 86d of the NPPF, which states that planning policies should "seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment". As such, reducing any potential barriers to private sector investment in the modern economy, including planning constraints, infrastructure connections, and providing

incentives, could form a central priority of Westmorland & Furness' emerging economic strategy and overarching policy landscape.

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Glossary

5YHLS – Five-Year Housing Land Supply

AI – Artificial Intelligence

AMR – Annual / Authority Monitoring Reports

AONB – Area of Outstanding Natural Beauty

APS – Annual Population Survey

AR – Affordability Ratio(s)

AUKUS – Australia, UK, US trilateral security partnership

BAE – British Aerospace

BLP – Barrow Local Plan

BNG – Biodiversity Net Gain

BRE – Building Research Establishment

BRMA – Broad Rental Market Area

BtR – Build to Rent

CAGR – Combined Annual Growth Rate

CLA – Children Looked After

CLEP – Cumbria Local Enterprise Partnership (former)

CSP - Cloud Service Provider

DFG – Disabled Facilities Grant

DFT - Department for Transport

DLA – Disability Living Allowance

DPA – Dwellings Per Annum

DPD – Development Plan Document

DSIT - Department for Science, Innovation and Technology

DtC – Duty to Co-operate

DWP – Department for Work and Pensions

EAC – Elderly Accommodation Counsel

EHS – English Housing Survey

ELR – Employment Land Review

EPC – Energy Performance Certificate

EV – Electric Vehicle

FEMA – Functional Economic Market Area

FTE – Full Time Equivalent

GDP - Gross Domestic Product

GEA – Gross External Area

Gypsy, Traveller and Travelling Show people Accommodation Assessment - GTTSAA

GVA – Gross Value Added

HA – Hectare

HCA – Homes and Communities Agency (former)

HEDNA - Housing and Economic Development Needs Assessment

HHSRS – Housing Health and Safety Rating System
HLIN - Housing Learning and Improvement Network
HMA – Housing Market Area
HMLR – His Majesty’s Land Registry
HMO – House in Multiple Occupation
HNS – Housing Needs Survey
HPA – Households per Annum
HPR – House Price Ratio
HRP – Household Reference Person
HVAC - Heating, Ventilation and Air Conditioning system

IDBR - Inter-Departmental Business Register
IS-8 – Eight growth-driving sectors (Industrial Strategy)

JLHWS – Joint Local Health and Wellbeing Strategy
JRF – Joseph Rowntree Foundation
JSNA – Joint Strategic Needs Assessment

LAHS – Local Authority Housing Statistics
LDNP – Lake District National Park
LDNPA – Lake District National Park Authority
LEZ – Local Enterprise Zone
LHA - Local Housing Allowance
LHN – Local Housing Need
LIS – Local Industrial Strategy
LLPG - Local Land and Property Gazetteer
LPA – Local Planning Authority
LQ – Location Quotient
LSH – Lambert Smith Hampton
LT100 - Live Table 100
LTHPD – Long-Term Health Problem or Disability
LU – Lancaster University

MHCLG – Ministry of Housing, Communities and Local Government
MIS – Modern Industrial Strategy
MOD – Ministry of Defence
MSOA - Middle Super Output Area level data
MYPE – Mid-Year Population Estimates

NIS – National Industrial Strategy
NPPF – National Planning Policy Framework

OAN – Objectively Assessed Need
OBR - Office for Budget Responsibility
ONS – Office for National Statistics

PBSA – Purpose-Built Student Accommodation
PCM – Per Calander Month
PIP – Personal Independence Payment

PPG – Planning Practice Guidance

PRS – Private Rented Sector

RAR – Rental Affordability Ratio

R&D – Research and Development

RTIC - Real-Time Industrial Classifications

SCGV - St Cuthbert's Garden Village

SDA – Submarine Delivery Agency

SEEPB - South-East England Planning Partnership Board

SHENA – Strategic Housing and Economic Needs Assessment

SHMA – Strategic Housing Market Assessment

SLDC – South Lakeland District Council (former)

SM2 – Standard Method 2 (previous version)

SM3 – Standard Method 3 (current version)

SME - Small and Medium Enterprise

SMR – Standard Mortality Rate

SNHP – Sub-National Household Projections

SNPP – Sub-National Population Projections

SPD – Supplementary Planning Document

SRN – Strategic Road Network

TFR – Total Fertility Rate

TTWA – Travel to Work Area

UASC - Unaccompanied Asylum-Seeking Children

UKRI - UK Research and Innovation

UoC – University of Cumbria

VOA – Valuation Office Agency

YDNP – Yorkshire Dales National Park

YDNPA – Yorkshire Dales National Park Authority

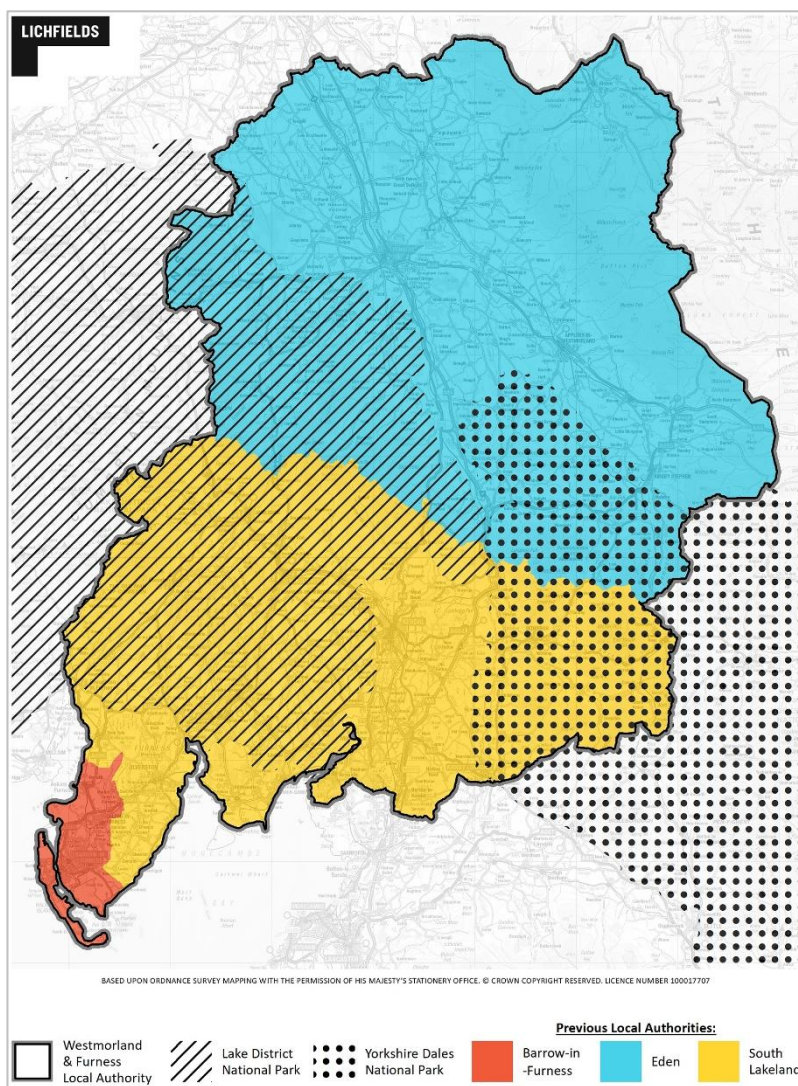
1.0 Introduction

- 1.1 Lichfields has been appointed by Westmorland & Furness Council [the Council] to undertake a Strategic Housing and Economic Needs Assessment [SHENA] for the District (including those parts which sit within the Lake District [LDNP] and Yorkshire Dales [YDNP] National Parks administrative boundaries). For the avoidance of doubt, references to ‘District’ and ‘Westmorland & Furness’ [Westmorland & Furness] are to the totality of the study area.
- 1.2 The overarching objective of the study is to provide the housing and economic evidence base to support policy development as the Council prepares its new Local Plan (2025-2045) in light of the recent boundary change which replaced Barrow Borough, South Lakeland District, and Eden District. Functions of Cumbria County Council were also disaggregated into two unitary authorities – Westmorland and Furness and Cumberland Councils.
- 1.3 This SHENA informs a critical part of the evidence base informing the preparation of a new Local Plan and has informed the approved Housing Strategy and Economic Development Strategy for the whole District and will inform future reviews of both documents. Given the legacy work compiled under previous administrations, it draws on:
- South Lakeland Local Plan Review (2021);
 - Strategic Housing and Economic Needs Assessment for Eden District Council (2021) and South Lakeland District Council (2023); and,
 - Strategic Housing Market Assessments [SHMAs] for Eden District (2015), Barrow Borough (2016/17), and South Lakeland (2017).
- 1.4 To support the preparation of a new Local Plan the Council is updating its evidence relating to the need for both housing and employment land in line with both the National Planning Policy Framework (published in December 2024) [NPPF] and the Planning Practice Guidance [PPG]. The SHENA will also identify the need for different types of housing, including affordable housing, drawing on existing available evidence where available. This SHENA is therefore intended to assist the Council in understanding the economic picture of Westmorland & Furness, the implications of employment growth on workforce and housing requirements and the related need for employment and housing land to address those requirements.
- 1.5 The study is split into three inter-related parts – the first identifies the overall housing need across Westmorland & Furness. The second considers the need for different types of housing and provide policy advice according to the Local Plan sub areas. The third establishes land requirements and policy imperatives in relation to employment land classes E(g)(i) offices, E(g)(ii) research and development [R&D], E(g)(iii) light industrial, B2 general industrial and B8 storage and distribution. The analysis aligns with the Council’s Local Plan period of **2025 to 2045** and provides a robust and up-to-date evidence upon which the new Local Plan can be based.
- 1.6 A key element of the work has involved disaggregating needs for the former Authority sub-areas which comprise Westmorland & Furness, including those parts within National Parks where the LDNP Authority [LDNPA] and YDNP Authority [YDNPA] are the respective Local Planning Authorities [LPAs]. Whilst need has been identified for the former

Authority sub-areas, this is advisory and it will be up to Westmorland and Furness Council to distribute its need around the District.

- 1.7 The study has also sought to understand other key economic matters affecting Westmorland & Furness. This includes the planned growth resulting from the AUKUS (Australia, UK, US partnership) security programme, as well as the energy investment potential in the Furness peninsula. The study provides growth options to consider their workforce implications and associated impact on housing requirements.

Figure 1.1 Westmorland & Furness SHENA Study Area including Previous Local Authority Boundaries



Source: Lichfields

Study Scope

- 1.8 This SHENA is intended to assist the Council in understanding the housing and economic picture of the District, the implications of employment growth on workforce and housing requirements and the related need for employment and housing land to address those requirements in planning policies and site allocations. To this end, the scope of the study involves:

Identifying overall housing needs:

- Confirmation of the extent of the housing market area [HMA] and any associated policy implications.
- Establishing the Local Housing Need [LHN] for Westmorland & Furness applying the standard method [SM3] as set out in NPPF and PPG.
- Assess alternative methods to identify housing need that may be necessary to support economic growth.
- Adopt alternative methods to identify housing need which recognises that the LPA boundary of the District does not align with the Westmorland & Furness Local Plan area due to the presence of the National Parks (as alluded to in the PPG).

The need for different types of housing:

- The appropriate mix of market housing types and tenure required.
- The need for affordable housing, including the type and tenure that is required. This includes recommendations regarding the policy merits of First Homes and the discount to be applied, potentially beyond the minimum 30%, and the consideration of bespoke eligibility criteria
- The demand for self and custom build housing, and opportunities to improve delivery.
- The need for housing for older people, disabled people and people with specialist care needs. This includes an assessment of opportunities to support such provision.

Modelling Economic needs:

- Confirming the extent of the functional economic market area [FEMA] and associated policy implications.
- Modelling sectoral and employment forecasts and considering the scale of future labour supply required to meet those needs.
- Review of past take up of employment land including commentary on planning approvals for business growth outside of Local Plan allocations, and business relocation / growth outside of the district which could be linked to lack of available / suitable sites.
- Commentary on the possible long-term implications of the Covid pandemic on the economy and working practices, including the demand for home-working and more locally based satellite sites, where this could impact on employment land provision.
- Identify employment land requirements for the District having regard to the above and commercial market demand within the sub-areas, with commentary on potential unit size demand, tenure and the optimum scale of overall site development.

- Identify any specific locational requirements of relevant sectors of the economy, including new or specialist sectors.
- Commentary on the current and potential future stock of employment land, and the extent to which it can support the future needs of the economy in terms of the quantum, quality, size, locational requirements as well as alignment with market demand and known viability issues.
- A high-level overview of opportunities in Westmorland & Furness for the NPPF's 'modern economy' categories (laboratories, gigafactories, data centres, digital infrastructure, freight and logistics). This will analyse whether there may be justification for providing new allocations in the District to address their specific locational needs.

Report Structure

- 1.9 This SHENA is structured as follows:
- 2 Background Policy Context - sets out the national and local planning policy context along with the economic strategy for the District.
 - 3 Defining the Housing Market Area / Functional Economic Market Area that the District sits within.
 - 4 Socio-Economic Context for the study.
 - 5 Housing Market Signals Analysis - a detailed assessment of the District's demographic characteristics and the housing market more generally.
 - 6 LHN – the application of the Government's standard methodology to derive a housing need figure for the District as a whole. This section includes an assessment of whether exceptional circumstances exist that would justify an alternative approach.
 - 7 An analysis of the scale of affordable housing need that currently exists in the District.
 - 8 Local housing dynamics, examining how the need might best be distributed across the District (including the area within the National Parks' administrative boundaries).
 - 9 Analysis of the type, tenure and size of housing required in the District.
 - 10 The needs of specific groups, including families and older people.
 - 11 Commercial property market signals and analysis.
 - 12 Forecasting future economic growth needs and employment land requirements.
 - 13 Analysing the Needs of the Modern Economy, assessing the current prevalence of laboratories, gigafactories, data centres and digital infrastructure in Westmorland & Furness before analysing their growth potential.
 - 14 Conclusions and recommendations, bringing together and summarising the key findings and recommendations of the SHENA.

2.0 **Background – Policy Context**

Introduction

2.1 This section comprises the housing and employment evidence base that will be used to inform the Council’s emerging Local Plan policies and is in accordance with the following planning policy, housing and economic documents at a national, sub-regional, and local level.

National Planning Policy Framework (December 2024)

2.2 The NPPF places a particular emphasis on sustainable development, including the provision of homes and employment land, through a process of:

- 1 Supporting strong, vibrant and healthy communities by ensuring that there are a sufficient number and range of homes to meet the needs of present and future generations;
- 2 Fostering well-designed, beautiful and safe places that reflect current and future needs;
- 3 Reviewing employment land allocations to ensure the supply meets identified needs;
- 4 Proactively supporting sustainable economic development to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure; and,
- 5 Encouraging the effective use of land by re-using land that has been previously developed (brownfield land), with a view to promoting regeneration.

2.3 It states that the purpose of the planning system is to contribute to the achievement of sustainable development, including the provision of homes, commercial development, and supporting infrastructure in a sustainable manner [§7].

2.4 Paragraph 11 of the NPPF retains the presumption in favour of sustainable development and refers to the expectation that plans should “*meet the development needs of their area*” and:

“...as a minimum provide for the objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas, unless:

- i *the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area⁷; or*
- ii *any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.”*

2.5 Ultimately, the Council’s Local Plan will need up-to-date and comprehensive evidence to inform its judgements about the need for, and relative importance of, housing and employment land in its area, particularly in the face of continued pressure for release to other uses.

- 2.6 NPPF now states that planning policies and decisions should promote an effective use of land in meeting the need for homes and other uses, while safeguarding and improving the environment and ensuring safe and healthy living conditions. Strategic policies should set out a clear strategy for accommodating objectively assessed needs, in a way that makes as much use as possible of previously-developed or 'brownfield' land [paragraph 124].

Housing Policy

- 2.7 Regarding housing need, the NPPF has reinforced the Government's objective of significantly boosting the supply of homes, making explicit reference to the overall aim of meeting an area's identified housing need, including with an appropriate mix of housing types for the local community [§61]. It states that to determine the minimum number of homes needed, strategic policies should be informed by a LHN assessment, conducted using SM3:

"To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning practice guidance. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for." [§62]

- 2.8 LHN is defined in Annex 2 of the NPPF as:

"The number of homes identified as being needed through the application of the standard method set out in national planning practice guidance."

- 2.9 Within this context of establishing need, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies. The NPPF advises that these groups should include (but are not limited to) those who require affordable housing (including Social Rent); families with children; looked after children; older people (including those who require retirement housing, housing-with-care and care homes); students; people with disabilities; service families; travellers; people who rent their homes and people wishing to commission or build their own homes [§63].

- 2.10 There is an increasing emphasis on the need to plan specifically for social rented properties in the NPPF compared to previous iterations. Paragraph 64 states that where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, including the minimum proportion of Social Rent homes required. In the Annex 2 glossary, Social Rent is now given increased prominence and is defined separately from 'other affordable housing for rent' when discussing affordable housing.

- 2.11 The NPPF reconfirms that strategic policy-making authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period. It goes on to state that the housing requirement may be higher than the identified housing need if it reflects growth ambitions linked to economic development or infrastructure investment:

"The requirement may be higher than the identified housing need if, for example, it includes provision for neighbouring areas, or reflects growth ambitions linked to economic development or infrastructure investment. Within this overall requirement,

strategic policies should also set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations.” [§69]

2.12 This makes it increasingly important that the SHENA models robust labour supply scenarios to ensure that its future housing requirement and employment land needs are in alignment.

2.13 The NPPF also includes a new paragraph extolling the virtues of mixed tenure sites:

“Mixed tenure sites can provide a range of benefits, including creating diverse communities and supporting timely build out rates, and local planning authorities should support their development through their policies and decisions (although this should not preclude schemes that are mainly, or entirely, for Social Rent or other affordable housing tenures from being supported). Mixed tenure sites can include a mixture of ownership and rental tenures” [§71].

2.14 The NPPF goes on to say that authorities should identify a sufficient supply and mix of sites, taking into account their availability, suitability and likely economic viability [§72].

Employment Land / Economic Policy

2.15 Section 6 of the NPPF summarises how the planning system should help build a strong competitive economy:

“Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development.” [§85]

2.16 The NPPF [§86] states that LPAs are required to ensure that Local Plan policies set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to the national industrial strategy and any relevant Local Industrial Strategies [LIS] and other local policies for economic development and regeneration. They should set criteria, and identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period, and seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment. The NPPF also requires planning policies to be flexible enough to accommodate needs not anticipated in the plan and allow for new and flexible working practices and spaces to enable a rapid response to changes in economic circumstances.

2.17 The NPPF expands paragraph 86 by including a new requirement for LPAs to “*pay particular regard to facilitating development to meet the needs of a modern economy, including by identifying suitable locations for uses such as laboratories, gigafactories, data centres, digital infrastructure, freight and logistics.*”

2.18 Paragraph 87, which requires planning policies and decisions to recognise and address the specific locational requirements of different sectors, is also expanded in the new NPPF. Criterion (a) requires policies to make provision for “*clusters or networks of knowledge and data-driven, creative or high technology industries; and for new, expanded or*

upgraded facilities and infrastructure that are needed to support the growth of these industries (including data centres and grid connections)”.

- 2.19 Criterion (b) identifies a requirement to provide for storage and distribution operations at a variety of scales and in suitably accessible locations “*that allow for the efficient and reliable handling of goods, especially where this is needed to support the supply chain, transport innovation and decarbonisation*”.
- 2.20 Criterion (c) sets out a new requirement to make provision for the “*expansion or modernisation of other industries of local, regional or national importance to support economic growth and resilience*”.

NPPF Consultation Draft 2025

- 2.21 The Government has recently published a revised draft NPPF, for consultation until 10th March 2026. The consultation proposes very substantial and detailed changes to the current NPPF and **reaffirms that economic growth is the Government's number one mission, with freight and logistics the driver**. This is given expression in the revised Chapter 7: *Building a strong, effective economy*, where substantial weight must now be afforded to proposals that support business growth across nationally significant sectors, including freight, logistics, AI Growth Zones and data-driven industries.
- 2.22 The proposals would instigate transformative proposals for the logistics industry through newly drafted Policies E2: *Meeting the need for business land and premises* and E3: *Freight and logistics*. Policy E2 introduces a clearer and more evidence-led approach to assessing unmet need for business land. It states that to support business growth, substantial weight should be given to “*the economic benefits of proposals for commercial development which allow businesses to invest, expand and adapt; especially where this would support the economic vision and strategy for the area, the implementation of the Industrial Strategy, support improvements in freight and logistics and/or reflect proposals for Industrial Strategy Zones and AI Growth Zones*”.
- 2.23 It goes on to state that:
- “where a development proposal is required to demonstrate whether an unmet need exists (including to demonstrate compliance with Policy S5) consideration should be given to whether:*
- a) *Market signals indicate an undersupply of specific types of land or premises, taking into account the anticipated catchment area for the type of development proposed, the changing needs of different sectors and the availability of existing land and buildings; or*
 - b) *A development proposal's specific locational requirements are met by existing allocations in the development plan. This includes, but is not limited to, situations where: (inter alia)*
 - iii. *proposals would meet a local, regional or national need for the provision of new, expanded or upgraded facilities that would result in more efficient, reliable or sustainable handling of goods (whether for their receipt, storage, processing, interchange or distribution).”*

- 2.24 Policy E3 sets out planning considerations specific to freight and logistics development and associated infrastructure, including access to transport networks, parking provision, and potential impacts on the environment, local residents, and neighbouring uses. A policy specific to this sector is proposed "*because of the particular physical and locational characteristics of logistics developments, which in some cases will involve particularly large structures, and because of the particular importance of having access to the right transport links for the type of operation*".
- 2.25 As for housing, small and medium sites are considered key to housing delivery and should benefit from 'easements' in law and policy, recognising viability matters including the cost of bringing planning applications forward and the developer contributions sought affect that delivery. The Government is proposing that for the purpose of the NPPF 'medium development' is defined as, "*for housing, development where 10-49 homes (inclusive) will be provided, and the site has an area of up to 2.5 hectares*".
- 2.26 The NPPF consultation seeks to 'secure a diverse mix of homes' by better supporting the needs of different groups through the planning system. It does this with several key proposals:
- **Stronger support for rural social and affordable housing**, by widening the previous narrow definition of 'designated rural areas' to include Parishes with a population of less than 3,000 and population density of two persons or less per hectare, allowing affordable housing contributions to be sought on minor developments in those areas.
 - **Mandating that LPAs set out policies for the proportion of housing to be delivered to building regulations optional standards part M4(2) 'accessible and adaptable dwellings' and M4(3) 'wheelchair user dwellings'**, with a set minimum of 40% of homes delivered to one or other of the standards.
 - **Requiring authorities to allocate sites to provide for specific types of housing such as older persons housing, purpose-built student accommodation, and self-build plots.** Such a change would require a wider consideration of site selection through Local Plans to meet those needs.
 - **More flexibility on the housing unit mix**, where local requirements on the mix of affordable homes are met or exceeded. In practice this is brought through in policy wording which indicates that where such affordable housing stipulations on tenure and mix are met, including a minimum proportion of social rent, "*a flexible approach should be taken to taken to the application of any development plan requirements relating to the size of market homes, taking into account prevailing market conditions*" (Policy HO8(3)).

Planning Practice Guidance

- 2.27 On 6th March 2014 the Government launched the PPG web-based resource². This brought together many areas of former English planning guidance into a new format linked to the NPPF. This included replacing the previous SHMA Practice Guidance published in 2007, which has now been withdrawn.

² <http://planningguidance.planningportal.gov.uk/>

- 2.28 Although the new PPG is more succinct and provides less detail on the assessment of affordable housing need than the 2007 Guidance, the overall approach remains essentially the same. Following the publication of revisions to the NPPF, the section of the PPG addressing the calculation of objectively assessed housing needs was updated on 12th December 2024. The PPG's more generalised guidance on Economic Needs Assessments was last updated on 20th February 2019, with a high-level approach for assessing need for logistics space added later that year, on 22nd July.

Housing Policy

Calculating Local Housing Need

- 2.29 The PPG states that the NPPF expects strategic policy-making authorities to follow SM3 in assessing local housing need. This uses a formula that incorporates a baseline of local housing stock which is then adjusted upwards to reflect local affordability pressures to identify the minimum number of homes expected to be planned for³. SM3 identifies a minimum annual housing need figure and ensures that plan-making is informed by an unconstrained assessment of the number of homes needed in an area. It does not produce a housing requirement figure. It is important to note that the housing requirement may be higher than the identified housing need, and authorities should consider the merits of planning for higher growth if, for example, this would seek to reflect economic growth aspirations⁴.
- 2.30 The minimum annual LHN figure calculated using SM3⁵ firstly sets a baseline using 0.8% of the existing housing stock (including vacant units) for the local authority area (using the most recent data). Housing stock is used because it provides a stable and predictable baseline that ensures all areas, as a minimum, are contributing a share of the national total that is proportionate to the size of their current housing market.
- 2.31 The housing stock baseline figure is then adjusted based on the affordability of the area. The affordability data used is the affordability ratio [AR] data⁶, published by the Office for National Statistics [ONS] at a local authority level. The mean average affordability over the five most recent years for which data is available should be used.
- 2.32 The affordability adjustment is applied to ensure that SM3 responds to price signals and is consistent with the policy objective of significantly boosting the supply of homes and set at a level to ensure that minimum annual housing need starts to address the affordability of homes⁷.
- 2.33 The calculation is as follows:

$$\text{Adjustment Factor} = ((\text{five year average affordability ratio} - 5) / 5) \times 0.95 + 1$$

³ 2a-002-20241212

⁴ 2a-040-20241212

⁵ 2a-004-20241212

⁶ <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

⁷ 2a-006-20241212

- 2.34 No adjustment is applied where the ratio is 5 or below. For each 1% the ratio is above 5, the housing stock baseline is increased by 0.95%. An authority with a ratio of 10 will have a 95% increase on its housing stock baseline.
- 2.35 The PPG explains that the affordability adjustment is applied to take account of past under-delivery. As SM3 identifies the minimum uplift that will be required, it is not a requirement to specifically address under-delivery separately⁸.
- 2.36 Whilst the resultant LHN figure (which can be applied to the whole plan period) should be kept under review and revised where appropriate, it may be relied upon for plan making for a period of 2 years from the time that the plan is submitted to the Planning Inspectorate for examination.
- 2.37 Whilst stressing that SM3 should be used to assess housing needs, the PPG notes that there are some specific circumstances in which an alternative approach could be justified.
- 2.38 There is separate guidance on identifying the housing needs of different groups⁹ and [housing needs of older and disabled people](#), summarised below.

Calculating Affordable Housing Needs

- 2.39 Starting with affordable housing needs, this includes all households whose needs are not met by the market. LPAs are required to estimate the current number of households and projected number of households who lack their own housing or who cannot afford to meet their housing needs in the market.
- 2.40 The calculation of affordable housing need progresses through a number of stages, starting with current unmet gross need. This can be calculated by assessing past trends and current estimates of:
- the number of homeless households;
 - the number of those in priority need who are currently housed in temporary accommodation;
 - the number of households in over-crowded housing;
 - the number of concealed households;
 - the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings); and,
 - the number of households from other tenures in need and those that cannot afford their own homes, either to rent, or to own, where that is their aspiration¹⁰.
- 2.41 The PPG stresses that care should be taken to avoid double-counting, and to include only those households who cannot afford to access suitable housing in the market. Potential data sources include local authority data, census data, housing registers, and transfer lists.
- 2.42 The PPG then turns to the next stage, involving calculating the number of newly arising households likely to be in affordable housing need be calculated (a gross annual estimate).

⁸ 2a-011-20241212

⁹ <https://www.gov.uk/guidance/housing-needs-of-different-groups>

¹⁰ 2a-020-20190220

2.43 This states that any projections of affordable housing need will have to reflect new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimate of the number of existing households falling into need. This process will need to identify the minimum household income required to access lower quartile (entry level) market housing. The output is the proportion of newly forming households that are unable to access market housing, using data from the Ministry of Housing Communities and Local Government [MHCLG] household projections, the English Housing Survey [EHS], local authority and registered social landlords databases, and mortgage lenders¹¹, based on the following calculation:

Total newly arising affordable housing need (gross per year) = (the number of newly forming households x the proportion unable to afford market housing) + existing households falling into need.

2.44 The next stage¹² is to look at the availability of the current total affordable housing supply that can be used to accommodate households in affordable housing need, as well as future supply. Assessing the total affordable housing supply requires the identification of:

- the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need;
- suitable surplus stock (vacant properties); and,
- the committed supply of new net affordable homes at the point of the assessment (number and size).

2.45 This can be summarised into the following calculation:

Total affordable housing stock available = Dwellings currently occupied by households in need + surplus stock + committed additional housing stock – units to be taken out of management.

2.46 Data that can be used to calculate this includes MHCLG affordable housing supply statistics, the housing register, transfer lists, demolition and conversion programmes, and the development programmes of affordable housing providers.

2.47 There is also a qualitative element to this analysis, which involves looking at the current stock of houses of different sizes and assess whether these match current and future needs¹³.

2.48 Bringing this all together, the total need for affordable housing needs to be converted into annual flows by calculating the total net need (subtract total available stock from total gross need) and converting total net need into an annual flow based on the plan period:

¹¹ 2a-021-20190220

¹² 2a-022-20190220

¹³ 2a-023-20190220

“The total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, taking into account the probable percentage of affordable housing to be delivered by eligible market housing led developments. An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes.”¹⁴

Calculating the Housing Needs of Different Groups of People

2.49 The PPG also sets out guidance on how plan-making authorities should identify and plan for the housing needs of particular groups of people. It states that SM3 identifies an overall minimum average annual housing need figure but does not break this down into the housing need of individual groups:

“This may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method.

Strategic policy-making authorities will need to consider the extent to which the identified needs of specific groups can be addressed in the area, taking into account:

- the overall level of need identified using the standard method (and whether the evidence suggests that a higher level of need ought to be considered);*
- the extent to which the overall housing need can be translated into a housing requirement figure for the plan period; and*
- the anticipated deliverability of different forms of provision, having regard to viability.”¹⁵*

2.50 A number of specific household groups are identified. Starting with the needs of the **Private Rented Sector** [PRS], the PPG states that tenure data from ONS can be used to understand the future need for PRS housing. However, this will be based on past trends. The level of changes in rents may reflect the demand in the area for PRS housing, and can be sourced from the EHS, ONS’s Private Rental Index, the Valuation Office Agency [VOA], HomeLet Rental Index and other commercial sources¹⁶.

2.51 Moving on to assessing the needs of **self-build and custom housebuilding**, the PPG states that most LPAs are now required to keep a register of individuals and associations of individuals who are seeking to acquire serviced plots of land in their area in order to build their own home. To obtain a robust assessment of demand for this type of housing in their area, LPAs should assess and review the data held on registers. This assessment can be supplemented with the use of existing secondary data sources such as building plot search websites, ‘Need-a-Plot’ information available from the Self Build Portal and enquiries for building plots from local estate agents¹⁷.

¹⁴ 2a-024-20190220

¹⁵ 67-001-20190722

¹⁶ 67-002-20190722

¹⁷ 67-003-20190722

- 2.52 Turning to **student housing needs**, strategic policy-making authorities need to plan for sufficient student accommodation whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus:

“Encouraging more dedicated student accommodation may provide low cost housing that takes pressure off the private rented sector and increases the overall housing stock. Strategic policy-making authorities are encouraged to consider options which would support both the needs of the student population as well as local residents before imposing caps or restrictions on students living outside university-provided accommodation. LPAs will also need to engage with universities and other higher educational establishments to ensure they understand their student accommodation requirements in their area.”¹⁸

Housing for older and disabled people

- 2.53 The housing **needs of older and disabled people** has a dedicated chapter in the PPG.
- 2.54 It begins by summarising the type of evidence that plan-makers can consider when identifying the housing needs of older people, including Census data and population projections. The future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed and can be obtained from a number of online tool kits provided by the sector. The assessment of need can also set out the level of need for residential care homes¹⁹.
- 2.55 Turning to the housing needs of people with disabilities, the PPG states that multiple sources of information may need to be considered in relation to disabled people who require adaptations in the home, either now or in the future. The Census provides information on the number of people with a long-term limiting illness, and plan-makers can access information from the Department for Work and Pensions on the numbers of Personal Independence Payment (replacing Disability Living Allowance) / Attendance Allowance benefit claimants.
- 2.56 Whilst these data sources can provide an indication of the number of disabled people, the PPG states that not all of the people included within these counts will require adaptations in the home:
- “Applications for Disabled Facilities Grant (DFG) will provide an indication of levels of expressed need, although this will underestimate total need, as there may be a large number of people who would want or need an adaptation, but would not have applied to the DFG.”²⁰*
- 2.57 The PPG further advises that engagement at all levels can help plan-makers identify the housing needs of people with disabilities.
- 2.58 On the basis of this evidence, Plan-making authorities should set clear policies to address the housing needs of groups with particular needs such as older and disabled people. These policies can set out how the plan-making authority will consider proposals for the different types of housing that these groups are likely to require. They could also provide indicative

¹⁸ 67-004-20190722

¹⁹ 63-004-20190626

²⁰ 63-005-20190626

figures or a range for the number of units of specialist housing for older people needed across the plan area throughout the plan period.

2.59 A number of different types of specialist housing for older people are identified in the PPG, including age-restricted general market housing; Retirement living, or sheltered housing; extra care housing, or housing-with-care; and Residential care homes, and nursing homes.

2.60 The PPG confirms that Plans need to provide for specialist housing for older people where a need exists. Innovative and diverse housing models will need to be considered where appropriate²¹:

“Many older people may not want or need specialist accommodation or care and may wish to stay or move to general housing that is already suitable, such as bungalows, or homes which can be adapted to meet a change in their needs. Plan-makers will therefore need to identify the role that general housing may play as part of their assessment.

Plan-makers will need to consider the size, location and quality of dwellings needed in the future for older people in order to allow them to live independently and safely in their own home for as long as possible, or to move to more suitable accommodation if they so wish.”

2.61 The PPG states that plan-making authorities will need to count housing provided for older people against their housing requirement. For residential institutions, to establish the amount of accommodation released in the housing market, authorities should base calculations on the average number of adults living in households, using the published Census data²².

Employment Land / Economic Policy

2.62 The methodology for undertaking economic needs assessments is not set out in the NPPF. The Housing and Economic Needs Assessment chapter of the PPG provides this guidance. The relevant section of the PPG addressing the calculation of objectively assessed employment land needs was updated on 20th February 2019 and 22nd July 2019.

2.63 It begins by setting out how strategic policy making authorities can prepare and maintain evidence about business needs. This would include liaising closely with the local business community, assessing:

- the best fit functional economic market area [FEMA];
- the existing stock of land for employment uses within the area;
- the recent pattern of employment land supply and loss - for example based on extant planning permissions and planning applications (or losses to permitted development);
- evidence of market demand (including the locational and premises requirements of particular types of business) - sourced from local data and market intelligence, such as recent surveys of business needs, discussions with developers and property agents and engagement with business and economic forums;
- wider market signals relating to economic growth, diversification and innovation; and,

²¹ 63-012-20190626

²² 63-016a-20190626

- any evidence of market failure - such as physical or ownership constraints that prevent the employment site being used effectively²³.

2.64 In assessing future requirements for employment land, the PPG requires plan-makers to consider:

- sectoral and employment forecasts and projections which take account of likely changes in skills needed (labour demand);
- demographically derived assessments of current and future local labour supply (labour supply techniques);
- analysis based on the past take-up of employment land and property and/or future property market requirements; and,
- consultation with relevant organisations, studies of business trends, an understanding of innovative and changing business models; and monitoring of business, economic and employment statistics²⁴.

2.65 The PPG also requires LPAs to take account of longer-term economic cycles in assessing this data, and to consider and plan for the implications of alternative economic scenarios.

2.66 It notes that the available stock of land can be compared with the particular requirements of the area so that ‘gaps’ and any over-supply in local employment land provision can be identified:

“It is important to consider recent employment land take-up and projections (based on past trends) and forecasts (based on future scenarios), and to identify instances where sites have been developed or sought for specialist economic uses. This will help to provide an understanding of the underlying requirements for office, general business and distribution space, and (when compared with the overall stock of employment sites) can form the context for appraising individual sites.”²⁵

2.67 The approach that would need to be undertaken to define the Council’s employment land requirements would need to follow that set out in the PPG below²⁶:

“When translating employment and output forecasts into land requirements, there are 4 key relationships which need to be quantified. This information can be used to inform the assessment of land requirements. The 4 key relationships are:

- *Standard Industrial Classification sectors to use classes;*
- *Standard Industrial Classification sectors to type of property;*
- *employment to floorspace (employment density); and*
- *floorspace to site area (plot ratio based on industry proxies).”*

2.68 This is appropriate as the forecasting of employment land should be based on a number of reasonable scenarios that (in the words of the current PPG) are based on “*a range of data which is current and robust*”.

²³ 2a-026-20190220

²⁴ 2a-027-20190220

²⁵ 2a-02920190220

²⁶ 2a-030-20190220

- 2.69 The PPG has also added in two sections on how authorities can assess need and allocate space for logistics²⁷ and how specific locational requirements of specialist or new sectors be addressed²⁸.
- 2.70 Regarding logistics, the PPG states that where a need for such facilities may exist, strategic policy-making authorities should collaborate with other authorities, infrastructure providers and other interests to identify the scale of need across the relevant market areas. It states that this can be informed by:
- *“Engagement with logistics developers and occupiers to understand the changing nature of requirements in terms of the type, size and location of facilities, including the impact of new and emerging technologies;*
 - *analysis of market signals, including trends in take up and the availability of logistics land and floorspace across the relevant market geographies;*
 - *analysis of economic forecasts to identify potential changes in demand and anticipated growth in sectors likely to occupy logistics facilities, or which require support from the sector; and*
 - *engagement with Local Enterprise Partnerships and review of their plans and strategies, including economic priorities within Local Industrial Strategies.”*
- 2.71 Whilst Local Enterprise Partnerships [LEPs] were wound up in 2024, many of their functions were transferred to local authorities and Combined Authorities. In the absence of LEPs, engagement may be informed by consultation with other public bodies.
- 2.72 The PPG advises that authorities also need to assess the extent to which land and policy support is required for other forms of logistics requirements, including the needs of SMEs and of ‘last mile’ facilities serving local markets. It states that a range of up-to-date evidence may have to be considered in establishing the appropriate amount, type and location of provision, including market signals, anticipated changes in the local population and the housing stock as well as the local business base and infrastructure availability.
- 2.73 Finally, the PPG states that when assessing what land and policy support may be needed for different employment uses, it will be important to understand whether there are specific requirements in the local market which affect the types of land or premises needed. It notes that:
- “Clustering of certain industries (such as some high tech, engineering, digital, creative and logistics activities) can play an important role in supporting collaboration, innovation, productivity, and sustainability, as well as in driving the economic prospects of the areas in which they locate. Strategic policy-making authorities will need to develop a clear understanding of such needs and how they might be addressed taking account of relevant evidence and policy within Local Industrial Strategies. For example, this might include the need for greater studio capacity, co-working spaces or research facilities.*
- These needs are often more qualitative in nature and will have to be informed by engagement with businesses and occupiers within relevant sectors.”*

²⁷ 2a-031-20190722

²⁸ 2a-032-20190722

The UK's Modern Industrial Strategy

- 2.74 The UK Government released its Modern Industrial Strategy [MIS] in June 2025. This sets out the Government's vision for unlocking economic growth, underpinned by:
- a long-term and stable outlook;
 - a renewed commitment to free and fair trade;
 - measures to ease the investor journey; and,
 - a strategic growth-focused state.
- 2.75 As part of its mission for growth, the MIS identifies eight growth driving sectors [IS-8] comprised of: advanced manufacturing, creative industries, clean energy, defence, digital technologies, financial services, life sciences, and professional business services.
- 2.76 The MIS notes that as one of the IS-8 growth driving sectors, defence is the cornerstone of the UK's national security, which underpins economic growth. The report acknowledges that the UK's defence businesses are global leaders in their fields, with strengths in defence capabilities spread across the country, acknowledging the importance of submarine building in Barrow to our defence capabilities.
- 2.77 The Government's commitment to increase investment in defence to 2.6% of GDP in 2027, with an ambition to rise to 3% in the next Parliament, will protect the UK from increasing external threats and create a generational opportunity for the Defence sector. MoD spending with industry supports over 200,000 jobs across the UK, with nearly 70% of spending outside London and the South East:
- "The Strategic Defence Review vision is for, by 2035, the UK to be a "leading tech-enabled defence power, with an Integrated Force that deters, fights, and wins through constant innovation at wartime pace". To do this, the Government's ambition is to unlock that potential and transform the UK into a defence industrial superpower, delivering world-leading UK capability and forging a new partnership with industry, workers, and our Armed Forces". [page 128]*
- 2.78 To achieve this ambition, the Government states that it will reform the business environment; prioritise frontier industries critical to security and growth; launch new 'Defence Growth Deals' across the UK to support localised ecosystems in the places with the highest growth potential in defence-related industries aligned to our national security priorities; and deepen collaboration with the sector, including through the new Defence Industrial Joint Council.
- 2.79 The MIS identifies several barriers to investment that it will seek to overcome as part of the growth mission and through the lens of promoting investment. This includes:
- Enhancing skills and increasing access to talent;
 - Improving energy and infrastructure by tackling high electricity costs and investing in clean energy;
 - Reduce regulatory barriers (including planning reform);

- Increase trade and support inward investment through proactive bringing forward more investible sites as part of Industrial Strategy Zones (which includes Investment Zones and Freeports); and,
- Strengthen local business environment including funding, taxation and investment.

2.80 A core objective of the MIS is to take a place-based approach which focusses on places with the greatest potential for growth sectors. Recognising where city regions, high-potential clusters, and strategic industrial sites exist.

2.81 Whilst logistics is not named as an IS-8, it is recognised that enhancing access to transport and logistics will improve supply chain capabilities, resilience and improve the business environment for those operating within the IS-8.

2.82 In the next stage of development of the MIS, the Government will prioritise subsectors within these broad sectors that meet their objectives and where there is evidence that policy can address barriers to growth. Targeted Sector Plans will be designed in partnership with business, devolved governments and regions, and other stakeholders.

Local Planning Policy and Associated Evidence Base

Westmorland & Furness

Westmorland & Furness Joint Local Health and Wellbeing Strategy 2024-2034

2.83 In July 2024, the Health and Wellbeing Board adopted a new Joint Local Health and Wellbeing Strategy [JLHWS]. The vision set out in the strategy is to enable all residents in Westmorland & Furness to live happy, healthy and fulfilling lives. The strategy explains that this vision will be achieved through actions focused on five key themes:

- Improving the building blocks of health and wellbeing;
- Supporting good mental health and emotional wellbeing for all;
- Ensuring every child and young person has the best start in life;
- Supporting our residents to live healthy lives; and,
- Supporting our residents to live well and independently for longer.

Westmorland & Furness Housing Strategy 2025-2030

2.84 Westmorland and Furness Council published its first Housing Strategy in January 2025. This recognised that housing was a key driver for inclusive economic growth, is central to sustainable communities, and was vital for delivering climate change ambitions. This set out key objectives, including:

- Preventing and tackling homelessness;
- Meeting the needs of an ageing population;
- Growing the supply of affordable and available housing;
- Addressing the rural housing crisis;
- Supporting communities through neighbourhood renewal and regeneration; and,

- Addressing stock condition issues.

2.85 The Housing Strategy states that each of the key objectives and themes will be underpinned by a detailed Action Plan which, at the time of writing, is still being developed. These will then be subjected to regular monitoring and review throughout the strategy.

Westmorland & Furness Summary Joint Strategic Needs Assessment

2.86 The Joint Strategic Needs Assessment [JSNA] (June 2024) provides an assessment of the current and future health and social care needs of the local population. This reviews population health data, identifies health inequalities and considers the impact of wider determinants of health and wellbeing. JSNAs are an essential tool to provide evidence to inform the JLHWS, but also to provide partners with an in-depth understanding of current and emerging local needs to guide strategic planning. The development and utilisation of a collectively agreed assessment of need by partners allows for effective prioritisation of resource and the promotion of joined-up working

2.87 The purpose of the document is to highlight the key opportunities for partnership-driven interventions and approaches to improve health and wellbeing outcomes across the life course and reduce the health inequalities experienced by residents and has been used to develop the JLHWS.

Westmorland & Furness 5 Year Housing Land Supply Report 2025

2.88 The Council published its 2025 Five-Year Housing Land Supply [5YHLS] Report for the area outside the National Parks in November 2025. As this was published after the most recent (December 2024) NPPF, it factored in the SM3 as a baseline for calculating the five-year housing land supply position at the base date 31st March 2025.

Table 2.1 Westmorland & Furness 5YHLS Position as at 31st March 2024

Step	Description	Calculation	Figure
a)	Local Housing Need annual requirement (using alternative approach)	SM3 figure of 1,332 dwellings per annum [dpa] split between Westmorland & Furness, the LDNP and YDNP. Westmorland & Furness = 74.53% of the total.	993
b)	Local Housing Need 2025-2030	a*5 years	4,965
c)	Five Year Requirement including 5% buffer	b*1.05	5,213
d)	Annual Five-Year Requirement	c/5	1,043
e)	Deliverable land supply	Units	3,305
f)	Land supply in years	e/d	3.17

Source: the Council (April 2025): Westmorland & Furness 5 Year Housing Land Supply Report 2024, Table 1

2.89 The 2025 5YHLS Report considered that the Council could only demonstrate a deliverable land supply of 3.17 years at the time of its publication.

Inclusive and Green Economic Growth Strategy (2026-35)

- 2.90 The Council has developed an Inclusive and Green Economic Growth Strategy [hereafter referred to as the Economic Strategy] which sets out a strategic framework for sustainable, inclusive and prosperous growth.
- 2.91 The Economic Strategy identifies the presence of nationally significant strategies including Advanced Manufacturing, Clean Energy, and Defence, which are acknowledged to be within the eight high growth sectors within the UK Modern Industrial Strategy.
- 2.92 The Economic Strategy also identifies core strengths agriculture, forestry and fishing, energy and the visitor economy. However, it notes that there are emerging opportunities in the green economy professional services, and the creative, culture and leisure industries.
- 2.93 The Economic Strategy recognises that the District needs to respond to the economic challenges of growing the working age population, equipping people with the skills which connect them to good jobs, supporting the business base and stimulating enterprise, and investing in enabling infrastructure (i.e. housing, transport, digital, and sites and premises).
- 2.94 The strategic framework for the Economic Strategy is structured around three thematic pillars:
- 1 **The People Pillar** which seeks to enhance quality of life and skills. This includes improving health and wellbeing, attracting and nurturing skills and talent, and maximising labour market participation.
 - 2 **The Business Pillar** which aims to underpin the economy with a resilient, enterprising business base that supports growth, wellbeing and inclusivity. This includes increasing productivity, supporting growth and resilience in key sectors.
 - 3 **The Place Pillar** which emphasises the importance of making the District an attractive, vibrant place to live, work and invest. This includes harnessing natural assets, improving strategic and local connections (digital and transport), developing a housing offer which meets the needs and local aspirations, and securing major investment to support growth and vibrancy.
- 2.95 Across these pillars will be the two cross-cutting themes of inclusive growth and green growth to ensure all communities benefit and support environmental sustainability.
- 2.96 To measure success, the Economic Strategy identifies key outcomes:
- Grow the working-age population;
 - Increase the employment rate;
 - Increase net business formation rate;
 - Increase the productivity of the economy;
 - Ensure a skilled workforce aligned to business needs;
 - Reduce inequalities and deprivation;
 - Improved life chances for children and young people; and,
 - Achieve carbon zero by 2037.

2.97 The Council will work in partnership with partners, businesses and residents to realise the Economic Strategy. The Council will also continue to monitor progress towards achieving this vision and evaluating the effectiveness of actions, with progress reviewed as part of an annual implementation plan.

Barrow Borough Council

Barrow Borough Local Plan (2016-2031)

2.98 The Barrow Local Plan [BLP] was adopted on 4th June 2019 and set out a vision for the former borough until 2031. It sought to address key planning areas facing the borough including population decline, lack of housing choice, and unemployment, whilst promoting the borough's assets such as its natural environment and highly skilled workforce.

2.99 Based upon the 2011 Census, the BLP identified a population of 69,056 concentrated within the principal settlement of Barrow and market town of Dalton. Over the plan period, the population was predicted to decline, along with the average household size. The BLP anticipated fewer people aged 20-39 and a higher proportion of people aged 60 or over in the plan period. Due to this, the BLP acknowledges a need to provide housing to meet the needs of older people.

2.100 Policy DS4 of the BLP set out the regeneration opportunity sites for a mix of housing, employment, culture, leisure and tourism development:

- OPP1 Land at Channelside (South) formerly SHL007b (2.30 hectares [ha]);
- OPP2 Former Golf Driving Range, Walney Road formerly SHL009 (6.68 ha);
- OPP3 Salthouse Mills formerly SHL002 (7.96 ha);
- OPP4 Phoenix Road (by Travelodge) formerly EMR16 (0.68 ha); and,
- OPP5 Former Kwik Save, Holker Street, Barrow formerly SHL061 (0.5 ha).

2.101 In terms of employment, Barrow forms part of a wider Travel to Work Area [TTWA] which extends to the LDNP, including parts of South Lakeland to the east.

2.102 Advanced manufacturing is identified within the BLP as a key economic driver for the borough, with particular reference made to the BAE Systems Dreadnought Class submarine programme which was expected to deliver 2,000 jobs and create additional employment opportunities, particularly through supply chain impacts.

2.103 Policy EC2 states that the Council will maintain an adequate supply and choice of land and floorspace for employment development by allocating sites at a rate ahead of the projected employment land requirement for the plan period. The majority of the allocation is within the Waterfront Business Park (18.5 ha), which was identified for B1 and B2 within the Local Enterprise Zone [LEZ] and an additional B8 outside the LEZ. However, it is important to note that the LEZ was never implemented.

2.104 The majority of site allocations are within Barrow town, with a small number in Dalton. Policy EC3 states that sites must be located within or directly adjoining the built-up areas of Barrow or Dalton, promotes user accessibility, and where possible makes effective use of previously developed land.

2.105 Whilst the Local Plan acknowledges that the Government requires LPAs to identify their objectively assessed housing need [OAN], under the then CLG household projection, Barrow Borough had an OAN of -74 dwellings per annum [dpa] which represented further population decline and constrained economic growth. Instead, the 2017 SHMA Addendum identified an OAN of between 65 and 133 dpa between 2014 and 2031. In light of this, Policy H1 identifies a housing target of 119 dpa between 2016/17 to 2030/31; an overall target of 1,785 net additional dwellings.

2.106 On the basis of Policy H2, sites were identified to deliver housing development concentrated in the principal centre of Barrow (74%); followed by the key centre of Dalton (18%), the local centres of Askam and Ireleth (6%), and Newton and Lindal (2%). Policy H3 provided a breakdown of allocated housing sites. Whilst most of the sites allocated were brownfield sites, it was acknowledged that greenfield sites were still be needed to meet the housing requirement and provide a mix of housing types and tenures.

Barrow Affordable Housing and Developer Contributions – Supplementary Planning Document (2022)

2.107 Barrow Borough Council published a Supplementary Planning Document [SPD] on affordable housing and developer contributions in July 2022. This set out how the Council would approach the delivery of affordable housing and developer contributions, with a focus on the following themes:

- Affordable Housing;
- Highway Infrastructure;
- Cycling and Walking Infrastructure;
- Public Transport;
- Travel Plans;
- School Places;
- Children’s Play Areas;
- Green Infrastructure; and,
- Health Services.

2.108 The SPD provides further clarification on the application of Policy H14 (Affordable Housing) of the Barrow Local Plan which expects 10% of dwellings on sites on 10 or more units to be affordable.

2.109 In terms of providing affordable housing tenures, where 50 or more units are proposed, the SPD noted that provision should meet the housing need identified in the SHMA, which the SPD rounded to 30% intermediate and 70% social/affordable rented. Intermediate tenure properties should also be First Homes.

2.110 The SPD stated that off-site provision will only be agreed where it could be robustly justified. In such cases, the 10% requirement for affordable housing would be applied across both sites to ensure a pro-rata contribution.

- 2.111 In terms of financial payments, the SPD stated that this would only be considered for two scenarios: the application site was not suitable, and no alternative site was immediately available, or the provision of affordable or off-site provision was robustly demonstrated to be unviable. This would require a viability assessment.
- 2.112 The SPD requires applicants to provide an Affordable Housing Statement with any planning application required to provide affordable housing.

Barrow Strategic Housing Market Assessment Addendum (2017)

- 2.113 The 2017 SHMA identified that Barrow had a high level of self-containment, with 84.0% of moves within the District originating from households already living within the area (supply-side). Similarly, of the moves into the District, 80.9% of moves were already in Barrow (demand-side). When considering commuting patterns, 83.0% of people who live in Barrow work in Barrow. Similarly, of those who worked in Barrow, 82.5% also live in Barrow. With the current criterion for a TTWA being 75%, the SHMA concluded that Barrow was a self-contained TTWA.
- 2.114 The 2017 SHMA identified that Barrow had consistently experienced lower house price growth (188%) than the North West (205%) but was ahead of the neighbouring districts. However, absolute house price remained significantly below all of the neighbouring districts, as well as the North West and England. Of the House Price Ratio [HPR] and Rental Affordability Ratio [RAR], Barrow's HPR averaged 3.8 over the period 2005 to 2015 and was 4.1 in 2015. The RAR averaged 27.7% over the period 2010 to 2015 and was 29.8% during 2015. These were both lower than other comparator areas surrounding Barrow and below the regional and national ratio.
- 2.115 Over the period 2003/04 to 2015/16, a total of 1,246 dwellings were built, against a target of 1,391, despite 1,821 dwellings being granted planning permission. Whilst there were no indications that dwelling delivery was inhibited through lack of land supply, net completions were believed to have been affected by market renewal activity.
- 2.116 The SHMA acknowledged that based on the Government's OAN and demographic projections, the baseline dwelling need was -74. However, the SHMA ran multiple demographic scenarios including short-term and long-term recoveries in household formation rates in younger age groups and long-term migration and housing cycles (15-44). This suggested a requirement for 42 dpa. If higher headship rates were achieved amongst younger age groups, this increased to 63 dpa. The SHMA therefore recommended a demographic requirement for Barrow within the range of 42-63 dpa.
- 2.117 As part of the SHMAs housing requirement analysis, an assessment of the likely change in job numbers based on past trends and economic forecasts was considered. Two jobs-led scenarios were undertaken, as well as sensitivity testing using alternative commuting ratios and economic activity rates.

Table 2.2 Dwelling and jobs growth outcomes 2014-2033 under core and sensitivity jobs-led scenarios

Core Scenario	Average Annual Dwelling Requirement	Average Annual Jobs Growth
Jobs-led – Experian (2016)	182	97
Jobs-led – Experian (2016) Average	246	172
Sensitivity Scenario	Average Annual Dwelling Requirement	Average Annual Jobs Growth
Jobs-led – Experian (2016) CR SENS	174	98
Jobs-led – Experian (2016) EA SENS	74	105
Jobs-led – Experian (2016) CR EA SENS	65	105
Jobs-led – Experian (2016) Average CR SENS	237	173
Jobs-led – Experian (2016) Average EA SENS	133	180
Jobs-led – Experian (2016) Average CR EA SENS	124	180
Jobs-led – Experian (2016)	182	97
Jobs-led – Experian (2016) Average	246	172

Source: Arc4 (2014) Strategic Housing Market Needs Assessment

- 2.118 Overall, employment forecasts suggested an annual increase of between 97 and 172 jobs each year during 2014-2031. Whilst the job-growth assumption translated into a need of 246 dpa, sensitivity analysis resulted in a need of 65 and 237 dpa. However, based on an economic activity rate of 74.8%, which the SHMA aimed to increase to 78%, a requirement of 133 dpa was derived. Based on this, the SHMA recommended the OAN is within the range of 63-133 dpa using job growth and economic activity rates. When commuting ratios were amended, the 133 reduces to 124 dpa.

BRE Integrated Dwelling Level Housing Stock Modelling and Database for Barrow (2019)

- 2.119 Barrow Borough Council commissioned the Building Research Establishment [BRE] to undertake a series of modelling exercises on their housing stock resulting in an integrated stock model. The headline results are as follows:
- 5,487 dwellings in the private sector had category 1 Housing Health and Safety Rating System [HHSRS] hazards. This equated to 18% of all properties.
 - 1,213 PRS dwellings had category 1 HHSRS hazards. This equated to 21% of PRS properties.
 - The highest concentrations of all HHSRS hazards in the private rented sector were found in the wards of Central, Hindpool and Barrow Island.
 - The highest concentrations of fuel poverty in the private sector were found in the wards of Barrow Island, Central and Parkside, and for excess cold the highest concentrations in Dalton North, Barrow Island and Dalton South.

- The average SimpleSAP rating²⁹ for all private sector dwellings in Barrow was 59, which was worse than both England (60) and North West (61). For owner-occupied stock the figure was 59 and for PRS it was 60.
- The total cost of mitigating category 1 hazards in Barrow's private sector stock was estimated to be £12.4 million – with £9.6 million in the owner-occupied sector, and £2.7 million in PRS.
- There were an estimated 489 HMOs in Barrow, of which approximately 83 came under the mandatory licensing scheme.
- 5.1% (1,549) of private sector dwellings and 4.8% (277) of private rented dwellings in Barrow were estimated to have an EPC rating below E.
- In the private sector stock, there were an estimated 12,140 dwellings with un-insulated cavity walls and 6,664 dwellings with less than 100mm of loft insulation.
- Analysis of the energy efficiency variables indicates that the owner-occupied stock had the highest average figures for the majority of the variables (SimpleCO₂, energy and heat demand, energy and heat cost).

2.120 In general, the data shows that the performance of the housing stock in Barrow was generally worse than the EHS England average, except excess cold where levels were very similar. Fall hazards were notable higher, as was fuel poverty (both definitions) and the proportion of low-income households. Compared to the regional average the picture was similar with Barrow performing worse for all variables.

Barrow Employment Land Review (Updated 2017)

2.121 The Barrow Employment Land Review [ELR] was intended to provide a robust and credible evidence base of the demand and supply of land for employment to inform the production of a Local Plan.

2.122 The ELR noted that there was a need to create a more diversified economy and to remove barriers to business start-ups, empowering local residents to start successful new enterprises. It went on to observe that the GVA wealth of the Furness area was driven by advanced manufacturing. BAE Systems in Barrow was the TTWA's largest employer and work had started on a new generation of Dreadnought ballistic submarines.

2.123 The ELR identified the relative isolation and access constraints of Barrow meant that the area was considered as a secondary development and investment location by the majority of the private sector property industry. Consequently, the public sector had led the role of meeting employment demand over the last 25 years. There was no evidence identified by the ELR to suggest that the characteristics of the commercial property market would significantly change in the near future.

2.124 Four methodologies were used by the ELR to forecast the amount of employment land that might be required. The first two were a Job-Growth Based Forecast and a Labour Supply Forecast, with a third based on past take up. It was decided that a fourth methodology would be developed to take account of additional factors that had affected growth in

²⁹ A SimpleSAP rating is an estimated score used to evaluate the energy efficiency of residential dwellings, usually within local authority housing stock modelling. It provides a numerical score for energy efficiency, typically ranging from 0 to 100 or higher (with higher being better).

Barrow, namely the identification of the LEZ as a 'buffer site'. This resulted in a total recommended employment land requirement of **19.4 ha**.

2.125 The ELR then turned to assessing the supply of employment sites, noting the need for a choice of good quality available sites, whilst ensuring that the priority for business development over the Plan period was Waterfront Business Park (which had 24.5 ha of land allocated, with 18.5 ha yet to be developed). Two sites were identified as potential allocations: EMR11 Ulverston Road (0.4 ha); and EMR12 Land at Billings Road (1.4 ha).

2.126 The key recommendations of the ELR are summarised as follows:

- The Waterfront Business Park was promoted as Barrow's Strategic Employment Opportunity Area.
- It was proposed that a minimum of 19.4 ha of employment land should be planned for.
- Employment development should continue to be concentrated in the town of Barrow, with modest growth at Dalton.
- The future Local Plan should adopt the flexible approach of including a criteria based policy to manage new employment development in Barrow, in addition to allocating the specific sites, in order to allow maximum flexibility whilst ensuring development is sustainable.
- The future Local Plan should allocate the ten sites identified in the ELR, collectively providing 41.5 ha of land for development for employment uses. This was significantly greater than the 19.4 ha identified as being required, in order to allow for flexibility and a choice of sites.
- That there was demand for managed business space in Barrow and that opportunities should be taken to identify land and / or buildings that are suitable for high quality, modern, managed business space. It identified the forthcoming Central Barrow Masterplan as an opportunity to identify sites and to promote such development within Barrow town centre.

Invest in Furness – Barrow and Beyond (2023)

2.127 This promotional document for Barrow sought to promote the area's untapped potential and growth prospects. It highlights that the Peninsula contributed £2.27 billion in Gross Value Added [GVA] to the UK economy in 2020, which was driven by the extremely strong growth in transport equipment manufacturing (related to the nuclear submarine industry), the productivity of which grew by £378.5 million in the past ten years alone (+140%, to £649.4 million by 2023). This represents more than half of the entire growth in the sector across the north-west of England.

2.128 Alongside the town centre investment packages for Barrow, the Prospectus stresses the need to deliver a wide range of attractive high-quality homes, including larger, aspirational, family-sized properties. This will help to retain the skilled workforce otherwise commuting into the Peninsula from elsewhere, supporting sustainable patterns of development and continued growth and prosperity.

- 2.129 Two main development opportunities are identified:
- Barrow Waterside, a 26 ha brownfield site located in the heart of Barrow Town Centre, is a planned dockside development that will provide up to 650 homes, as part of a wider mixed-use development including new retail facilities; and,
 - Croftlands and Swathmoor, a strategic residential allocation to the south of Ulverston. It will provide 750 homes on three large sites across 44 ha, forming a sustainable extension to this market town.

Barrow Town Investment Plan (2020)

- 2.130 The ‘Brilliant Barrow Investment Plan’ is focused on a long-term strategy for change which capitalises on opportunities for, and tackles the barriers holding the area back from achieving, maximum local economic impact and inclusive growth. The shared vision for the town over the next 20 years is:

“To build on our economic strengths, rich industrial heritage, natural beauty and sense of community to develop a town that is economically dynamic and diverse, sitting at the forefront of innovation and green growth, viewed as a great place to live, study, work and visit and home to a healthy population that can deliver a prosperous, inclusive and fair future”.

- 2.131 The vision is underpinned by three pillars which cut across ten strategic objectives. These lie at the heart of the investment approach and will drive positive change through collective action: inclusive economy; clean growth; and healthy places.

- 2.132 The plan seeks to leverage £29.9m of investment to deliver a bold transformational programme over the next 20 years framed around seven priority projects:

- **Barrow Learning Quarter:** a new university campus in Barrow providing higher level skills, alongside a new skills hub to meet the need for advanced academic and technical skills and attract people to study and live in the town;
- **Community Wellbeing Hubs and Earnse Bay Outdoor Centre:** a network of hubs used by local people to develop skills, access services and come together to build thriving communities, and a new outdoor facility providing access to open spaces and outdoor education;
- **Business and Enterprise Support:** a holistic package of support available to local businesses and entrepreneurs to maximise private and social enterprise potential and exploit supply chain opportunities in the town;
- **Housing Renewal:** a programme of renewal and renovation to improve residential properties alongside investment in public realm and commercial shop fronts to deliver health, wellbeing and environmental improvements;
- **Marina Village:** remediation of a major strategic housing site which will enable the private sector to come forward and deliver a masterplan to widen the housing offer and improve perceptions of Barrow;
- **Place Development:** a project to underpin the major investment being delivered in Barrow through the Towns Fund, and aligned initiatives, through place promotion

activity and culture and leisure provision to attract residents, businesses, investors, students and visitors to access Barrow's enhanced offer; and,

- **Local Cycling and Walking Infrastructure:** a transformative programme of walking and cycling infrastructure improvements which will drive local demand, provide health and well-being benefits, improve access to services and put Barrow at the forefront of active travel in the UK.

2.133 The Investment Plan estimates that over its lifetime it will benefit 51,600 residents directly and return £4.40 in additional benefits for every £1 of investment.

Barrow Rising – Our Plan for Barrow (2025)

2.134 The Plan for Barrow was published by Team Barrow and represents a 10-year plan published by Barrow Rising. This recognises that Barrow is a strategic national asset due to its role in defence and security, with long-term opportunities for an expanding workforce in well-paid, highly skilled roles. This set out six strategic objectives:

- 1 Thrive – offering a rich choice of sustainable and affordable housing;
- 2 Prosper – offering prosperity to all and a place where people love to live;
- 3 Flourish – where people can enjoy good health and fulfil their potential;
- 4 Connect – with infrastructure that facilitates Barrow's economic potential;
- 5 Learn – providing a thriving and inclusive education sector; and,
- 6 Invest – enabling businesses and entrepreneurs with opportunities to invest and grow.

2.135 As part of the vision, the Plan includes three priority areas: town centre and housing, creating the conditions for growth, and reformed public services. As part of this, key projects include Marina Village, offering 800 new homes, and a broader Housing Strategy; plans for a National Smart Advanced Manufacturing Hub; and the University of Cumbria campus within the Barrow Learning Quarter.

Eden District Council

Eden District Local Plan (2014-2032)

2.136 The Eden Local Plan (adopted 11th October 2018) confirmed that the housing market area for Eden was conterminous with its administrative boundary due to Eden largely being a rural area. The Eden HMA included the towns of Penrith, Appleby-in-Westmorland, Kirkby Stephen and parts of the LDNP and YDNP which were extended into Eden District as of August 2016. The district was therefore treated as a single, self-contained HMA.

2.137 The previous SHENA reported that 75% of local residents also worked in Eden. Similarly, 79% of jobs in the District were filled by Eden residents according to the 2011 Census. Other centres of resident employment included Carlisle (8%), Allerdale (4%) and South Lakeland (2%).

2.138 Policy LS2 sets out the housing targets and distribution across Eden. It states that a minimum of 242 dpa, totalling 4,356 units, will be built in Eden District over the plan

period. New housing will be developed throughout the District, with over half within Penrith and most of the remainder being located within the other main towns of Eden.

Table 2.3 Housing Target and Distribution

	Target	Distribution	Discounting for completed or under construction	
			Residual Requirement	Annual Requirement
Penrith	2,178	50%	835	56
Alston	131	3%	60	4
Appleby	392	9%	209	14
Kirkby Stephen	305	7%	136	9
Towns Total	3,006	69%	1,239	83
Key Hubs	871	20%	196	13
Villages and Hamlets	479	11%	-293	-20
Total Rural	1,350	31%	-94	-6
Total Overall	4,356	100%	1,145	76

Source: Eden District Council Local Plan

2.139 Policy EC1 sets out that up to 2031, the Local Plan provides for 27.3 ha of land for employment development (B1, B2 and B8). Employment development was expected to be located within and adjacent to existing settlements. The key policies for the key towns of Eden included:

- Policy PEN1: 2,178 additional new homes (835 residual) in Penrith and 11.91 ha of employment land allocated at Gilwilly Business Park and 3.29 at Skirsgill.
- Policy AL1: land for 131 new additional new homes in Alston (60 residual) mainly located at Clitheroe and 1.31 ha of employment land at Skelsgillside workshops.
- Policy AP1: land for 392 additional new homes (209 residual) and 4.54 ha of employment land at Cross Croft Industrial Estate and the old Creamy.
- Policy HS1: 305 new homes (136 residual) and 3.33 ha of employment at Kirkby Stephen Business Park.

Eden SHENA (2021)

2.140 Eden District Council's SHENA was published in May 2021 and was intended to provide robust and up-to-date evidence on the future need for both housing and employment land over the period (2020-40). It excluded those parts of the District designated as National Parks. The district was identified as a self-contained HMA, an approach accepted by the Inspector examining the Eden Local Plan.

2.141 The SHENA concluded that around 176 jobs per annum could be created across Eden over the plan period, based on an adjusted mid-point of forecasts produced by Experian and Cambridge Econometrics.

2.142 The SHENA reports the Government's (then) standard methodology housing need figure of 95 dpa across the District, but notes that this appears to be an unreliable estimate given that it equates to only half the homes delivered on average in this area each year since

2003. The SHENA concludes that simply meeting the minimum need, would slow the recent rate of population growth, and result in a profile of growth that is oriented towards older age groups with the working age population contracting by some 9%.

2.143 The SHENA suggested that approximately **200 dpa** would be needed over the period 2020-40 to support the number of jobs anticipated to be created under the lower job growth scenario. This increased to **circa 226 dpa** for the adjusted, higher growth scenario. The SHENA went on to note that establishing an alternative level of housing need, beyond a standard method, inevitably required a degree of judgement but considered that the scenarios offered valuable reference points to the Council to inform future policy for the plan area:

“The latter in particular would broadly sustain the recent rate of delivery in the plan area, and either scenario would enable more pronounced growth in younger working age groups than could be supported by simply meeting the minimum need implied by the standard method.” [paragraph 10]

2.144 In terms of the type of housing needed, the SHENA suggested that need would be led by couples without children, one person households and households with children. The analysis suggested the majority of needs was for three bedroom properties (43%) with a lesser, although not insignificant, need for smaller two bedroom properties (c.26-27%) and larger properties with at least four bedrooms (c.24-25%). The implied need for one bedroom properties was much smaller at 6%. It was estimated this would comprise 75% of additional homes as houses, with a smaller need for bungalows (15%), and apartments (10%).

2.145 The SHENA analysis of the spatial distribution of this need, based on of housing market activity and transactions showed stronger demand in Penrith and to the north along the M6 corridor as well as around Kirkby Stephen, with a more localised concentration also in Appleby.

2.146 In terms of affordable housing needs, the SHENA calculated an annual need of 261 affordable dpa, with around half requiring just one bedroom. In contrast it predicted a supply of 216 dpa, resulting in a net need for just 45 affordable homes per annum. Regarding the specific needs of different groups it concluded:

- **Older people:** further annual demand for around 33-40 units of other forms of specialist older persons’ accommodation were also anticipated, based on industry toolkits;
- **Families with children:** as many as 1,185 additional households with children were expected to be formed over the plan period, reaffirming the importance of ensuring that the future mix of housing includes a sufficient number of larger family homes;
- **Key Workers:** nearly a quarter of employed residents living in the district were in this category in 2011; and,
- **Self and custom builders:** a small number were identified with only 90 households having registered their interest with the Council.

2.147 In terms of the need for employment land, the SHENA envisaged that most of the additional jobs in the two employment growth scenarios (in sectors such as

accommodation, food and health) were unlikely to require any land. Forecast job losses mean that a negative requirement for industrial space was implied. Factoring in loss replacement and a margin of choice, the overall need for additional employment land was estimated to range between **13.6ha and 17.6ha**.

- 2.148 Regarding employment land, the SHENA identified a clear focus on Penrith whilst accommodating further employment land in Appleby would build on evident demand in relation to its existing offer but would need to align with any future provision of new housing.

Eden District Council Strategic Housing Market Assessment (2015)

- 2.149 The 2015 SHMA for Eden identified the District as being relatively self-contained, given its rural nature, with 75% of people living and working in Eden compared to 70% nationally. The western part of the District falls within the LDNP which previously had its own separate housing target under the North West Regional Spatial Strategy. As part of this, the SHMA provided a separate figure for the western part of Eden within the LDNP.
- 2.150 Examining Eden's population, the SHMA identified that between 2001 and 2011 the population grew by 5.6% to 2,785 and was projected to grow by an extra 700 people to 53,400 by 2032. This modest population growth, there would result in a disproportionate number of households forming as they became smaller in size. It also identified that Eden had an ageing population which was more pronounced than nationally (27% are aged over 60 compared to 21% nationally) and forecasted that the District would lose many of its working aged population and gain more retirees (particularly those aged over 75).
- 2.151 The SHMA reported that housing in Eden was expensive, with the median house price to income ratio at 7.3 compared to 6.4 nationally. As of March 2011, it also reported that there were 3,522 people in second homes comprising 6.7% of the total population. This was identified as the 18th highest in England and Wales and equivalent to 7.2% of Eden's total stock (including parishes within the LDNP).
- 2.152 Part 4 of the SHMA found that when the population projections were converted into household growth, around 110 households would be needed per year to meet projected requirements. When considering past needs and under supply, the household figure increased to 121 households. This was based on falling levels of in-migration, an increase in overcrowded households and falling completion rates. The SHMA used a 10% rule of thumb to adjust the OAN, incorporating under-supply which created an additional 11 households. Based on a dwelling to household ratio of 1.089, this gave a minimum starting point of 132 homes per year to meet future demand.
- 2.153 Examining future employment growth, the SHMA looked at demographic projections and Experian economic forecasts. This found that in 2014 there were 28,413 economically active residents using 2012 ONS population projections and the latest economic activity rates, of whom around 27,993 are in employment. To 2032, the SHMA applied a growth rate of 9.16% over the plan period. Combined with calculations surrounding job density and resident workforce to household ratios, this resulted in an additional 2,293 – 2,564 jobs by 2032.
- 2.154 Under this scenario, the SHMA concluded that job-driven need for dwellings will result in a need for around 194-206 dpa. This was based on future jobs (100-112 dpa) plus the

replacement of economically active workers lost (94 dpa). However, the SHMA acknowledged that this figure may not be entirely robust given the limitations of sources used by the data. It assumed that replacing lost workers would free up existing housing stock as others leave. In reality, it notes that much of the lost workforce is likely due to retirement or younger people leaving. The figure is therefore presented as indicative.

- 2.155 The SHMA concluded that methods 1, 2 and 4 are the most reliable, which produced a need for 186-204 dpa to meet future job growth. In conclusion, the SHMA set a target rate of 200 dpa which would also help overcome current need and overcrowding.

BRE Integrated Dwelling Level Housing Stock Modelling and Database for Eden

- 2.156 Eden District Council commissioned BRE in 2020 to undertake a series of modelling exercises on their housing stock which required BRE to produce an integrated stock model which includes Local Land and Property Gazetteer [LLPG] data. The BRE models also integrated Energy Performance Certificate [EPC] data. The headline results were as follows:

- 8,221 dwellings in the private sector had category 1 HHSRS hazards. This equated to 34% of properties.
- 1,403 dwellings in PRS had category 1 HHSRS hazards. This equated to 29% of properties in the PRS.
- The main contributor to the high levels of hazards was excess cold which was identified as particularly high in the District. This was due to a combination of a high proportion of private sector properties (55%) not being on the mains gas network due to their rural location, and poor SimpleSAP ratings. Larger detached and older properties were also noted to be a contributing factor.
- The highest concentrations of all HHSRS hazards in the private sector were found in the wards of Crosby Ravensworth, Orton with Tebay and Hartside.
- The highest concentrations of fuel poverty (Low-Income High Costs definition) in the private sector were found in the wards of Skelton, Ullswater and Askham and for excess cold the highest concentrations were in Crosby Ravensworth, Orton with Tebay and Skelton.
- The average SimpleSAP rating for all private sector dwellings in Eden was 50, which was worse than both England (60) and North West (61). For owner-occupied stock the figure was 49 and for private rented stock it was 55.
- The total cost of mitigating category 1 hazards in Eden's private sector stock was estimated to be £18.5 million – with £15.4 million in the owner-occupied sector and £3.2 million in PRS.
- 29.5% (7,191) of private sector dwellings and 21.5% (1,025) of PRS dwellings in Eden were estimated to have an EPC rating below band E.
- In the private sector stock, there were an estimated 3,029 dwellings with un-insulated cavity walls and 3,019 dwellings with less than 100mm of loft insulation.

- Analysis of the energy efficiency variables indicated that the owner-occupied stock had the highest average figures for all variables (SimpleCO₂, energy and heat demand, energy and heat cost).

2.157 The data showed that the housing stock in Eden generally performed worse than the EHS England average. In particular Eden performed notably worse for all hazards (32% compared to 12%), excess cold (24% compared to 3%) and fuel poverty (10% definition) (28% compared to 10%). The proportion of low-income households, however, was slightly lower in Eden than the EHS average. Compared to the regional average the picture was very similar.

South Lakeland District Council

South Lakeland Core Strategy (2010)

- 2.158 The Core Strategy for South Lakeland was adopted on 20th October 2010. It set out the development strategy for the former District outside the National Park areas. It did not set out site-specific proposals or allocations but identified broad locations for delivering new development, such as housing, employment, transport and retail up to 2025.
- 2.159 The Core Strategy noted that the District's population was forecast to grow to around 117,000 by 2026 (up from 105,000) but this growth was set to result in an ageing population as the number of children and young people decreased whilst those in retirement increased.
- 2.160 The Core Strategy identified Kendal as the main town, accommodating 38% of the population, whilst Ulverston was the second largest at 15%.
- 2.161 Whilst tourism was buoyant in South Lakeland, the Core Strategy acknowledged that this led to relatively low paid employment and that many people leave the District to access better work opportunities. The Core Strategy stated this had resulted in a number of young people leaving the area, with the reliance on tourism causing imbalanced communities. The different towns are noted to have very specific economic challenges; Ulverston is identified as a regeneration priority area due to the decline in manufacturing and is expected to see new investment, which will create demand for new houses. In Kendal, the Core Strategy stated that there was a low business startup rate in part due to lack of suitable sites for new businesses.
- 2.162 The Core Strategy committed to 400 new homes each year from 2003-2025 resulting in 8,800 dwellings. Due to the popularity of South Lakeland as a place to retire or to take a second home, house prices have increased above the average for Cumbria and the North West more generally. Combined with relatively low wages, the District was identified as having a high house price-to-income ratio of 9:1. The 2006 Housing Needs Survey [HNS] identified a need for 416 affordable homes every year for the following five years which was above the total number of overall new homes. The Core Strategy identified particularly high levels of need in the eastern parts of the District and Kendal.
- 2.163 Policy CS1.2 set out the settlement hierarchy. Development was to be concentrated in Kendal and Ulverston (as Principal Service Centres) followed by Key Service Centres such as Grange—over—Sands, Milnthorpe and Kirkby Lonsdale. Following this was the Local Service Centres, such as Oxenholme and Kirkby-in-Furness, and lastly, smaller villages and

hamlets. 55% of new housing and employment development was to be in the Principal Service Centres, 13% in Key Service Centres, 21% in Local Service Centres and 11% in smaller villages and hamlets.

2.164 The Core Strategy set out the specific strategies for many of the named settlements. In the Principal Service Centres, Policy CS2 made provision for 3,080 new dwellings in Kendal, prioritising previously developed land, and identified a need to ensure that 35% of dwellings were for affordable housing. Between 2010 and 2025, Policy CS2 set out a need for 21 ha of employment development.

2.165 Policy CS3.1 made provision for 1,760 additional dwellings in Ulverston, identifying a need for 35% affordable homes. The Policy accommodated 12 ha of employment development. In the East of the District (i.e. Milnthorpe and Kirkby Lonsdale), the Plan made provision for 'moderate housing development' with 35% restricted to affordable. Regarding employment land, effective use of existing commercial / industrial land was encouraged.

2.166 Overall, Policy CS7.1 of the Core Strategy sought to ensure that 4 ha of employment land was allocated per annum between 2010 and 2025. This stated it would prioritise existing employment areas, including extensions, and previously developed land. Policy CS6.2 stated 70% will be allocated for General B use and the remaining 30% for B1 employment uses.

South Lakeland Local Plan – Land Allocations Development Plan (2013)

2.167 The South Lakeland Land Allocations Development Plan was adopted in 2013. Its objective was to identify and set the key development requirements for housing, employment and other developments, as well as development boundaries and town centre and primary shopping areas.

2.168 Policy CS1.2 identified where most housing, employment and other development would take place across the Principal Service Centres (Kendal and Ulverston), Key Service Centres (Kirkby Lonsdale, Milnthorpe and Grange-Over-Sands) and Local Service Centres (including Oxenholme, Burton-in-Kendal and Burneside).

2.169 Table 1B of the Land Allocations Development Plan identified that between 2013-2025, 5,277 homes would be delivered across the following allocations:

- Kendal (including rural) – 3,109 homes
- Furness (including Ulverston) – 1,438 homes
- Grange / Cartmel – 730 homes

2.170 In terms of employment allocations, Table 2 set out that 60 ha of employment would be developed between 2013-2025 and delivered across the following allocations:

- Kendal (including rural) – 38 ha including 9ha of strategic employment
- Furness (including Ulverston) – 16.6 ha including 6 ha of strategic employment
- Grange / Cartmel – 5.4 ha

Arnside and Silverdale AONB Development Plan (2019)

- 2.171 The Arnside and Silverdale Area of Outstanding Natural Beauty [AONB] Development Plan Document [DPD] set out the vision for the Arnside and Silverdale AONB.
- 2.172 Within this, it stated that housing, employment, services, infrastructure and other development would contribute to meeting the needs of those within the area whilst conserving and enhancing the landscape, creating a strong sense of place, and maintaining a thriving local economy.
- 2.173 Policy ASO1 provides the overall strategy for the DPD which included a 'landscape capacity-led' approach which would give great weight to the principle of conserving the landscape and natural beauty within the AONB. This was across:
- Local Service Centres – small scale growth and investment in Local Service Centres including Arnside, Silverdale, Sandside / Storth and Warton;
 - Small Villages - typically limited to the conversion of buildings, re-use of brownfield land or regeneration opportunities;
 - Edge and Outside of Settlements – development would be treated as exceptions where no adverse impacts were identified, and it contributed to meeting proven and essential housing need;
 - Major development – would not be permitted in AONB unless exceptional circumstances existed; and,
 - Brownfield land – despite the categorisation, full and careful consideration was still required.
- 2.174 Policy ASO9 states that development proposals of an appropriate scale would be supported where they bring economic and community benefits for the following purposes:
- Essential operations for agriculture, horticulture and allocated mineral extraction;
 - Appropriate small scale new or expanded outdoor sport or leisure facilities; or,
 - Sensitive conversions and alternative uses for farm buildings.

South Lakeland Strategic Housing and Economic Needs Assessment [SHENA] (2023)

- 2.175 In 2023, a SHENA was published for the former South Lakeland District Council area, excluding areas which fall within the National Parks. The SHENA identified a population of 104,500, which was forecast to grow by 4,849 people between 2020 and 2040.
- 2.176 The SHENA found that the District had a self-containment rate of 71.9% for in-migration and 71.7% for out-migration which was in accordance with the requirements of the PPG which advised a self-containment rate of 70% or above for an HMA.
- 2.177 The SHENA noted that, according to the ONS, South Lakeland had two Travel to Work Areas [TTWAs]. The Kendal TTWA covered the East of the District, including Kendal, Windemere, Ambleside and Grange-Over-Sands. The Barrow TTWA covered the West of the District including Ulverston and Coniston. According to the SHENA, this recognised

the role places like Ulverston have in supporting Barrow and facilitating the economic growth arising from investment opportunities such as BAE’s planned growth.

2.178 Using the Government’s previous standard method, the SHENA identified a need for around 184 dpa. However, the study recommended a requirement of 250 dpa based on economic growth and revised demographics for the area excluding the National Parks housing requirements). Of the housing need, it was estimated that there was a need for 163 affordable homes to rent per annum and up to 140 affordable homes to buy per annum.

2.179 Based on a range of factors around demographic change, growth in real earnings, economic performance, the SHENA also identified the mix of housing which may be required. This showed greater demand for 2 and 3-bedroom homes while affordable homes had demand for more 1 to 3-bedroom homes. However, the study concluded that this should primarily be for housing rather than flats, although it recommended considering the role of bungalows within this mix to help support downsizing.

Table 2.4 Housing Mix

	1 bedroom	2 bedroom	3 bedroom	4 bedroom
Market	5-10%	45-50%	35-40%	5-10%
Affordable (home ownership)	15-20%	45-50%	25-30%	5-10%
Affordable (rented)	30-35%	35-40%	20-25%	5-10%

Source: Icení (2023): South Lakeland SHENA

2.180 Based on the expected 27% increase in population aged 65+, the study identified a need for around 915 housing units with support (sheltered / retirement and extra care), 608 additional housing units with care, and a need for 550 additional residential and nursing care bedspaces, as well as over 900 dwellings for wheelchair users by 2040.

2.181 The study suggested that there may be demand for additional student accommodation due to the planned expansion of the Cumbria University’s Ambleside Campus which expected to increase its student body by 700 FTE over the next three years. As there was limited room on campus, the University was noted to be keen to work with South Lakeland District Council [SLDC] and LDNPA to identify accommodation opportunities for its students.

2.182 The SHENA identified 3,373 active holiday rental properties within South Lakeland, Kendal and Grange-over-Sands, of which 2,953 were homes. The study recommending considering a policy which sought to limit second homes.

2.183 Based on baseline projections, employment in South Lakeland was forecast to grow by 0.9% between 2020 and 2040, which translated to an absolute increase of around 543 jobs. Growth Forecasts suggested that there may be a growth of 5,960 additional jobs by 2040 in the District.

2.184 Based on the growth forecasts, the study recommended planning for 20.5 ha of industrial growth over the plan period. This was based on historic patterns of delivery and business needs. The SHENA recommended that this should be split evenly for B2 General Industrial, E(g)(iii) and B8 warehousing and distribution. For the office market, it recommended planning for 1.6 ha of land for office uses.

South Lakeland SHMA (2017)

- 2.185 The South Lakeland SHMA was published in 2017. Its analysis of HMAs suggested that South Lakeland District could be considered as a HMA for the purposes of analysis and to be consistent with the requirements of the NPPF. It also considered there to be merit in looking at specific data for six sub-market areas and also the National Parks.
- 2.186 The SHMA's analysis identified a demographic-based need for between 145 and 316 dp drawing upon a range provided by the 2014 SNPP-based official projections across a 14-year trend. It went on to estimate the likely level of housing needed to be delivered if the resident workforce was to increase sufficiently to meet both job-growth forecasts and an analysis of past trends. The SHMA estimated that to meet the job growth forecast of 2,960 in the 2016-36 period, there would need to be provision of about 311-315 dpa across the South Lakeland District (2016-36).
- 2.187 Uplifted to address market signals, and on the basis of 14-year migration trends (the highest of the demographic projections developed), this resulted in an objectively assessed housing need in South Lakeland District of 320 dpa. Of the 320 dpa, 26 dpa was needed for the LDNP and 6 dpa in the YDNP.
- 2.188 The SHMA undertook a detailed analysis of affordable housing needs. Overall, in the period from 2016 to 2036, a net deficit of 153 affordable dpa was identified. The analysis suggested that there was a need for affordable housing in all parts of the District.

BRE Integrated Dwelling Level Housing Stock Modelling and Database for South Lakeland (2021)

- 2.189 SLDC commissioned BRE in 2021 to undertake a series of modelling exercises on their housing stock which required BRE to produce an integrated stock model which included LLPG data provided by SLDC.
- 2.190 The BRE models also integrated EPC₁ data. As a result of this, 26,534 addresses had their imputed energy characteristics replaced with observed characteristics from the EPC data for the purposes of the energy model. The headline results were:
- 11,650 dwellings in the private sector were estimated to have category 1 HHSRS hazards. This equated to 23% of properties.
 - 2,752 dwellings in PRS were estimated to have category 1 HHSRS hazards. This equated to 25% of properties in PRS.
 - The highest concentrations of all HHSRS hazards in the private sector were found in Broughton and Coniston Ward, Kendal Rural Ward and Bowness and Levens Ward.
 - The highest concentrations of fuel poverty (Low-Income High Costs definition) in the private sector were found in Broughton and Coniston Ward, Kendal Rural Ward and Ambleside and Grasmere Ward and for excess cold the highest concentrations were in Broughton and Coniston Ward, Kendal Rural Ward and Bowness and Levens Ward.
 - The average SimpleSAP rating for all private sector dwellings in South Lakeland was 56, which was worse than both England (60) and the North West (61). For owner-occupied stock the figure was also 56 and for private rented stock it was 58.

- The total cost of mitigating category 1 hazards in South Lakeland’s private sector stock was estimated to be £26.2 million – with £20.0 million in the owner-occupied sector, and £6.2 million in PRS.
- 14.5% (7,355) of private sector dwellings and 12.7% (1,392) of private rented dwellings in South Lakeland were estimated to have an EPC rating (based on SimpleSAP) below band E, notably higher than the EHS England average.
- In the private sector stock, there were an estimated 7,788 dwellings with un-insulated cavity walls and 7,138 dwellings with less than 100mm of loft insulation.
- Analysis of the energy efficiency variables indicated that the owner-occupied stock had the highest average figures for the majority of variables (SimpleCO2, energy and heat demand, energy and heat cost).

2.191 The data showed that the performance of the housing stock in South Lakeland compared to the EHS was generally worse for all variables, with the exception of low-income households. There were particularly high levels of all HHSRS hazards and excess cold hazards in South Lakeland.

Kendal Town Centre Strategy 2020

2.192 The Town Centre Strategy was prepared to identify options and opportunities for future development and infrastructure which could support the town’s quality of places and enhance its historic and natural environment.

2.193 The Strategy covered the immediate Town Centre, Canal Head Area and the Station Gateway with 11 definable Character Areas listed. Within this, the Strategy identified some of the key considerations for Kendal including flood risk within the Town Centre, healthy market interest and commercial activity, an overstretched transport network, a lack of active travel connections, and the attractive character and historic environment.

2.194 The Strategy identified 15 Opportunity Sites across Kendal, of which 8 sites were already in progress. This included the former Magistrates Court, Waterside Estate, and K Village. As part of this, the Strategy also assessed potential interventions to provide town-wide transformation.

2.195 To create a clear framework for development, the Strategy identified three themes and objectives:

- 1 The town’s natural assets and civic gems – improving the setting for historic buildings, promoting alternative uses for buildings and investing in traditional uses for the modern world.
- 2 Economic drivers for growth – developing a strong internal brand, capturing further tourism potential, developing the student offer with Kendal College, and improving the housing offer through smaller homes, apartments, older person accommodation, and high-quality waterside developments.
- 3 Transport network and supporting infrastructure – encouraging walking and cycling within the Town Centre, identify bottlenecks and alternative routes, introduce capture car parks to relieve commuting congestion, and improve flow between streets.

Kendal Vision 2020

- 2.196 The Kendal Vision was developed in partnership with employers, partners and stakeholders. In the first instance, this identified key points of recognition and consensus amongst stakeholders including:
- The quality of the town and pride of place.
 - The need to retain and attract talent.
 - The need for desirable and affordable family housing.
 - The need for the business area north of the river and railway to be better serviced by road.
- 2.197 Following this, the Vision identified 12 themes which included a sustainable Kendal, traffic flow, the local economy (including diversifying the economy), housing (especially diversifying the housing offer), and taking advantage of proximity to the Lake District.
- 2.198 The Vision went on to present emerging ideas for the town. This included:
- Making use of allocated commercial sites and focussing on creating dense, high employee businesses and co-working spaces which can support the lunchtime and evening economy.
 - Making better use of public transport services (including bus and rail), encouraging cycling, encouraging out-of-town centre parking, and improving town centre northern access.

Kendal Futures Opportunity Sites Study (2025)

- 2.199 The Kendal Vision Opportunity Sites Study is a high-level proposal for the creation of over 900 quality homes in the centre of the town, sufficient to accommodate over 2,000 people alongside commercial and leisure spaces. It reimagines four brownfield, town centre sites – Canal Head, Busher Walk, Blackhall Road and Railway Gateway - to provide a rich mix of residential and many existing light business uses. A fifth site, Kendal Fell Quarry, has been master-planned to show its potential for relocating some existing commercial uses which would be better suited to an out of town centre location.
- 2.200 The study is a realistic concept and not a plan, and a considerable amount of additional work will be needed to realise any of the proposals in the longer term which will need refinement and be subject to the normal development management processes and planning rules, including public consultation.

Lake District National Park Authority

Lake District National Park Local Plan (adopted May 2021)

- 2.201 The LDNP Local Plan 2020 to 2035 set out the strategy for all new development in the Lake District. The strategic approach to housing was focused on making meaningful interventions to the housing market, for the good of communities and the economy. The housing objective was to achieve a balanced and resilient housing market with a high proportion of properties in permanent occupation, and a supply of new homes that met people's needs and maximised the delivery of affordable housing.

- 2.202 The starting point used, as referenced in the Local Plan, to plan for housing was the Government's approach in the National Parks Circular 2010 which stated that "*the Parks are not suitable locations for unrestricted housing*" and that the "*expectation is that new housing will be focused on meeting affordable housing requirement, supporting local economy and key services.*"
- 2.203 The Local Plan noted that the population of the Lake District was decreasing, particularly in the proportion of working age population. However, the older population was said to be increasing, and the local demographic was becoming unbalanced.
- 2.204 Policy 15 *Housing* made provision for a minimum of 1,200 new permanent homes between 2020 and 2035 to increase the supply of homes to meet local community need. This was intended to be achieved by supporting new permanent homes that contributed towards helping communities remain vibrant and resilient. This would be secured in perpetuity for permanent occupation with eligibility restricted to a geography that was tailored to local circumstances.
- 2.205 The Local Plan also supported windfall / allocated sites that: provided one to five permanent homes, subject to local occupancy; rural exception sites for affordable housing where evidence of local need was demonstrated; and new permanent homes on farm holdings that either supported the functional need of the farm business or provided for the transition between generations. Policy 15 was clear that it does not support open market housing.
- 2.206 Policy 15 covered all new housing proposals including new build, the sub-division of existing houses, changes of use and the conversion of traditional buildings. This also included housing to meet the needs of our ageing population, such as extra care housing, housing options to meet the acute affordable housing need in the area, such as shared ownership and social rented, or homes for rural workers.
- 2.207 Turning to Job Creation and employment space, the Local Plan stated that it was trying to achieve growth and expansion of all types of business and enterprises making provision for new jobs across a range of sectors.
- 2.208 Policy 16: *Job creation and employment space* stated that growth and expansion of all types of business and enterprises would be supported:
"As a priority we want higher paid full-time jobs, and we will make provision for 2,850 new jobs by 2035 by supporting a range of employment sectors. We will enable this through this policy and policies 17 and 18. To achieve this we will support:
– the extension of existing employment floorspace; or
– conversion of buildings, including the flexible use of public buildings and community facilities that sustains their long term viability; or
– the redevelopment of sites to provide employment floorspace; or – new build developments where they are located within or well related to a Rural Service Centre or Village, at existing employment sites, or on allocated sites."
- 2.209 Existing land and buildings in employment use (excluding retail and tourism use) with a floorspace above 100 sqm or site area above 0.2 ha, including allocated sites, would be

retained to maintain employment development opportunities. In terms of how this would be implemented, the Local Plan states that it would encourage work hubs and other forms of innovative shared and flexible workspace that met the changing market expectations and requirements, as well as supporting home based proposals.

LDNP Housing Supplementary Planning Document (2021)

- 2.210 The purpose of this SPD was to explain the LDNPA requirements for all new housing development, how Policy 15 of the Local Plan would be applied and the planning controls which will be used.
- 2.211 The LDNPA adopted a five dwelling threshold on windfall sites and allocated sites (except rural exceptions sites). This meant that all units in excess of five would be local affordable needs units (on rural exception sites all dwellings would be expected to meet this requirement).
- 2.212 On working farms, additional homes may be permitted under specific conditions (functional need, proven business viability, provide more suitable for a member of the family, etc.) but they must still be restricted to the occupancy of those working in agriculture. Where a holiday let was proposed as farm diversification, this would be considered under 'Policy 18 sustainable tourism and holiday accommodation.'
- 2.213 All new housing developments would be restricted for the purpose of meeting either local need or local affordable need for the lifetime of the dwelling. It would also be restricted to cover the person's main residence. A Section 106 would be required for local affordable need housing schemes to establish the 'local' criteria and specify the 'locality.'

Lake District National Park Employment Sites and Premises Study (2007)

- 2.214 The LDNPA commissioned an Employment Land and Premises Study in 2007 to:
- Assess current and future demand for employment land and premises;
 - Review the quality and suitability of existing sites;
 - Identify which sites should be protected, released or allocated for development; and,
 - Provide evidence for the Local Development Framework
- 2.215 The study acknowledged that the Lake District's economy was reliant on tourism and agriculture and recognised a vision for a more diversified local economy and higher value employment, particularly Knowledge-Based Industries.
- 2.216 Due to the LDNP's landscape and planning protections, the Study suggested there was very limited developable land. With high property values and strong competition from housing / tourism, this was said to put pressure on existing employment land.
- 2.217 The commercial property analysis found that there was a severe shortage of available land for large-scale employment development, with many businesses struggling to expand within the LDNP. However, it recognised growth opportunities in converting farm buildings (particularly for small industrial uses) or live / work units.
- 2.218 The study identified a total employment land of 15 ha, but only 10.04 ha was available for development with some sites already developed. Of this, seven of the sites were allocated

in the Local Plan with 32 sites containing outstanding planning permission and not coming forward for speculative development. Of the sites allocated, 13 were also in the open countryside where policy stated development would be an exception. Much of the LDNP's employment space would arise from conversion of rural buildings and not new land.

- 2.219 The study noted that the LDNP only had six years supply of highly suitable land against a requirement of 8.6 ha over the Local Plan period with additional employment requirement to be brought forward for development.

Yorkshire Dales National Park Authority

Yorkshire Dales National Park Local Plan 2015-2030 (adopted December 2016)

- 2.220 The Yorkshire Dales Local Plan (2015-2030) responded to the national growth agenda and was regarded as a step change in policy that would extend the scope and flexibility for new development needed in the YDNP. It aimed for more development over the next 15 years than the last 15, and would permit new building and the change of use of land and buildings that support people living and working in the area. It is also intended to encourage new families and new businesses to move into the area to help sustain local communities.
- 2.221 The Local Plan proposed a number of sites for the development of new business and employment opportunities. It proposed a flexible range of uses with the objective of making it easier for developers to bring forward viable schemes.
- 2.222 It stated that the YDNP already had a supply of housing land sufficient for more than five years of building at the target rate of **55 dpa**. The Local Plan also provided new flexibility for a wider mix of house types and a wider definition of 'local occupancy' – to stimulate new housing development while seeking to protect housing on small sites from being occupied as second homes. The Plan stated that further sites may be allocated after 2020, if monitoring revealed a shortfall in supply in the second half of the Local Plan period.
- 2.223 Policy SP3 (*Spatial Strategy*) stated that to expand the supply of housing to meet a target of 55 dpa (disaggregated as: 18 dpa in Richmondshire, 27 dpa in Craven / Lancaster, 10 dpa in South Lakeland), new build housing would be permitted on allocated sites and inside the housing development boundaries of Local Service Centres and Service Villages. New build housing would only be permitted elsewhere in accordance with an exceptional need for affordable housing or the needs of a rural based enterprise (Policies C2 and C3).
- 2.224 Policy C1 (*Housing in settlements*) stated that outside the new housing allocations, development would be permitted on acceptable sites within the housing development boundaries of Local Service Centres and Service Villages, identified on the Policies Map. On sites of 11 or more dwellings, 50% would need to be affordable housing or alternatively 33% affordable housing and 33% local occupancy restricted housing.
- 2.225 On sites of between 6 and 10 dwellings, the Authority required the payment of a commuted sum in lieu of the delivery of the relevant proportion of affordable housing above. On sites of up to 5 dwellings, new housing would be restricted to local occupancy. If it was demonstrated that the site could not deliver the mix of housing required, then the Authority would consider an alternative mix of housing on the basis of an independent site viability study.

- 2.226 Policy C2 (*Rural Exceptions Sites*) identified that small-scale affordable housing would be permitted on land or through the conversion of buildings, adjacent to the development boundaries of Local Service Centres, Service Villages and Small Settlements identified on the Policies Map. This would be subject to proving that there was local need for affordable housing and an alternative site was not available inside the housing development boundary. In addition, all dwellings would have to be available for people with a local connection at an affordable cost.
- 2.227 Policy C8 (*accommodation for the elderly and vulnerable adults*) aimed to encourage the development of modern elderly and vulnerable persons accommodation to enable people to live as independently as possible with appropriate care and support.
- 2.228 To help grow the local economy, new business development would be allowed on strategic sites, subject to the requirements of Policy BE1 (*Business Development Sites*). This Policy stated that proposals for business development on the identified sites would be permitted in accordance with the list of acceptable uses and development constraints in Appendix 3 of the document. The expansion or redevelopment of existing business uses, or the development of unallocated land for new small-scale business, uses would be accepted if they fall within or are adjacent to the settlements listed and would be subject to satisfying the requirements of Policy SP4 (Development Quality).

Emerging Yorkshire Dales Local Plan (December 2024)

- 2.229 The emerging Local Plan (December 2024 submission version was the subject of an Examination in Public during 2025) contained Policy CP3 (*Spatial Strategy and Housing Target*). This stated that the housing supply would be expanded by an average annual target of **50 dpa** (750 dwellings between 2025 and 2040). The majority of this target would be met through the development of allocated sites on the edge of Local Service Centres and large villages and through the completion of sites with existing planning permission.
- 2.230 The Plan stated that additional flexibility for new dwellings would be provided by the development of infill plots in settlements and residential conversion of existing buildings in relation to Policies AB3, C1 and C2:
- “New house building will only be permitted in locations outside settlements subject to evidence of local need for affordable housing in relation to Policy C3 or the exceptional needs of a rural based enterprise (Policy C4). Development of new housing for holiday uses will not be permitted unless in accordance with other policies”.*
- 2.231 The supporting text to this Policy recognised that Government guidance advised that protected landscapes were not suitable locations for large scale housing developments and were therefore not expected to meet unrestricted market demand for housing. Instead, the YDNPA was expected to plan for sufficient housing to address the areas affordable needs, to support local employment opportunities and to sustain key services:

“In response to the evident trends and in conformity with national policy the Local Plan strategy therefore aims to support modest household growth by increasing the number of permanently occupied homes and widening the range of new housing to better fit the need. Policy CP3 sets a target of 50 dpa...The latest housing market assessment of the National Park recommends that this rate would be sufficient to start to reverse the projected decline in residents and slow the trend towards an ever-older population. Fifty new homes a year would be a realistic rate of development, indicative of the areas small population and lack of large settlements, yet still ambitious compared to the average rate of completion over the last 20 years” [paragraph 1.118].

2.232 The supporting text noted that new housing of all sizes and tenures were needed but made particular reference to supporting smaller homes that are affordable to heat and will be suitable for the smaller households that tend to form in the YDNP. Affordable housing should comprise 30 dpa of the 50 dpa. Twenty of these were suggested for affordable rent and 10 for discounted purchase.

2.233 To help grow the local economy, existing employment and business uses would be permitted to expand and new business would be allowed to develop on the edge of villages and opportunity sites identified in the Policies Map, subject to the requirements of Policy E1.

2.234 Policy E1 (*Business Development Sites*) aimed to support the development of land and new buildings in sustainable locations for business uses that create new jobs or support existing jobs, local spending and additional economic activity. The supporting text did not rule out scope for a transformational catalyst project if it could fit with the YDNP’s qualities.

2.235 Policy E1 specifically stated that proposals for the development of land and buildings that created new jobs, supported existing jobs and increased local spending would be permitted in locations that either sensitively expand existing employment and business buildings, are allocated for employment and business opportunities, constitute brownfield sites, or other suitable small sites on the edge of towns and large villages for new employment buildings and uses.

2.236 Policy E7 also aimed to support homeworking as part of a modern mixed economy, whilst Policy E8 stated that new build live / work units would be permitted inside housing development boundaries. Only uses compatible with residential amenity would be permitted.

Yorkshire Dales National Park SHMA Update 2024

2.237 The YDNP SHMA (July 2024) provided up-to-date evidence on housing need across all sections of the community over the period 2025 to 2040. The report updated the 2019 SHMA and directly informed the emerging Local Plan.

2.238 The SHMA noted that over the past 20 years to 2021, the age profile of the YDNP had become skewed towards older people, with a 50% increase in people aged over 65 and a 26% decline in younger people aged 44 and under. Key points of note in the assessment included:

- The 2018-based SNPP projected that the population over the Local Plan period (2025-40) would see an ongoing decline in younger age groups and a significant increase in over 75s.
- 22% of dwellings in the YDNP were currently second homes, holiday letting properties or otherwise vacant. The national average was 6%.
- Level of owner occupation was high, but the number of affordable homes was low.
- Median house prices were high at £365,000 compared to £290,000 for England and £192,500 for Yorkshire and The Humber. The cost of renting had almost doubled since 2010 which represented a much higher increase than the regional and national averages. Median rents were £1,101/month in 2023 compared to Yorkshire and The Humber (£724) and the North West (£802).
- The only affordable home ownership option for many key workers was shared ownership.
- An identified mismatch between need and supply of older person's accommodation – with the current supply of 307 units compared with a modelled need of 1,258 units in 2025, with the needs projected to increase. It also stated a broader housing offer would be needed for older people including sheltered/retirement housing, extra care and co-housing. However, it was anticipated that much of this need would largely be met through provision outside of the YDNP.
- 4% of new dwellings (2 each year) should be built to M4(3) wheelchair accessible standard and all new dwellings should be built to M4(2) accessible and adaptable standard (above current building regulation requirements).

2.239 The SHMA identified an overall housing need of 50 dpa based on the dwelling-led scenario considering the last Local Plan. The SHMA suggested that this would have a positive impact on households (+6%) and population (+4%).

“An updated target of 50 dpa is both realistic judged against past rates of release of sites and completion of dwellings, and would also appear sufficient to stabilise population and help address some of the specific shortfall” [paragraph 5.20].

2.240 The SHMA also identified a need of 18 affordable dpa per 1,000 households in the YDNP, which equates to 157 affordable dpa. Based on the overall need for 50 dwellings each year and the acute need for affordable housing, the recommended split was 20 affordable / social rented, 10 affordable home ownership and 20 unrestricted open market dwellings each year. The SHMA made a recommendation to encourage developing build-to-rent as part of open market development.

2.241 The SHMA noted that there was a current supply of around 307 units of accommodation across the YDNP, although it acknowledged that estimates suggested the current need was much higher at 1,258, increasing to 1,628 by 2045 (a 1,321 increase on current levels of provision).

Former Area of Cumbria County

Cumbria Gypsy and Traveller Accommodation Assessment (2022)

- 2.242 Cumbria County Council was disaggregated in 2023 into two unitary authorities: Westmorland and Furness Council and Cumberland Council.
- 2.243 The primary objective of the 2022 Gypsy, Traveller and Travelling Show people Accommodation Assessment [GTTSAA] was to provide a robust assessment of current and future need for all the Cumbria planning authorities including the National Parks within the County.
- 2.244 The need identified for Westmorland & Furness’s constituent authorities is summarised below:
- **Barrow:** 6 Gypsy or Traveller pitches identified that meet the planning definition; no need for undetermined pitches that may meet the planning definition, and a need for 6 pitches for households that did not meet the planning definition.
 - **Eden:** a need for 1 pitch for households that met the planning definition.
 - **South Lakeland:** no need identified for pitches that met the planning definition.
 - The GTTSAA stated that there were no Gypsies or Travellers identified in either the **LDNP** or the Cumbria area of the **YDNP** which resulted in no current or future need identified for pitches.

Cumbria LEP Local Industrial Strategy (2019)

- 2.245 The Cumbria Local Enterprise Partnership [CLEP] developed Cumbria’s Local Industrial Strategy [LIS] in response to the National Industrial Strategy [NIS]. The LIS set out the vision for Cumbria, five strategic objectives for the County with associated targets, and a number of supporting priorities.
- 2.246 Whilst CLEP is now under Enterprising Cumbria, it will be absorbed in the Cumbria Combined Authority in 2026. This strategy has now been superseded by the new Cumbria Economic Strategy 2025-45³⁰.

Cumbria Housing Strategy (2025)

- 2.247 The Cumbria Housing Strategy was developed to provide a county-wide housing delivery framework which focusses on addressing local housing supply, affordability, market gaps, and enabling interventions.
- 2.248 The strategy acknowledged that the county faced challenges in housing affordability, market hesitancy due to viability gaps and costs, and issues with a small PRS and holiday homes.
- 2.249 The strategy set out three broad strategic priorities:

³⁰ <https://enterprisingcumbria.org.uk/latest-news-4/2025/going-growth-cumbrias-new-economic-strategy-published>

- 1 Housing growth, affordability and community sustainability – ensuring the right homes are delivered in the right places, and that housing supports communities and employment.
- 2 Housing regeneration and improving quality – addressing the condition of existing stock, improving energy efficiency, tackling sub-standard housing.
- 3 Improving housing support – focusing on specialist housing, assisted living, and ensuring housing supports vulnerable group.

2.250 The strategy set out an action framework across the three priority themes, with tasks for multiple partners (local authorities, housing providers, developers, and the CLEP).

2.251 Key interventions included:

- Improving attractiveness/viability of schemes in challenging areas (e.g., rural, coastal, second-home heavy zones).
- Exploring modern construction techniques to reduce cost and improve speed.
- Enhancing marketing/promoting all parts of Cumbria to attract housing investment and a wider range of housebuilders.
- Ensuring infrastructure and utilities (digital, transport, services) support housing delivery.
- Monitoring and making data-driven decisions about housing market performance and site delivery.

Cumbria Digital Infrastructure Strategy (2026-2030)

2.252 The Cumbria Digital Infrastructure Strategy set out how Westmorland and Furness Council and Cumberland Council will deliver improvements in digital connectivity via Connecting Cumbria. Over the next 10-15 years, the vision for growth sets out six core priorities:

- Creativity, competition to attract investment, compelling in our case making, and conservation of our natural resources
- Support the UK's natural capital – protecting land, and sea for biodiversity
- Deliver higher productivity to raise living standards
- Better population health, supporting people back to work
- Increased working age population to meet the needs of our growing economy
- Be the UK's first carbon neutral county

2.253 This states that reliable, robust and universal digital connectivity is essential to enable the delivery of these priorities. This will include improving fixed broadband coverage, 4G coverage, and 5G coverage.

Cumbria Employment Sites and Premises Study (2020)

2.254 The Cumbria Employment Sites and Premises Study was produced by LSH on behalf of Cumbria Country Council, CLEP and the district authorities in 2020. It assessed whether

the supply of strategic employment sites and premises in Cumbria was able to best support economic growth.

- 2.255 It reviewed a number of strategic sites across Cumbria, of which the following were of relevance to the District:
- **5 sites in Barrow:** Waterfront Business Park; land east of Park Road; land west of Robert McBride; land south of Kimberley Clarke; and Barrow Energy Uses Opportunity Area;
 - **6 sites in Eden:** Gilwilly Business Park, Penrith; Skirsgill, Penrith; Newton Rigg College, Penrith; Cross Croft Industrial Estate, Appleby; Old Creamery Site, Appleby; and Kirkby Stephen Business Park; and,
 - **6 sites in South Lakeland:** Scroggs Wood Strategic Employment Site; land east of Burton Road, Kendal; land north of Meadowbank BP, Kendal; Canal Head Strategic Employment Site, Ulverston; and land at Lightburn Road, Ulverston.
- 2.256 Of these sites, only Waterfront Business Park in Barrow and the Barrow Energy Uses Opportunity Area were deemed potentially significant at the national level. This meant that they could either be attractive to occupiers that would look beyond Cumbria for new premises or that the delivery of employment on this site could respond to issues that are national policy priorities.
- 2.257 The Penrith Business Parks / Industrial Estates and South East South Lakeland were identified as Regional sites. These were sites of a large scale that could respond to regional policy priorities, including Cumbria, Northern Powerhouse and Borderlands programmes. The report concluded that development in these locations was likely to provide a significant boost to the local economy, and to support delivery of the LIS objectives to raise the performance of Cumbria's economy (improving productivity, attracting new sectors/diversifying, localising supply chains).
- 2.258 An Action Plan was produced which outlined the details of each site and opportunities to promote employment development, overcome potential constraints and recommendations on the next steps to support delivery.

Consultation with Neighbouring Local Authorities

- 2.259 As part of the study, Lichfields undertook consultations with neighbouring local planning authorities³¹ to Westmorland & Furness to understand the status of local plan making, as well as relevant housing and economic issues which require consideration across local authority boundaries.

Cumberland

- 2.260 The Copeland Local Plan was adopted in November 2025, although this will eventually be replaced by the Cumberland Local Plan.
- 2.261 Cumberland Council issued a Calls for Sites in July 2025 which ran until January 2026. The Council also undertook an Issues and Options consultation during September and

³¹ Cumberland Council; Yorkshire Dales National Park Authority; Lake District National Park Authority; North Yorkshire Council; Durham County Council; Northumberland County Council; Lancaster City Council.

October 2025. In terms of evidence, Cumberland Council has prepared a General Housing Needs Assessment, a Supported Housing Needs Assessment and a Housing Stock Condition Survey. They are also preparing a Housing Strategy for Cumberland.

- 2.262 Once the Cumberland Local Plan is adopted, this will replace all former districts' Local Plans, with the exception of the St Cuthbert's Garden Village [SCGV] Local Plan which was submitted for examination in October 2025 and is anticipated for adoption in the Autumn of 2026.
- 2.263 In terms of housing, the three former districts' Local Plan housing target is just over 1,000 dwellings per annum [dpa]. This has now increased to 1,217 dpa under SM3. Regarding housing delivery, Carlisle has been strong on housing completions (delivering on average 500-600 dpa) until the current nutrient neutrality restrictions paused housing delivery within nutrient-sensitive catchments. In the former Allerdale Borough, delivery has averaged 270 dpa. Delivery has been considerably lower in Copeland Borough, at just 140-150 dpa but is in-line with the new Local Plan target. Cumberland Council consider that SCGV has capacity for 10,000 homes over the next 30-years, but that it will be important that this does not impact the ability to allocate smaller sites to address other demographic challenges.
- 2.264 Whilst the housing target of all three LPAs have been well above the previous standard methodology, Cumberland Council noted that there is a need to focus on delivering a wider range of housing which meets some of the challenges faced including an ageing population, accessible housing, and more affordable housing for social rent. However, Cumberland Council acknowledged that this often comes with viability challenges. In the rural areas and LDNP, there is a need for discounted home ownership.
- 2.265 In terms of employment land need, Cumberland Council identify that there has historically been little employment development coming forward in Cumberland. They consider that this has created a surplus in allocated employment land. This is considered to be due to a lack of latent demand, economic pressures and inability to secure required rental yields. In Copeland, Cumberland Council consider there is potentially some scope for growth in the nuclear industry with potential major developments around these sectors in the future such as AUKUS, decommissioning at Sellafield, new nuclear generation at Moorside and other opportunities. However, it was noted that Sellafield and BAE Systems tend to take each other's highly skilled workforce, which potentially impacts on commuting patterns into and out of the authority areas.

Yorkshire Dales National Park

- 2.266 YDNPA's emerging Local Plan is undergoing independent Examination. Its scope covers the entire YDNPA, including the parts that were previously located in Eden and South Lakeland. YDNPA anticipates making modifications in early 2026 with adoption in Spring 2026.
- 2.267 The current housing target is 55 dpa but the new target will be 50 dpa over the 15-year plan period. The rate of completion has generally exceeded the Local Plan target over the last 4 years, but the majority of housing delivery has been through self-build, infill plots or barn conversions. Very little new housing has been affordable or targeted at smaller household needs. As part of its new Local Plan, the YDNPA is allocating new sites over a wider area to

help deliver more affordable housing. A secondary stated aim is to tackle rural depopulation, as well as housing for older people and potentially shared housing (if demand is identified). Whilst housing need is considered to be negative, the YDNPA wants to plan for more housing to attract and/or retain people. The YDNPA consider this likely means going further than the annual housing requirement, which they expect to be criticised for at the Local Plan examination, but this is to meet aspirations and address challenges.

- 2.268 However, the YDNPA acknowledges that changes to the standard method following the publication of the NPPF in December 2024 may pose challenges in terms of monitoring delivery. Whilst the YDNPA considers itself to be exceeding the objective assessed housing need, when compared against the SM3 target (137 – 178 dpa), there will continue to be a shortfall. At the time of writing (early 2026), the YDNPA states that this is being questioned by the Inspector but has not been raised as an examination issue.
- 2.269 Whilst the YDNPA wishes to meet housing need within its own Local Plan area, it has a strong relationship with settlements around the YDNP (i.e. Kirkby Lonsdale). However, the YDNPA recognises that there is benefit to the communities inside the YDNP from house building in nearby settlements. There remain existing challenges around second home ownership and holiday lets within the YDNP area.
- 2.270 In terms of employment land need, due to the small, decreasing population, the YDNPA has not commissioned an Employment Land Needs Assessment but has commissioned an employment premises study. The YDNPA has identified five employment sites in the YDNP and has a policy for windfall sites but there has been little use of this policy. The authority is largely reliant on employment development outside its boundary for medium-to-large scale opportunities, with many residents commuting into the YDNP from outside the boundary.

Lake District National Park

- 2.271 The LDNP Local Plan was adopted in 2021 and is considered by the authority to be up to date. The LDNPA do not intend to undertake a Local Plan review until the new plan-making system is fully understood which is not expected to be until later in 2026. The Local Plan sets out a housing requirement of 80 dpa over the plan period of 2020-2035. Delivery has been variable since the plan was adopted but the LDNPA only delivers for local occupancy and local affordable needs. Only two dwellings were delivered in 2023 as the LDNPA is reliant on windfall sites to deliver this. The only open market need identified in their SHMA is met by South Lakeland.
- 2.272 The LDNPA indicate that it cannot currently meet its housing needs and would welcome further conversations with the Council to help meet affordable and open-market requirements in towns close beside the LDNP's boundaries such as Kendal, but understands the pressure to meet housing need in Barrow. Discussions have begun around how the LDNPA can help meet this need and vice-versa. In terms of wider challenges, the LDNPA identify an ageing population, declining working aged, and is struggling to attract families. There are also challenges surrounding second homes and holiday lets.
- 2.273 The Local Plan target is based on jobs rather than floorspace, with a target of 190 new jobs per year, although the LDNPA has again not been meeting this target, but states that this has not been flagged as a major issue. This is considered to be because the majority of jobs

come from tourism and retail. Whilst employment land has been allocated, this has not seen much take up which suggests that there is limited demand.

- 2.274 There are presently three employment sites on the edge of Kendal (Kendal Fall Quarry, two fields adjacent, and a site near Plumgarths roundabout). There is also a proposed site at Windermere Gateway. Penrith is reliant on sites such as Penrith Industrial Estate situated in the former Eden area (see Eden Local Plan Policy PEN1). As developers are not coming forward, the LDNPA is looking to other authorities, including the Council, where employers may be interested in settlements such as Kendal and Ulverston. The LDNPA believes the LDNP to be a significant asset for the Council given its recreational open space and mountain offer, which acts as a very significant attraction to residents.

North Yorkshire

- 2.275 North Yorkshire Council is currently preparing a single Local Plan for the areas of North Yorkshire that fall outside of the North York Moors National Park and YDNP. The Issues and Options consultation ran from Monday 19 May until midnight on Tuesday 15 July 2025. The Issues and Options Report notes that the SM3 based housing need figure for North Yorkshire (including the two National Park areas) is 4,116 homes per year. It states:
- “For context, this level of housing development is considerably higher than the average annual delivery rates over the past five and ten-year periods (3,145 and 2,800 homes respectively). This figure does not automatically become the annual delivery target for the local plan. It is for the council to develop its own target through the plan-making process. However, the expectation from government is that the figure of 4,116 will be met in full. Any reduction would have to be clearly justified and all opportunities for meeting the need must be fully explored.”* [paragraphs 4.3-4.4]
- 2.276 The emerging local plan also acknowledges that it must also provide a strategy that proactively encourages sustainable economic growth. A Housing and Economic Development Needs Assessment [HEDNA] has been produced to inform the North Yorkshire Council’s approach. While the HEDNA highlights the challenges associated with aligning jobs and housing growth - a significant uplift in job creation would be required to support the larger resident population - it is also clear that this should not limit the opportunity to realise sustainable economic growth within North Yorkshire.
- “As such, the HEDNA identifies the need for up to 8 ha of land for office-based uses, and around 340 ha of land for the development of industrial and warehouse uses, over the emerging plan period. These figures broadly align with historical development trends, reflecting what has been delivered on the ground over recent years.”* [paragraph 4.5]
- 2.277 Between allocations from extant local plans and established planning permissions, the emerging Local Plan notes that there is an effective pipeline supply of circa 430 ha of land for the development of office, industrial and warehouse uses in North Yorkshire.
- 2.278 The former Craven District Council’s adopted Local Plan allocated employment / mixed use sites within the north of Settle (Ref: SGO60 and SGO64) and Ingleton Ref: INO22 and INO35), as well as employment allocations in Skipton (Ref: SKO49, SK113 and SK135) and Cononley (Ref: CNO06).

- 2.279 As part of the Duty to Cooperate [DtC], North Yorkshire Council would be open to discussing housing and employment need following the completion of the HEDNA.

County Durham

- 2.280 The Durham County Council adopted the County Durham Plan in December 2020. Since the Plan was adopted, the housing requirement of 1,308 dpa has been exceeded, delivering 1,753 net dpa. They are therefore meeting need within the County at present. Whilst unrelated to housing, Durham County Council identify that the North Pennines National Landscape may need to be considered as part of cross-boundary issues, as well as interest in lithium extraction in Weardale.
- 2.281 Durham County Council has indicated its intention to producing a new Local Plan following SM3 with adoption within 30 months of September 2025. Durham County Council is currently scheduled to hold its first consultation in March 2026. However, timescales are very likely to change subject to new plan making regulations being released in the summer of 2026.
- 2.282 The previous Employment Land Review suggested an indicative demand / requirement of 190ha to 260ha, but the Local Plan allocated 300ha. There are limited land allocations in the west of the County, but needs are expected to be met within the County. The Durham County Council indicated that the Employment Land Review is due to be updated, although no timescales were provided.

Northumberland

- 2.283 The Northumberland Local Plan was adopted in March 2022. The Northumberland County Council published a review of the Local Plan in May 2025. The review considered that the Local Plan is up to date and effective and is still an appropriate basis for deciding planning applications in Northumberland. Notwithstanding this Northumberland County Council has decided to prepare a new Local Plan, although work on this has not formally commenced.
- 2.284 Whilst the current Local Plan requirement is for 885 dpa over the period of 2016-2036, they have delivered at an average of 1,537 dpa between 2016-2025.
- 2.285 Northumberland County Council consider that there is a modest need for employment land in the County, although the Local Plan has provided for 242 ha to ensure an adequate supply and allow for choice. The nearest site to Westmorland & Furness is Hadrian Enterprise Park, and the largest vacant area remaining is currently being marketed. A regional Employment Review is currently being prepared which will be completed in 2026.
- 2.286 Northumberland County Council considers that it can meet its own needs for both housing and employment and does not wish to formally assist in meeting the housing or employment need of Westmorland & Furness given the County is rural in nature and not conducive to significant levels of development.

Lancaster

- 2.287 Lancaster City Council adopted its Local Plan in July 2020. They completed a Partial Review in January 2025 which looked only at amending policies relating to Climate Change

and not strategic matters (i.e. scale and local of development needs). Lancaster City Council has commenced the preparation of a new Local Plan (the Lancaster District Local Plan Review 2028/29-2043/44) which, upon its completion will supersede the current planning framework for the district. This includes the 2020 Lancaster District Local Plan, the 2025 Climate Emergency Partial Local Plan Review and the 2019 Arnsdale and Silverdale Area of Outstanding Natural Beauty DPD.

- 2.288 Lancaster City Council's existing housing need stands at 627 dpa which the Council stated will be a challenging number for them to deliver given the constraints faced in the District (such as landscape, environmental, infrastructure, flood risk and Green Belt). Whilst Lancaster City Council has previously failed to meet its OAN, it was justified that the aforementioned constraints were a basis to have a reduced housing figure in the Plan. They anticipate the same issue to persist with the Full Review of the Local Plan, although the changes to the NPPF may make this harder for them to justify.
- 2.289 In terms of employment land supply, Lancaster City Council published an updated Employment Land Review in May 2025. This found that they had sufficient employment land to meet projected need but identified issues around locational distribution and identified that the new Local Plan would need to diversify employment locations, particularly around Lancaster and the motorway network.
- 2.290 With both housing and employment, Lancaster City Council recognises the cross-boundary relationship, particularly in relation to housing around the Arnsdale and Silverdale National Landscape but does not consider that it would need to accept any of Westmorland & Furness' unmet needs or vice versa.

3.0 Defining the HMA/FEMA

- 3.1 This section provides a broad overview of the District and its likely position within a wider HMA and/or FEMA. The analysis of the extent of the HMA / FEMA accords with the guidance contained within the PPG³², and uses the 2011 and 2021 Census data on migration and commuting levels.
- 3.2 Whilst SM3 assumes that each local authority administrative area forms its own HMA, identifying the extent of the HMA using the approach set out in this chapter is an important step in understanding the dynamics of the local housing market which will help inform and underpin the housing policies to be adopted in the local plan.
- 3.3 Regarding HMAs, the PPG³³ states that this is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. The PPG states HMAs can be broadly defined by analysing:
- *“The relationship between housing demand and supply across different locations, using house prices and rates of change in house prices. This should identify areas which have clearly different price levels compared to surrounding areas.*
 - *Migration flow and housing search patterns. This can help identify the extent to which people move house within an area, in particular where a relatively high proportion of short household moves are contained, (due to connections to families, jobs, and schools).*
 - *Contextual data such as travel to work areas, retail and school catchment areas. These can provide information about the areas within which people move without changing other aspects of their lives (e.g. work or service use).”*
- 3.4 As for FEMAs, the PPG³⁴ notes that since patterns of economic activity vary from place to place, there is no standard approach to defining a FEMA. However, it is possible to define them taking account of the following factors:
- *“extent of any Local Enterprise Partnership within the area;*
 - *travel to work areas;*
 - *housing market area;*
 - *flow of goods, services and information within the local economy;*
 - *service market for consumers;*
 - *administrative area;*
 - *catchment areas of facilities providing cultural and social well-being; and,*
 - *transport network.”*
- 3.5 The study also considers Westmorland & Furness’s general economic linkages within the wider area. Similarities in characteristics such as employment and business structures between different geographies can strengthen the basis of conclusions made after reviewing each of the previous PPG variables, while offering the additional opportunity to identify other economic linkages and trends that may not have been identified otherwise.

³² 61-018-20190315

³³ 61-018-20190315

³⁴ 61-019-20190315

Defining the HMA

3.6 HMAs are inherently difficult to define. They are a geographic representation of people's choices and preferences on the location of their home, accounting for where they want to live and work. They can be defined at varying geographical scales from the national scale to sub-regional scale, down to local and settlement specific scales. HMAs are also not definitive. As well as a spatial hierarchy of different markets and sub-markets, they will inevitably overlap.

3.7 Previously, the '*Identifying sub-regional housing market areas*' advice note (March 2007) produced by the Government recommended that a measure of migration flow patterns can identify the geographical relationships of where people move house within an area with a 70% containment rate of migratory activity typically representing an HMA. In particular it advised:

"The typical threshold for self-containment is around 70 per cent of all movers in a given time period. This threshold applies to both the supply side (70 per cent of all those moving out of a dwelling move within that same area) and the demand side (70 per cent of all those moving into a dwelling have moved from that same area). Some areas may be relatively more or less self-contained, and it may be desirable to explore different thresholds."

3.8 This level of self-containment was also recommended in the first iteration of the PPG (from March 2014). However, the PPG was revised in September 2018, removing the reference to 70% and instead stating that migration flow and housing search patterns can:

*"...help identify the extent to which people move house within an area, in particular where **a relatively high proportion** of short household moves are contained."*³⁵ [Lichfields emphasis]

3.9 This arguably introduces an element of ambiguity in terms of what comprises a '*relatively high proportion*' which suggests this may be up to the discretion of policy makers. Migration flows and calculation of self-containment percentages within and between local authorities have been used by Lichfields to assist in defining the HMA.

HMA Analysis

Housing Demand and Supply

3.10 The median house price is now only available at the administrative level for Westmorland & Furness. However, drawing upon the Middle Super Output Area [MSOA] level data, which is still published by the three former districts, it is possible to ascertain how this differs between the three former districts. Across Westmorland & Furness, the median house price in the year to March 2025 was £251,780. However, when looking at the three former districts, there is notable difference. In South Lakeland, the median house price was £311,035 in the year to March 2025 whilst in Barrow it stood at £159,148 and £265,604 in Eden, compared to a much lower figure across the North West (£220,000) but still lower than England (£300,000), except for South Lakeland.

3.11 Over the past 10 years, house prices increased by 23.7% in Westmorland & Furness. However, at the three former districts level, South Lakeland (22.4%) and Eden (22.7%)

³⁵ ID: 61-018-20190315

increased at a slower rate whilst Barrow grew at a faster rate (28.7%). This remains below the regional (29.4%) but above the national (21.0%).

Migration Flows and Housing Search Patterns

- 3.12 In December 2023, origin / destination data on migration was released for the 2021 Census at local authority level. However, it is important to note that as fieldwork was carried out during the Covid pandemic and lockdown measures, the number of people migrating within or outside an area was likely to be reduced.
- 3.13 Patterns of migration are a function of a range of housing market factors combined with household circumstances. Key factors that influence migration patterns and the geography of housing markets include affordability (which itself is influenced by a range of factors), and accessibility, particularly related to place of work and ease of commuting.
- 3.14 Table 3.1 illustrates the migration flows between Westmorland & Furness and other local authorities using data from the 2021 Census. The analysis indicates that the level of self-containment of migratory movements in the authority area is high. Demand-side self-containment is 70.8% of all those moving into a dwelling in Westmorland & Furness moving from within the authority area. Supply-side self-containment is 67.0% of all those moving out of a dwelling in Westmorland & Furness also moving from within its boundaries.
- 3.15 Whilst demand-side side meets the 70% self-containment rate suggested by the PPG as being necessary to justify a self-contained HMA, supply-side self-containment falls just short of this rate.

Table 3.1 Inward and outward migration flows between Westmorland & Furness and other local authorities

District of Origin/Destination	Residents moving into Westmorland & Furness		Residents moving out of Westmorland & Furness	
Moves within Westmorland & Furness	12,294	70.8%	12,294	67.0%
Lancaster	608	3.5%	481	2.6%
Carlisle	422	2.4%	296	1.6%
Manchester	181	1.0%	144	0.8%
Allerdale	162	0.9%	179	1.0%
Leeds	161	0.9%	149	0.8%
Copeland	157	0.9%	146	0.8%
Liverpool	149	0.9%	95	0.5%
Newcastle upon Tyne	144	0.8%	92	0.5%
County Durham	109	0.6%	118	0.6%
Other districts	2,975	17.1%	4,365	23.8%
Total moves in/out	17,362		18,359	
All moves in/out/within	23,427			

Source: Census (2021)

- 3.16 However, the 2018 PPG iteration stated that when defining the HMA, there should be a particular focus “*where a relatively high proportion of short household moves are contained*”. If the analysis is constrained only to moves within Westmorland & Furness and those to the immediate adjoining authorities³⁶, the District’s self-containment rate of 79.1% for in-migration, and 73.1% for out-migration would pass the 70% self-containment rate based on this approach.

Defining the FEMA

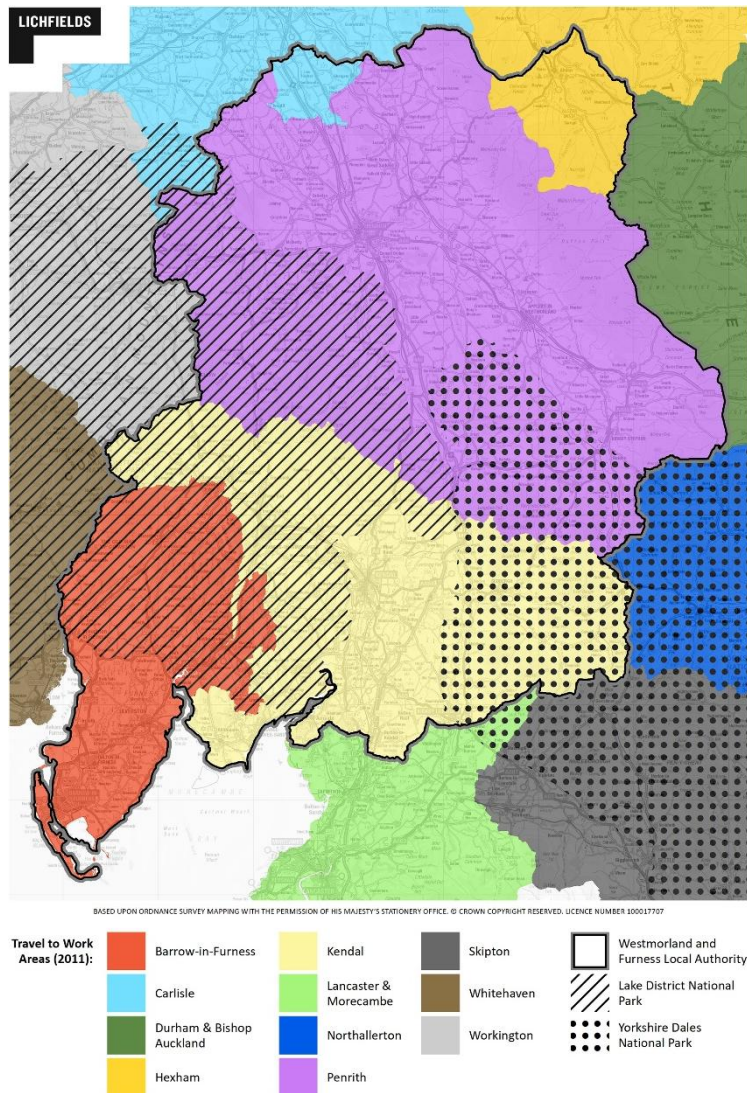
Travel-to-Work Areas

- 3.17 Detailed guidance on how to define a FEMA has been produced by the Government³⁷. This states that examining commuting flows can help to define the FEMA of an economy by considering the relationship between where people live and where they work. Whilst 2021 Census data exist for commuting patterns, updated publications have not been released which present TTWAs due to lockdown measures restricting commuting patterns.
- 3.18 The ONS defines labour market areas as those areas where the bulk of the resident population also work. TTWAs provide a good indication of which labour market a location or local authority is in and how labour market areas are split across the UK. The ONS 2011 TTWAs were developed to approximate self-contained labour market areas i.e. areas where most people both live and work and therefore relatively few commuters cross a TTWA boundary on their way to work. Figure 3.1 presents the TTWA boundary and indicates that the Local Authority administrative boundaries encompass some or all of five different TTWAs: the whole of Barrow, Kendal and Penrith TTWAs; and small portions of the Carlisle TTWA to the north, and the Hexham TTWA to the north east (essentially covering the small town of Alston).

³⁶ Adjoining authorities are considered to include Lancaster, Carlisle, Allerdale and Copeland.

³⁷ DLUHC (2010) Functional Economic Market Areas: An Economic Note

Figure 3.1 TTWAs for Westmorland & Furness



Source: ONS (2015) / Lichfields Analysis

Commuting Patterns

- 3.19 Defining labour market areas requires an analysis of commuting patterns to identify TTWAs for local economies. The current criteria for defining TTWAs is that at least 75% of an area's working population work in the area (FEMA Test #1) and at least 75% of the people who work in the area also live in the area (FEMA Test #2). The area must also have a working population of at least 3,500 (Westmorland & Furness has a working population of 101,427³⁸). However, for areas with a working population in excess of 25,000, self-containment rates as low as 66.7% are accepted to define a TTWA as part of a limited “trade-off” between workforce size and level of self-containment³⁹.
- 3.20 In 2023, origin / destination data on commuting patterns was released for the 2021 Census at local authority level.

³⁸ Source: ONS (2021) Census - WU01UK Location of usual residence and place of work by sex

³⁹ Commuting to work, Changes to Travel to Work Areas: 2001 to 2011 (ONS, December 2015)

- 3.21 Based on the 2021 Census, the extent to which residents in Westmorland & Furness travel to other areas appears to be relatively limited. Westmorland & Furness had a resident workforce population of 108,649, of whom 7,884 commuted in to work from other areas. This means that 93.4% (or 101,427) of Westmorland & Furness' residents also work in the District – this includes 42,909 who work from home within Westmorland & Furness. However, this figure is likely to be skewed by the higher proportion of people working from home due to Covid lockdown measures during the 2021 Census fieldwork.
- 3.22 Similarly, Westmorland & Furness had a workplace population of 112,541 in 2021, of whom only 11,114 commuted in from other authorities for work. This means that 90.1% of people who are in work in Westmorland & Furness also live in the District. **This is a high level of self-containment, and significantly above the typical 66.66% to 75% threshold for defining a district as a TTWA.**

Conclusion on the Extent of the HMA and FEMA

- 3.23 The HMA and FEMA assessment demonstrates that Westmorland & Furness has a strong level of self-containment in terms of both commuting and migration patterns. Whilst migration flows are just below the PPG figure of 70%, when constrained to only those in nearby authorities, the figure increases to 79.1% for in-migration which would pass the 70% self-containment rate.
- 3.24 As such, and based on the interpretation of the PPG, the Census 2021 data, and analysis of migratory patterns amongst other indicators, it is considered that self-containment in Westmorland & Furness is sufficiently high for the District to be considered a single HMA for the purpose of considering housing needs in the context of its emerging Local Plan.
- 3.25 It is, therefore, reasonable and logical to take the administrative boundaries of Westmorland & Furness as being a 'best fit' HMA for planning purposes.
- 3.26 Westmorland & Furness also passes both FEMA tests comfortably, with a high level of working residents working in the District at 92.7% (FEMA Test #1) and local residents living and work in Westmorland & Furness at 89.5% (FEMA Test #2).
- 3.27 **It is therefore considered that Westmorland & Furness's District boundaries comprise a self-contained HMA and FEMA for the purposes of analysing housing and employment land needs.**

4.0 **Socio-Economic Context**

4.1 This section provides socio-economic evidence at a national, regional, and local level to provide context for the SHENA's analysis.

Economic Conditions and Trends

Labour Market Indicators

4.2 In 2025, 103,800 people, or 81.5% of Westmorland & Furness' population aged 16-64, were economically active, meaning they were either in or seeking employment. In the former districts, the economic activity rate was lowest in Eden, at 77.6% (or 23,100) of its population compared to 85.3% (or 48,700) in South Lakeland and just 79.0% (or 32,000) in Barrow. With the exception of South Lakeland, these figures are largely in-line with the rate of economic activity seen across the North West (77.3%) and England (79.1%).

4.3 As of September 2025, there were 2,460 residents claiming benefits in Westmorland & Furness, accounting for 1.8% of residents aged 16-64. The majority of claimants (1,150 or 46.7%) were in Barrow with just 525 (21.3%) and 785 (31.9%) living in Eden and South Lakeland. Data on the last five years for Westmorland & Furness illustrate that this split between the three former authorities has remained largely consistent.

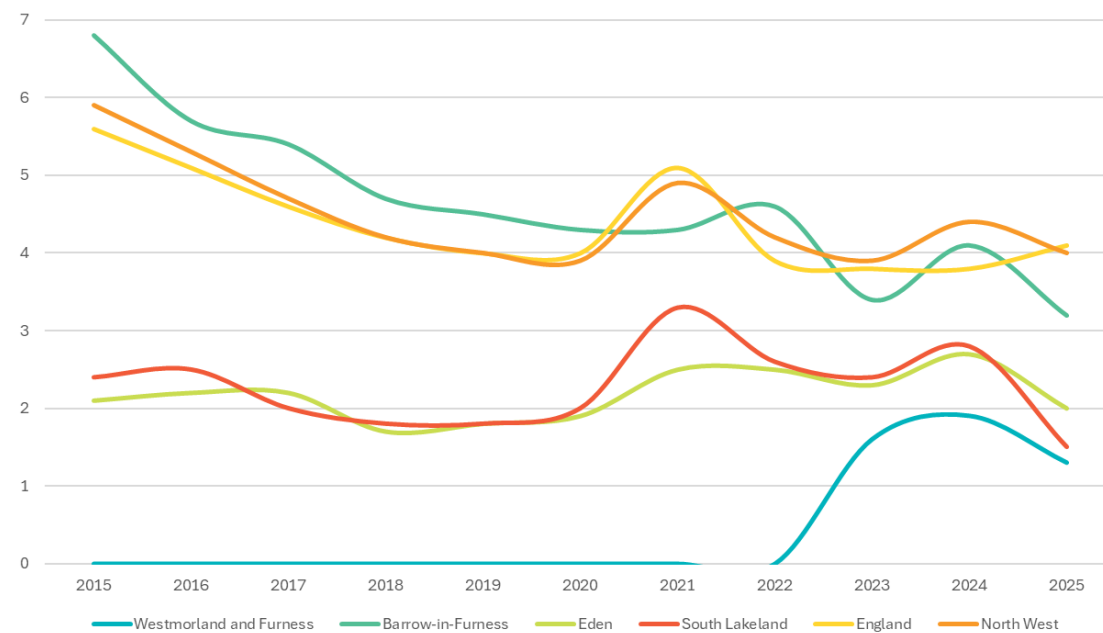
4.4 Subsequent periods of lockdown meant that the level of claimants remained around this level throughout 2021, peaking in March 2021. However, since mid-to-late 2021, the claimant count has started to decline, and is now at, or around, pre-Covid levels.

4.5 Turning to unemployment levels in Westmorland & Furness, there were 2,300 people unemployed in the year to June 2025, which represented a rate of 1.3%. This is lower than the regional and national figures of 4.0 and 4.1% respectively.⁴⁰ In the former districts, the level of unemployment differs between the authority areas. It remains highest in Barrow (3.2% or 1,100) whilst lower in South Lakeland (1.5% or 800) and Eden (2.0% or 500). Nevertheless, the levels remain below the regional and national picture.

4.6 In the three former districts, unemployment has largely continued to fall over the last decade, except for a brief spike in 2020 for Eden and South Lakeland (which is likely to reflect the impacts of the Covid pandemic), with levels declining since. Overall levels have historically remained below the regional and national rate.

⁴⁰ ONS (2025) Annual Population Survey – Model-Based Estimates of Unemployment (June 2025)

Figure 4.1 Unemployment rate (2015 – 2025)

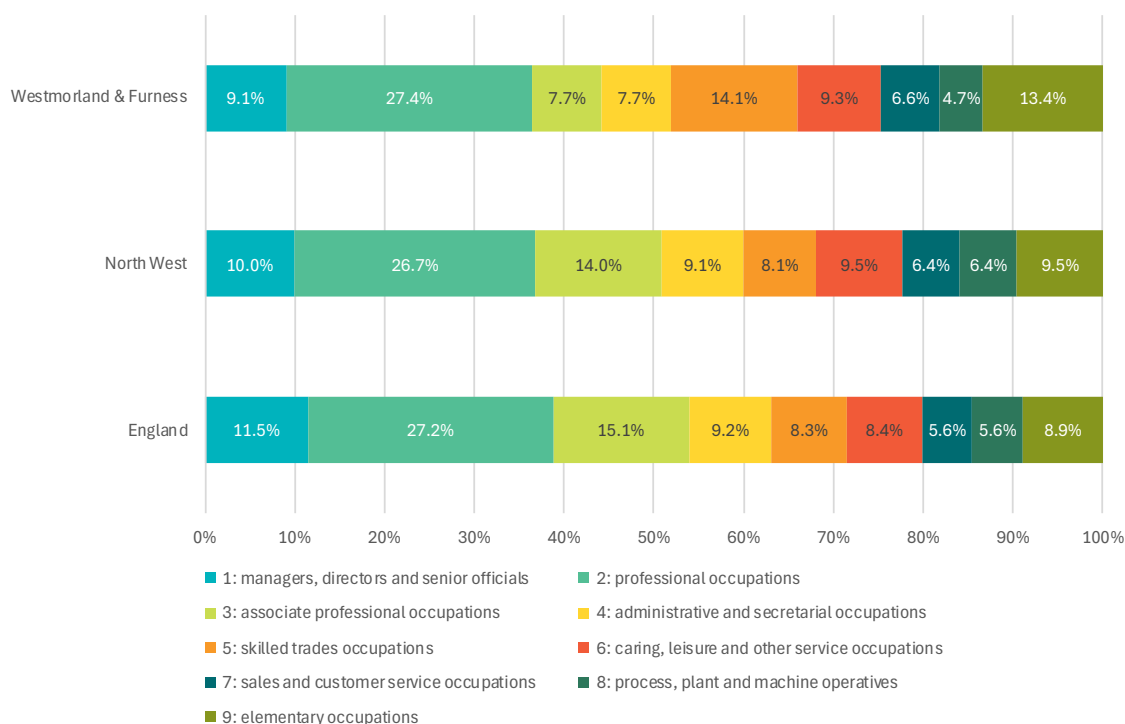


Source: ONS (2025): Model-based estimates of unemployment
 Please note data is only available for Westmorland and Furness from the period 2022-2023

Occupations

4.7 Figure 4.2 highlights that Westmorland & Furness has a lower proportion of highly skilled occupations (1-3) across the area which (at 44.2%) is notably below the North West (50.7%) and England (53.8%). In contrast, there is a higher proportion of manual occupations (7-9) within Westmorland & Furness (24.7%) compared to the 22.3% in the North West and 20.1% in England.

Figure 4.2 Occupation Profile of Westmorland & Furness



Source: Annual Population Survey (2023)

4.8 Data released by the ONS presents the occupation profile of at the three former local authorities. This indicates that Barrow has a notably higher proportion of highly skilled occupations with 50.6% of employees working in SOC 1-3 compared to 43.3% in Eden and 37.6% in South Lakeland.

Table 4.1 Occupation Profile

	SOC 1-3	SOC 4-6	SOC 7-9
Barrow	50.6%	21.5%	12.7%
Eden	43.3%	31.6%	25.0%
South Lakeland	37.6%	33.3%	29.1%

Source: Annual Population Survey (2025)

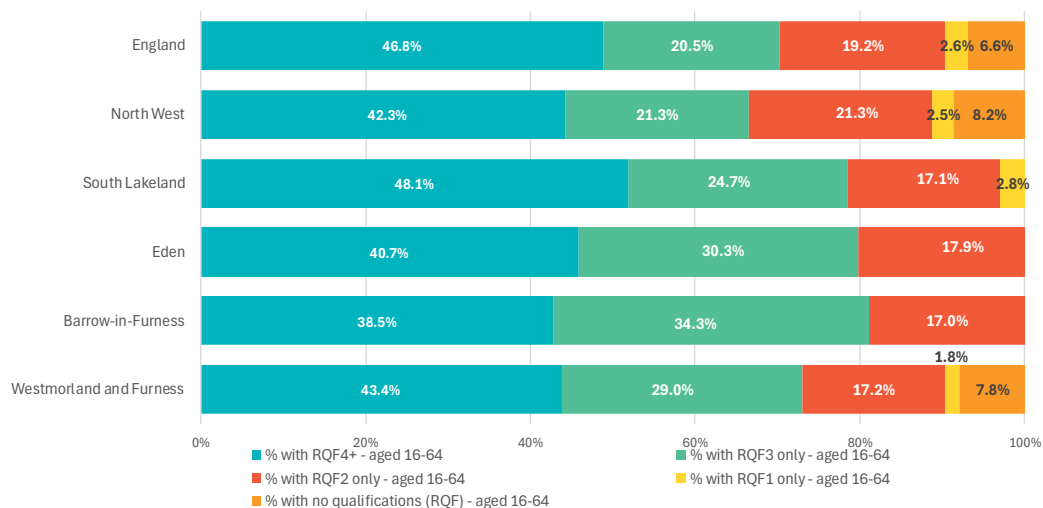
Please note: due to insufficient sample size, the ONS has not released occupational figures for 1: Managers, 4 Administrators and 8: Process Plant workers for Barrow. This means the occupational profile for Barrow does not equal 100%.

Skills and Qualifications

4.9 Compared to national levels, a smaller proportion of residents hold degree level and above qualifications (RQF4+) in Westmorland & Furness, with 43.4% educated to level 4, compared to 46.9% across England (although it is in-line with the 42.3% reported in the North West). However, at diploma/A/AS level, a higher proportion of residents hold level 3 qualifications at 29.0% compared to 21.3% regionally and 20.5% nationally. A lower proportion of residents also hold no qualification at 7.8% compared to 8.2% regionally (although this above the national figure of 6.6%).

4.10 When broken down by the three former districts, it is evident that a larger proportion of residents in Eden (40.7%) and South Lakeland (48.1%) hold degree level and above qualifications, with the latter exceeding the regional and national average.⁴¹ Barrow has a lower proportion at 38.5%.

Figure 4.3 Highest level of qualification for residents aged 16+



Source: Annual Population Survey (2024)

Earnings

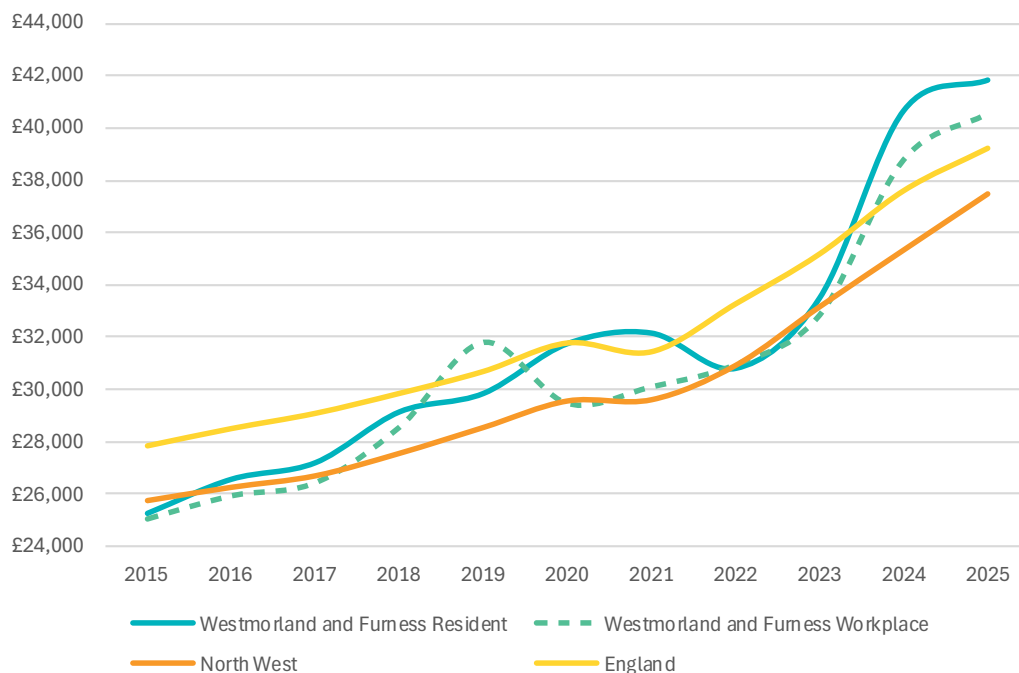
4.11 Figure 4.4 compares changes to the gross median annual earnings in Westmorland & Furness⁴² and the North West and England between 2015-2025. Resident earnings of people who live in Westmorland & Furness have historically been below the national average. However, since 2024 they have climbed to £41,859 in 2025 compared to £37,445 regionally and £39,243 nationally. Since 2015, this represents an increase of £16,581 (+65.6%) which is significantly above the growth rate seen regionally (45.6%) and nationally (41.0%).

4.12 Workplace earnings in Westmorland & Furness (i.e. those who work in the area but may live elsewhere), have tended to be below resident-based earnings historically. In 2025, workplace-based earnings stood at £40,529. These earnings have risen at a slightly slower rate since 2015, rising by £15,480 or 61.8%. This indicates that residents may need to travel out of Westmorland & Furness to access higher paid work opportunities.

⁴¹ Please note: Due to sample size, the three former authorities will not equal 100%. This is because data is not published for RQF1 for Barrow-In-Furness and Eden. Data is also not published for the three former authorities in relation to 'other qualifications.'

⁴² Workplace and Resident earnings for the three former authorities were discontinued by the ONS after 2021 and published under the new Westmorland and Furness authority. To present the latest available earning figures against the timeseries, Lichfields has taken an average across the three former authorities for 2015-2025

Figure 4.4 Resident and Workplace Gross Median Annual Earnings 2015-2025

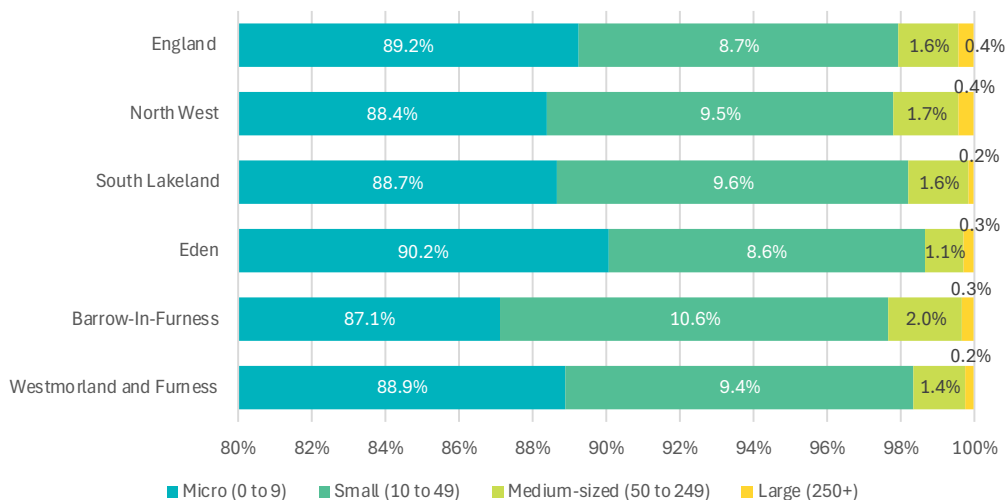


Source: Annual Survey of Hours and Earnings (2025)

Business Demography and Enterprise

- 4.13 As of 2025, there were 11,455 businesses across Westmorland & Furness, of which 1,515 or 13.2% were located in Barrow, 3,715 or 32.4% in Eden and 6,225 or 54.3% in South Lakeland. Of those, 88.9% were micro in scale, which is largely in-line with the North West (89.2%) and UK (88.4%) levels. This is a very similar picture across the three former districts, although there is a slightly higher proportion of micro businesses in Eden at 90.2%.
- 4.14 In terms of all those businesses which are classified as a Small and Medium Enterprise [SME], which includes micro, small and medium-sized enterprises, 99.8% of businesses fall within this grouping which is slightly higher than the North West (99.6%) and England (99.6%) each. This highlights the importance of the SME base to the economy of Westmorland & Furness.

Figure 4.5 Size of Enterprises (2025)



Source: ONS (2025) UK Business Count
Please note SME includes micro, small and medium sized enterprises.

4.15 Considering the number of business births and deaths in Westmorland & Furness between 2018 and 2023, the stock of businesses has continued to decline or experience flat growth year-on-year, with the exception of Eden which saw an increase between 2019 and 2022, although it experienced a decline between 2022 and 2023. This is caused by a greater number of business deaths than births, resulting in a net decline. This decline was particularly notable in 2020, when Barrow and South Lakeland saw a net loss of -65 and -25 businesses, respectively. This is likely to reflect the economic hardship endured by businesses during the Covid pandemic and downturn in the economy.

Table 4.2 Count of Births and Deaths of Enterprises for 2018-2023

	2018	2019	2020	2021	2022	2023
Barrow						
Births	245	255	180	185	185	190
Deaths	-215	-265	-245	-335	-245	-205
Net	30	-10	-65	-150	-60	-15
Eden						
Births	160	180	215	205	210	200
Deaths	-185	-185	-175	-175	-220	-195
Net	-25	-5	40	30	-10	5
South Lakeland						
Births	425	415	345	435	465	395
Deaths	-430	-435	-370	-405	-470	-420
Net	-5	-20	-25	30	-5	-25
Westmorland and Furness						
Births	870	830	850	740	825	860
Deaths	-910	-830	-885	-790	-915	-935
Net	-40	0	-35	-50	-90	-75

Source: ONS (2024) Business Demography

- 4.16 Between 2018 and 2023, Barrow saw the greatest decline in its active business base at -18.6%, whilst South Lakeland reduced by a more modest -2.2% and Eden increased by 4.9%, a greater level of growth than both the wider region (-0.4%) and nationally (1.0%).

Table 4.3 Annual Change in Active Enterprises

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2018-2023
Barrow	1.5%	-4.8%	-3.0%	-8.8%	-4.8%	-18.6%
Eden	0.0%	1.2%	1.6%	2.4%	-0.4%	4.9%
South Lakeland	-0.4%	-1.6%	0.8%	0.5%	-1.6%	-2.2%
Westmorland & Furness	-0.8%	0.1%	-1.6%	0.2%	-0.8%	-1.9%
North West	-0.1%	-0.8%	2.6%	-0.1%	-1.9%	-0.4%
UK	1.7%	0.3%	1.5%	-0.5%	-1.9%	1.0%

Source: Business Demography (2024) – Enterprise Births, Deaths and Survivals

- 4.17 Both Eden and South Lakeland have a higher 5-year survival rate at 53.1% and 51.8% compared to 32.7% in Barrow. This compares to 36.1% regionally and 39.4% nationally for businesses created in 2018.

Table 4.4 Births of units in 2018 and their survival

	Births	1-year survival	1-year per cent	2-year survival	2-year per cent	3-year survival	3-year per cent	4-year survival	4-year per cent	5-year survival	5-year per cent
Barrow	245	230	93.9%	175	71.4%	130	53.1%	105	42.9%	80	32.7%
Eden	160	150	93.8%	130	81.3%	100	62.5%	95	59.4%	85	53.1%
South Lakeland	425	405	95.3%	340	80.0%	285	67.1%	250	58.8%	220	51.8%
Westmorland and Furness	830	785	94.6%	645	77.7%	515	62.0%	450	54.2%	385	46.4%
North West	36,995	34,600	93.5%	26,455	71.5%	20,315	54.9%	16,280	44.0%	13,355	36.1%
UK	348,630	330,330	94.8%	258,465	74.1%	200,650	57.6%	164,730	47.3%	137,435	39.4%

Source: Business Demography (2024) – Enterprise Births, Deaths and Survivals

- 4.18 Table 4.5 presents Westmorland & Furness' business composition when compared to the rest of the North West and UK. Perhaps unsurprisingly given their rural nature, both Eden and South Lakeland have a higher proportion of agricultural-based enterprises at 34.1% and 20.8% compared to 4.1% regionally and 3.8% nationally. The construction industry also dominates the business base of all three former districts at 16.2%, 12.5% and 13.1% respectively compared to the regional (13.1%) and national (14.1%). Conversely, there is a lower proportion of professional, scientific and technical enterprises (13.5%, 8.6% and 10.7%) compared to 14.5% regionally and 14.5% nationally. This is also true of ICT (2.6%, 2.7% and 32.7%) versus 3.7% and 4.3%).
- 4.19 Together this suggests there is an under-representation of white-collar service sectors in Westmorland & Furness and its former districts.

Table 4.5 UK Business Counts - enterprises by industry (2025)

	Westmorland & Furness		Barrow		Eden		South Lakeland		NW	UK
	Count	%	Count	%	Count	%	Count	%	Count	%
Agriculture, forestry and fishing	2,385	20.8%	75	5.0%	75	34.1%	1,050	16.9%	4.1%	3.8%
Mining, quarrying and utilities	110	1.0%	30	2.0%	30	0.8%	50	0.8%	0.6%	0.6%
Manufacturing	550	4.8%	70	4.6%	70	3.8%	335	5.4%	5.2%	4.7%
Construction	1,525	13.3%	245	16.2%	245	12.5%	815	13.1%	13.1%	14.1%
Motor trades	305	2.7%	60	4.0%	60	2.4%	155	2.5%	3.4%	3.0%
Wholesale	305	2.7%	40	2.6%	40	2.7%	165	2.7%	4.3%	3.7%
Retail	845	7.4%	160	10.6%	160	5.0%	500	8.0%	9.2%	7.8%
Transport and storage	230	2.0%	25	1.7%	25	3.0%	95	1.5%	4.2%	4.2%
Accom. and food services	1,130	9.9%	155	10.2%	155	7.0%	720	11.6%	7.3%	6.2%
ICT	315	2.7%	40	2.6%	40	2.3%	190	3.1%	5.2%	7.3%
Financial and insurance	120	1.0%	15	1.0%	15	0.9%	70	1.1%	2.0%	2.2%
Property	380	3.3%	45	3.0%	45	2.3%	250	4.0%	4.6%	4.6%
Prof., scientific and technical	1,185	10.3%	205	13.5%	205	8.6%	665	10.7%	14.5%	15.9%
Business administration and support services	775	6.8%	135	8.9%	135	5.7%	425	6.8%	8.3%	8.4%
Public admin and defence	90	0.8%	0	0.0%	0	1.1%	50	0.8%	0.2%	0.3%
Education	215	1.9%	20	1.3%	20	1.6%	135	2.2%	1.8%	1.9%
Health	330	2.9%	65	4.3%	65	1.9%	195	3.1%	5.0%	4.3%
Arts, entertainment, recreation and other services	655	5.7%	130	8.6%	130	4.4%	365	5.9%	7.0%	7.0%
Total	11,455	100.0%	1,515	100.0%	1,515	100.0%	6,225	100.0%	100.0%	100.0%

Source: UK Business Count (2025)

Employment

4.20 Table 4.6 indicates that employment levels in Westmorland & Furness stood at around 130,000 in 2025, having increased by 3,100 or 2.4% over the past five years. The majority of this growth has been driven by an increase in employees in Barrow which increased by 4,500 or 13.4% over this time period whilst Eden saw modest growth of 300 or 0.9% and South Lakeland declined by -1,700 or -2.8%. With the exception of Barrow, this remains below the growth seen nationally which increased by 6.4%.

Table 4.6 Employment by authority area (2020-2025)

	2020	2025	Change	% Change
Westmorland & Furness	126,900	130,000	3,100	2.4%
Barrow	33,700	38,200	4,500	13.4%
Eden	31,900	32,200	300	0.9%
South Lakeland	61,300	59,600	-1,700	-2.8%
England	29,879,800	31,782,400	1,902,600	6.4%

Source: Experian (2025)

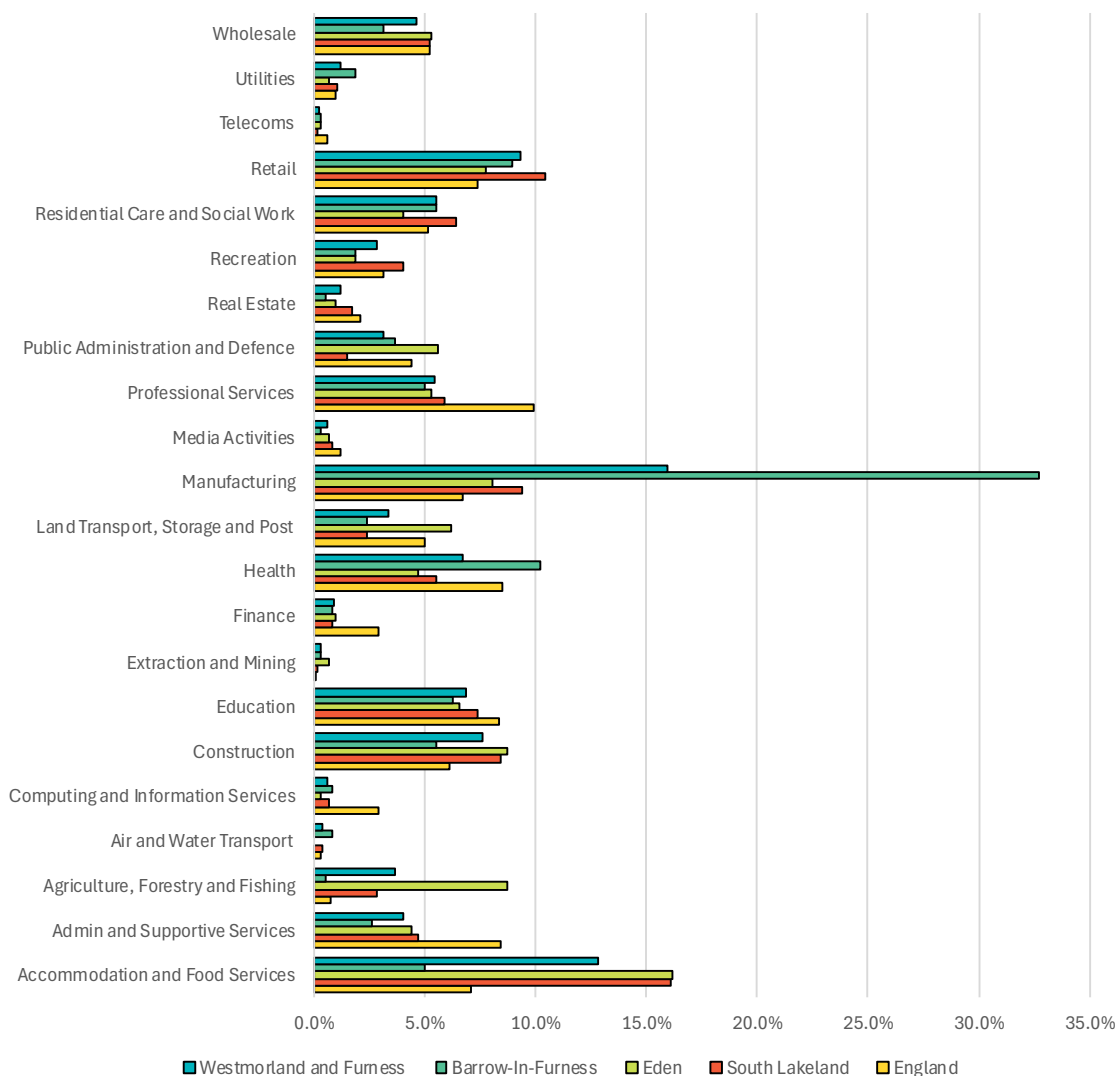
4.21 Figure 4.6 illustrates the share of employees by broad industrial sector in Westmorland & Furness, as well as the former districts and nationally. Manufacturing dominates a large proportion of employment with Westmorland & Furness, employing 18,300 or 15.9% of people. This is likely to be driven by the high level of employment in the sector at the former district level of Barrow where it employs 10,000 or 32.7% of people. Whilst levels

are lower in Eden (2,400 or 8.1%) and South Lakeland (5,900 or 9.4%), it nevertheless remains higher than the national (6.7%).

4.22 Other sectors of importance in Westmorland & Furness include accommodation and food services, employing 16,400 or 12.8% of all employees. This is largely due to the high concentration of employment within the sector in Eden (5,100 or 16.1%) and South Lakeland (9,600 or 16.1%) which is perhaps unsurprising given the prominence of tourism in these areas.

4.23 Conversely, across Westmorland & Furness there is very limited employment in the ‘white collar’ sectors of insurance (0.0%) ICT (0.6%) and finance (0.8%). This compares to 0.3%, 2.9% and 2.9% respectively at a national level.

Figure 4.6 Share of employees by broad industrial sector (2025)



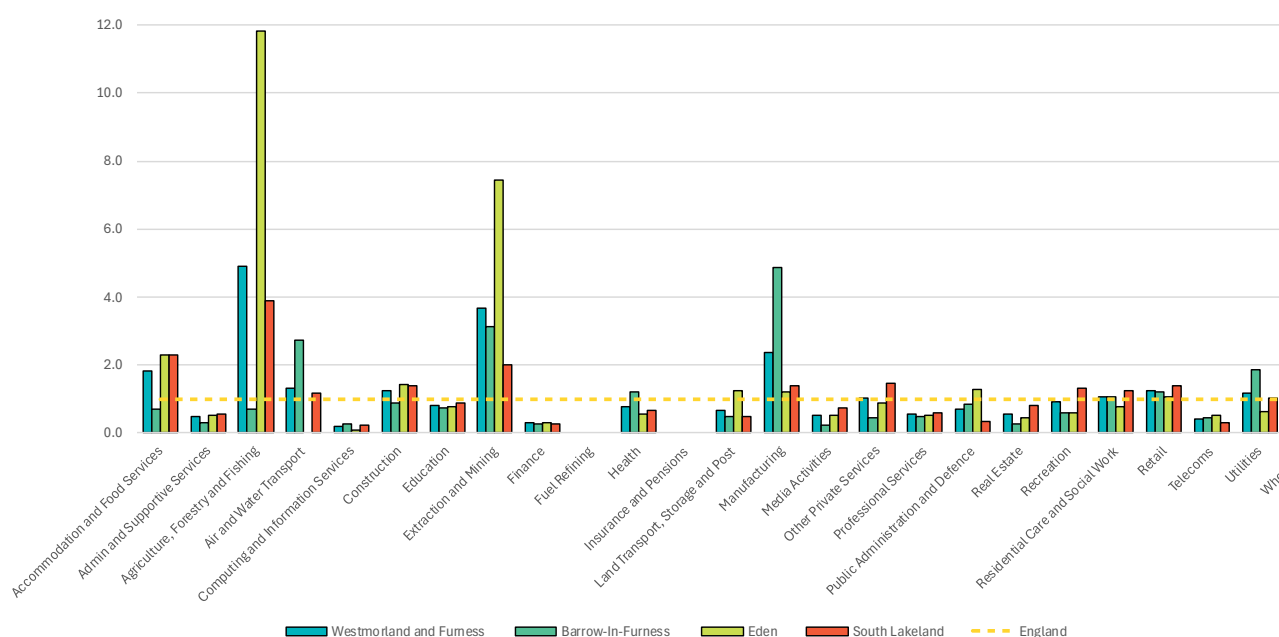
Source: Experian (2025)

Location Quotient Analysis

4.24 Figure 4.7 assesses Westmorland & Furness’ current sectoral strengths using location quotients [LQ], which measure the proportion of employment in an industry at the local level relative to the national average.

4.25 A value above 1.0 denotes a higher local representation of a sector compared to the national average, whilst anything below 1.0 signifies an under-representation. In the Figure, the location quotients for Westmorland & Furness are shown using a blue bar with the national average shown in yellow. The further the blue bar is above 1.0, the greater the extent of any over-representation. The former Districts are also included for comparative purposes.

Figure 4.7 Location Quotient Analysis, 2025



Source: Experian (2025)

4.26 The strength of the agricultural sector in Westmorland and Furness is clear, with the sector having the highest LQ of 4.9. However, this is driven by a high representation in Eden (11.8) and South Lakeland (3.9) which offsets an under-representation in Barrow. This is also true of extraction and mining where there is an over-representation of 3.7 in Westmorland & Furness, driven by 7.4 in Eden and 3.1 in Barrow with South Lakeland having a smaller concentration at 2.0.

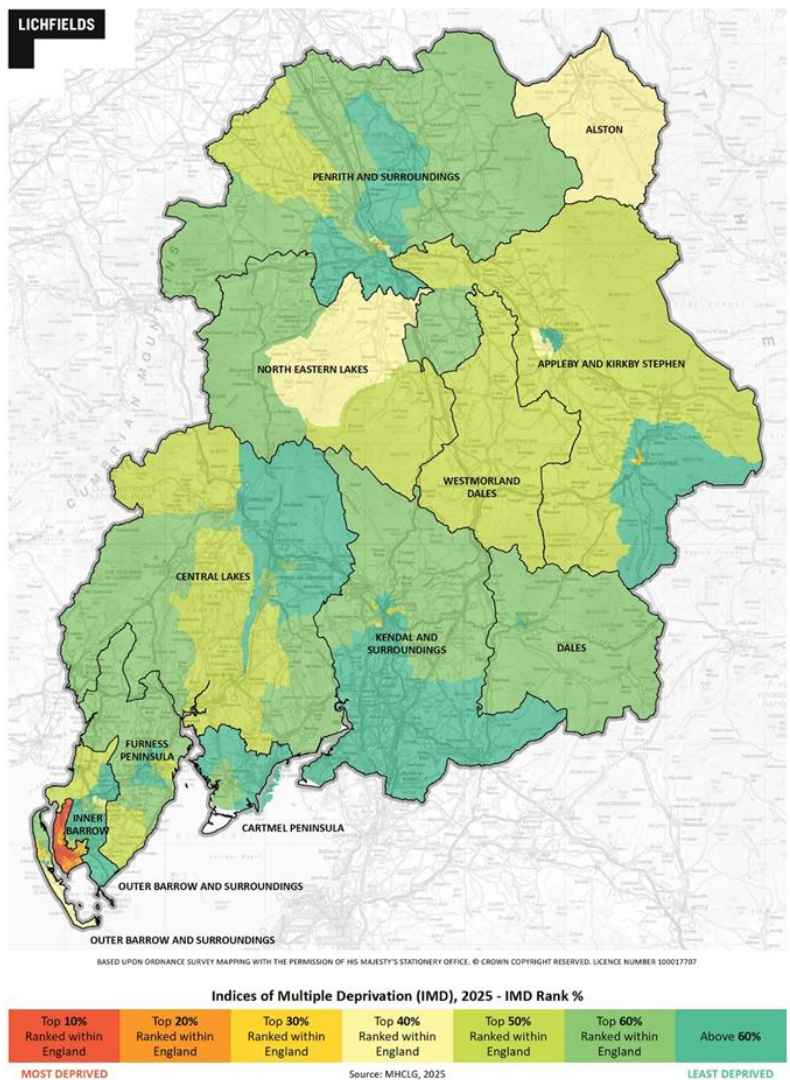
4.27 Manufacturing remains above the national with an LQ of 2.4 in Westmorland & Furness which is largely underpinned by a high concentration in Barrow (4.9) compared to 1.2 in Eden and 1.4 in South Lakeland. Under-represented sectors include ICT (0.2) and finance (0.3), with a particularly low concentration in Eden (0.1) and (0.3).

Deprivation

4.28 Figure 4.8 presents the spatial distribution of deprivation across Westmorland & Furness. Overall, nearly one-third of Westmorland & Furness (31.0%) is within the top 30% least deprived areas of the UK. However, there are subtle differences by sub-area, with some

parts of Westmorland & Furness in the top 30% most deprived, particularly Inner Barrow, almost all of which (95%) falls entirely within the top 30% most deprived. In contrast, sub-areas such as Cartmel Peninsula and Kendal and its Surrounding Area are primarily within the top 30% least deprived (60% and 62% respectively).

Figure 4.8 Indices of Multiple Deprivation across Westmorland & Furness (2025)



Source: MHCLG (2025) Indices of Multiple Deprivation

5.0 **Housing Market Signals**

Demographic Context

5.1 Understanding the demographic context of an area is critical to understand the foundations for a robust objective assessment of housing need. Up-to-date demographic evidence, informed by the 2021 Census and other nationally consistent data sources such as the Annual Population Survey [APS] and ONS Mid-Year Population Estimates [MYPE], provide an understanding of:

- How Westmorland & Furness' population has evolved in the past;
- How the key components of change (notably births, deaths, and migration) have influenced this; and,
- How they are likely to continue shaping population and household change in the future.

5.2 Due to the relatively new designation of the Westmorland & Furness authority area, where necessary, data has been presented and analysed at the three former borough /district levels. Similarly, more recent datasets are no longer available at the three former districts and data has, therefore, been presented for just the Westmorland & Furness authority area. Where this has been the case and time-period comparisons have been required, the three former districts have been aggregated to enable robust analysis with the most recent datasets.

Population

5.3 As of 2024, there were 230,181 people living in the District. Of that number, just under half (46.0% or 105,889) live within the former district of South Lakeland whilst 29.6% (or 68,074) live in Barrow and the remaining 24.4% (56,209) live in the former district of Eden.

5.4 Regarding the population composition across the former boroughs / districts, there are a number of commonalities, although Barrow has a larger working age population (16-64) (61.1%) compared to the other two districts which have a resident labour force that is below national and regional rates of 58.0% and 57.4% respectively.

5.5 Whilst Eden has seen a 6.4% growth since 2014, South Lakeland (2.4%) and Barrow (0.2%) present a more concerning picture, with both areas showing little or nearly no growth.

5.6 Broken down by age group, it is apparent that all three former boroughs / districts have experienced a decline in their younger populations and working-aged residents whilst any population growth has been driven by an increasing elderly population. The growth in residents aged 65+ across South Lakeland (11.2%), Barrow (7.0%) and Eden (21.3%) reflects a similar regional and national pattern of an ageing population, although Eden's rate of growth exceeds both regional and national comparators.

5.7 With a declining younger and working-age population, brings the risk of further imbalances and exacerbates the challenges associated with fewer working-aged residents supporting an increasing dependent population.

Table 5.1 Population Change (2014-2024)

	Barrow		Eden		South Lakeland		North West	England
	Number	% change	Number	% change	Number	% change	% change	% change
Under 16	-322	-2.7%	-779	-1.7%	-1238	-7.1%	7.2%	5.0%
16-64	-505	-1.2%	169	2.5%	454	-3.7%	7.1%	6.5%
65+	983	7.0%	3099	21.3%	6804	16.9%	13.9%	15.5%
Total	156	0.2%	3,376	6.4%	2,489	2.4%	8.4%	7.8%

Source: Population Estimates (2025)

Population Change by Sub Area

5.8

Table 5.2 presents the total change in population across the Westmorland & Furness sub-areas. This shows that whilst the overall growth has been low for Westmorland & Furness (2.7%), there are particular areas which have experienced higher growth. This includes Penrith (10.2%), Appleby and Kirkby Stephen (4.0%) and Kendal (3.9%). In contrast, sub-areas such as North Eastern Lakes (-5.5%), Central Lakes (-2.7%) and Inner Barrow (0.1%) have experienced significant decline or stagnation in their population over the past decade

Table 5.2 Change in Population 2014-2024

	2014	2024	Change	Change (%)
Kendal and Surroundings	48,874	50,764	1,889	3.9%
Cartmel Peninsula	7,758	7,887	129	1.7%
Furness Peninsula	18,889	19,661	772	4.1%
Central Lakes	23,253	22,633	-620	-2.7%
Dales	4,635	4,954	319	6.9%
South Lakeland	103,410	105,899	2,489	2.4%
Inner Barrow	27,813	27,845	32	0.1%
Outer Barrow and surroundings	40,105	40,229	124	0.3%
Barrow	67,918	68,074	156	0.2%
Penrith and Surrounds	29,622	32,645	3,024	10.2%
Appleby and Kirkby Stephen	15,380	15,990	610	4.0%
Alston	2,141	2,043	-98	-4.6%
North Eastern Lakes	3,298	3,116	-182	-5.5%
Westmorland Dales	2,391	2,414	22	0.9%
Eden	52,832	56,209	3,376	6.4%
Total	224,160	230,181	6,021	2.7%

Source: Population Estimates (2025)

Components of Change

5.9

When looking at the components of change across Westmorland & Furness, population change over the past decade has largely been driven by net migration into the District, given that natural change has been negative in recent years. Despite this, there has still been very modest growth with an increase of 6,021 people or 2.7% since 2014. The components of change clearly indicates the vital role inward migration plays in driving population change and growth across Westmorland & Furness.

Table 5.3 Components of Change (2014-2024)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Westmorland & Furness											
Population	224,164	224,523	224,754	225,235	225,685	226,162	225,995	226,941	227,732	228,646	230,185
Natural Change	-507	-592	-552	-604	-793	-471	-1,213	-1,092	-929	-1,255	-1,088
Net Migration	462	851	766	1,006	1,079	752	958	1,826	1,712	2,226	2,569

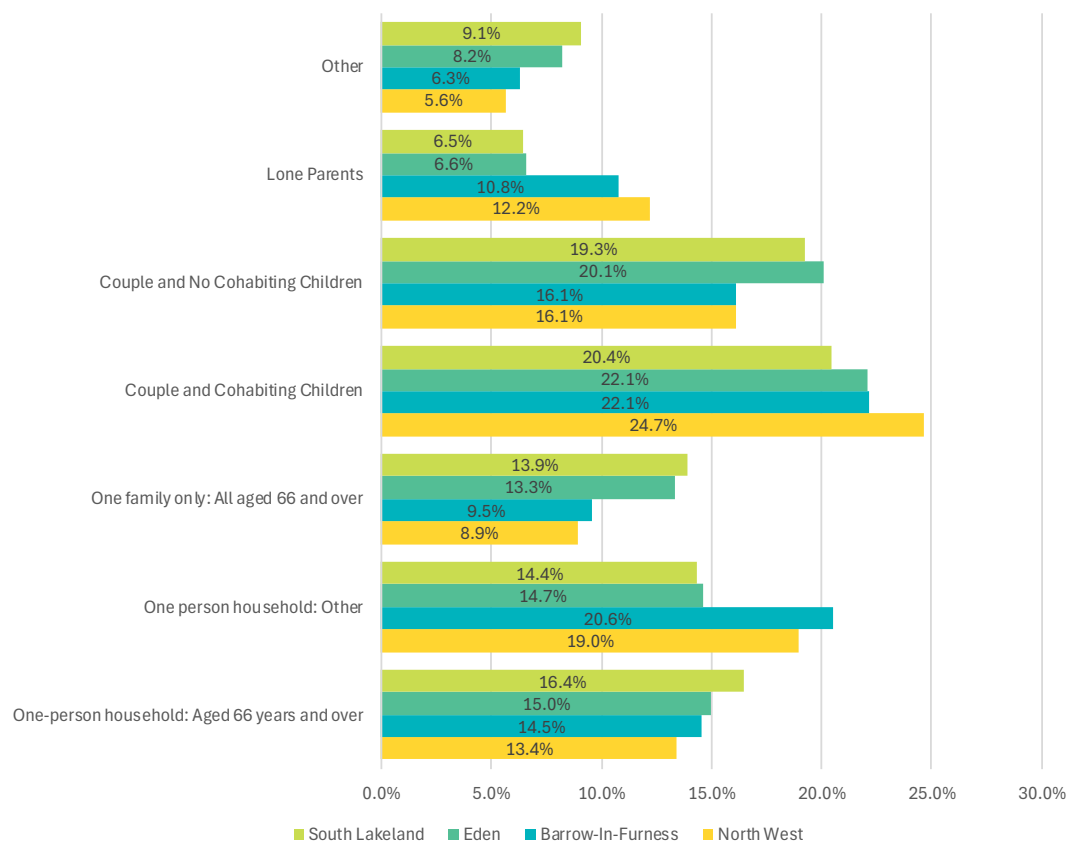
Source: ONS (2025) Mid-year Population Estimates Components of Change

Note: Components of change data is no longer released by the ONS for the three former local authority areas. For this reason, Lichfields has presented for Westmorland & Furness.

Household Composition

- 5.10 According to the 2021 Census, there was a total of 103,554 households across Westmorland & Furness. Of these, 46.4% or 50,175, of households were based in South Lakeland, the majority of whom were living within Kendal and Surroundings (22,629 households). Within Barrow, 29.8% or 32,249 households were living within the former district, with 25,643 (or 23.7%) living in Eden.
- 5.11 When broken down by household composition, the majority of households across Westmorland & Furness are couples and cohabiting partners with children (21.3%). In the former districts of South Lakeland (20.4%), Barrow (22.1%) and Eden (22.1%) which is slightly below the North West average of 24.7% and the national average of 25.4%.
- 5.12 At the same time, there is a larger proportion of one-person households aged 66+ which makes up 15.5% of households across Westmorland & Furness, representing 16.4% in South Lakeland, 14.5% in Barrow and 15.0% in Eden, compared to only 13.4% in the North West and 12.9% nationally.

Figure 5.1 Household Composition in Eden, Barrow and South Lakeland (2021)



Source: Census (2021)

5.13

Since 2011, there has been a 2.0% growth in the number of households across Westmorland & Furness. The majority of this growth was driven by the former district of Eden (5.1%) with particularly high rates of growth in the Appleby and Kirkby Stephen (18.3%). There has been a small growth in South Lakeland of 3.2% which has largely been in Cartmel and Furness Peninsulas (3.5% respectively). However, within Barrow, there has been a decline of -2.0% with Outer Barrow seeing a decline of -1.7% and Inner Barrow declining by -2.4%. Except for Eden, the growth in households at a former district level and for the entire of Westmorland & Furness is below the regional rate seen across the North West of 4.0% and nationally at 5.4%.

Table 5.4 Household Growth 2011-2021

	2011	2021	% change
Kendal and Surroundings	22,324	22,631	1.4%
Cartmel Peninsula	3,744	3,875	3.5%
Furness Peninsula	8,474	8,769	3.5%
Central Lakes	10,107	10,400	2.9%
Dales	1,561	1,992	27.5%
South Lakeland	46,209	47,668	3.2%
Inner Barrow	13,453	13,134	-2.4%

	2011	2021	% change
Outer Barrow and surroundings	18,458	18,140	-1.7%
Barrow	31,911	31,274	-2.0%
Penrith and Surrounds	13,359	14,033	5.0%
Appleby and Kirkby Stephen	6,060	7,169	18.3%
Alston	996	963	-3.3%
North Eastern Lakes	1,835	1,401	-23.7%
Westmorland Dales	1,163	1,046	-9.8%
Eden	23,413	24,612	5.1%
Total	101,534	103,554	2.0%

Source: Census (2011,2021)

- 5.14 When broken down by household type, growth has been driven by households of those aged 66+, particularly couples aged 66+ (20.8%) and one-person households aged 66+ (8.1%). This growth has been particularly pronounced in Eden which has seen a 28.3% growth in couples aged 66+ which is more than double the rate seen in Barrow (13.0%).
- 5.15 At the same time as this growth in elderly households, there has been a sharp decline in comparison of couples with or without children (-4.0% and -3.1% respectively). This decline has been particularly precipitous in Barrow (-9.9% and -7.3%). Whilst Eden has seen an increase in couples without children (2.0%) the decline of couples with children might reflect a lack of suitable or affordable housing for families with children.

Table 5.5 Household Composition across Eden, Barrow and South Lakeland and regional comparators (2011-2021)

	Eden	% change	Barrow	% change	South Lakeland	% change	North West (% change)
One-person household: Aged 66 years and over	3,360	14.4%	4,597	1.9%	7,566	9.1%	8.8%
One person household: Other	3,688	1.9%	6,279	5.6%	7,435	-3.0%	2.0%
One family only: All aged 66 and over	2,667	28.3%	2,723	13.0%	5,774	21.0%	18.8%
Couple and Cohabiting Children	5,836	-2.9%	7,925	-9.9%	10,247	0.0%	3.1%
Couple and No Cohabiting Children	5,059	2.0%	5,614	-7.3%	9,994	-3.3%	1.3%
Lone Parents	1,675	0.4%	3,482	0.0%	3,067	5.9%	6.0%
Other	1,128	1.8%	1,291	-17.0%	2,126	25.7%	-10.5%
Total	24,612	5.1%	31,274	-2.0%	47,668	3.2%	4.0%

Source: Census (2011, 2021)

Occupancy Rating

- 5.16 In a perfectly functioning 'ideal' market, housing stock would be used efficiently. This would mean there would be no under occupation of larger housing, making larger houses available and accessible for larger households. .
- 5.17 Table 5.6 and Figure 5.2 illustrate how many households are experiencing over-occupation mostly common across Westmorland & Furness based on the 2021 Census.

- 5.18 In total, 43.7%, or 45,216 households, under-occupy homes with at least two more bedrooms than is considered necessary for their household size and a further 36.3% or 37,575 households have one more bedroom than necessary. Just 18.7% or 19,351 households occupy a home considered suitable for their current household size. This not only highlights the scale of under-occupancy across Westmorland & Furness but also provides a baseline with which to compare different household types against.
- 5.19 Over-occupation of housing with at least two or more bedrooms is particularly high in the Westmorland Dales (61.6%) and North Eastern Lakes (58.7%). By contrast, under occupation of housing by at least one bedroom, and therefore overcrowded, is high within Inner Barrow (2.8%) and Penrith (1.4%).

Table 5.6 Over and Under Occupation of Housing by Sub Area

	+2 or more bedrooms	+1 bedrooms	0 bedrooms	-1 or fewer bedrooms
Kendal and Surroundings	43.3%	35.9%	19.6%	1.2%
Cartmel Peninsula	45.0%	38.3%	15.8%	0.9%
Furness Peninsula	48.8%	34.7%	15.4%	1.0%
Central Lakes	48.1%	32.2%	18.4%	1.3%
Dales	53.4%	33.6%	12.3%	0.8%
South Lakeland	45.9%	35.0%	18.0%	1.1%
Inner Barrow	24.9%	40.8%	31.5%	2.8%
Outer Barrow and surroundings	43.0%	39.9%	16.0%	1.2%
Barrow	35.4%	40.3%	22.5%	1.9%
Penrith and Surrounds	46.8%	35.1%	16.8%	1.4%
Appleby and Kirkby Stephen	52.2%	33.3%	13.6%	0.9%
Alston	49.8%	32.4%	16.5%	1.3%
North Eastern Lakes	58.7%	28.0%	12.1%	1.2%
Westmorland Dales	61.6%	27.4%	10.4%	0.7%
Eden	49.8%	33.7%	15.3%	1.2%
Total	43.7%	36.3%	18.7%	1.4%

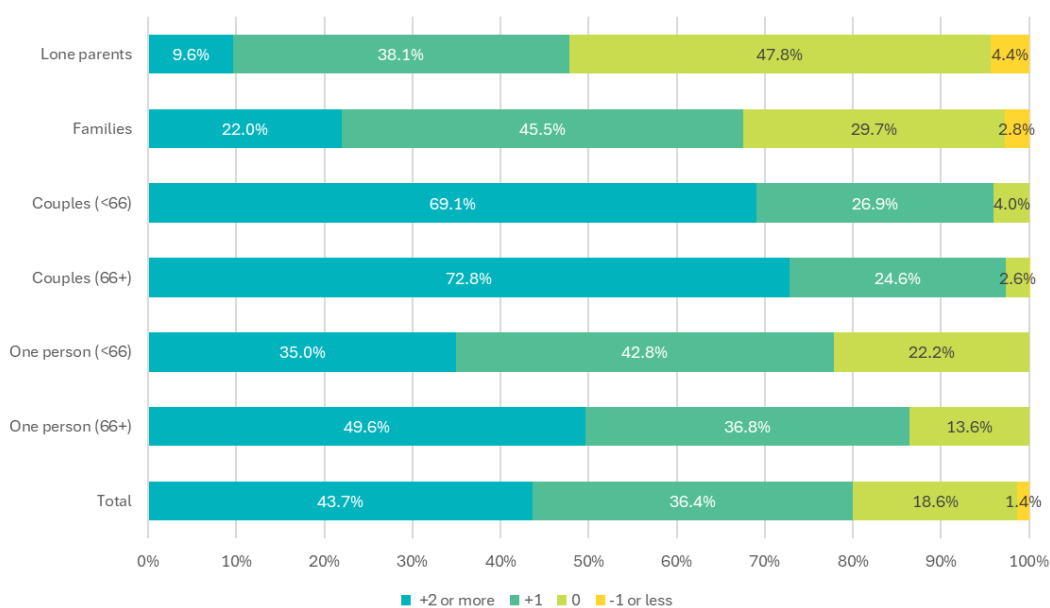
Source: Census (2021)

- 5.20 As can be seen in Figure 5.2, across Westmorland & Furness there is a particularly high level of under-occupancy amongst couples aged 66+ with 72.8% living with two or more unoccupied bedrooms with an additional 24.6% with one bedroom more than considered necessary. This is also similar for couples under the aged of 66, with 69.1% and 26.9% living with 2+ or 1 bedroom more than deemed necessary. Single people are also more likely to under-occupy a home, especially those aged 66+, with 49.6% under-occupying at least 2 bedrooms and a further 36.8% under-occupying one bedroom.
- 5.21 By contrast, families are less likely to under-occupy. Just 22.0% under-occupy 2+ bedrooms, although 45.5% still under-occupy at least one bedroom than more deemed necessary, with 29.7% living in a house deemed necessary for their household composition. As with couples, many families may occupy a larger house with the possibility of having another child or to work from home and subsequently convert the extra bedroom space into a home office or workspace. However, families (2.8%) and lone parents (4.4%) are both

more likely to live in over-occupied housing with at least one bedroom missing than what is considered necessary.

5.22 It is reasonable to infer that in general, most households do not typically occupy housing in line with their ‘needs’ or household size. This is because households are free (within their financial means) to buy or rent property in line with what they want, rather than what they might be considered to ‘need’. Households may wish to have additional space generally or for a specific purpose, e.g., for working from home. Growing families may also live-in housing with a view to having more children, or older couples may remain in the family home long after adult children have left.

Figure 5.2 Westmorland and Furness Occupancy Rating by Household Composition

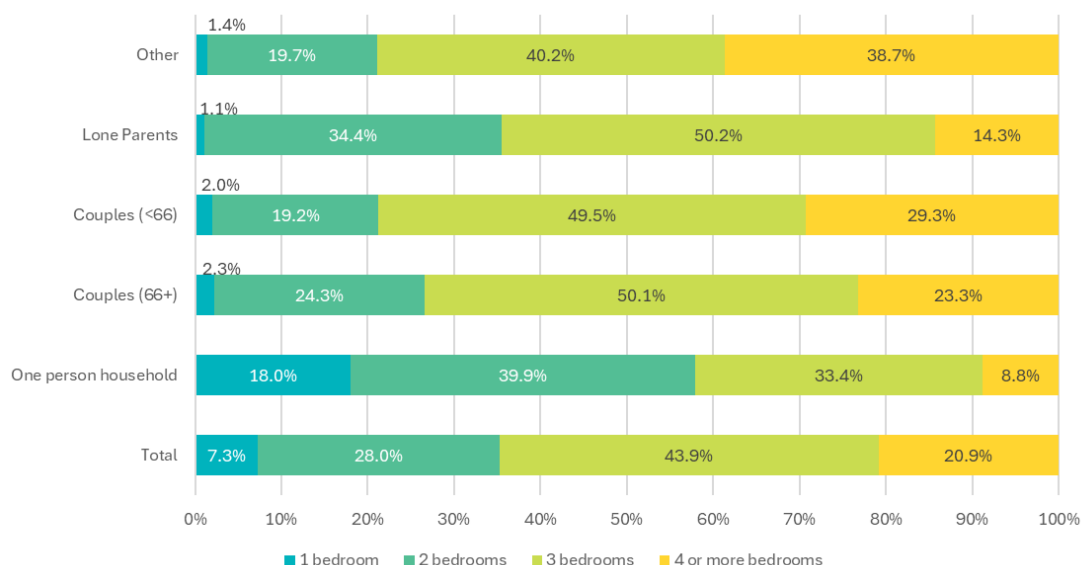


Source: Census (2021): RM098 – Occupancy rating (bedrooms) by household composition

5.23 Figure 5.3 provides a breakdown of the number of bedrooms by household composition as per the 2021 Census. This shows that the majority of households (43.9% or 45,440 households) are likely to live in a 3-bed property in Westmorland & Furness.

5.24 When broken down by household composition, the proportion of households living in 3-bed properties increases further with around half of couples aged 66+ (50.1%) living in 3-bed properties and a further 23.3% living in 4 or more bed properties. This is also true for couples under the aged of 66 with 49.5% living in 3-bed properties and a further 29.3% living in 4 or more bed properties. Whilst the data does not distinguish between couple households with or without children, it is reasonable to infer that a number of the couple households under 66 living in large properties is due to dependent children also at home.

Figure 5.3 Number of Bedrooms by Household type across Westmorland & Furness



Source: Census (2021): RM059 – Household Composition by Number of Bedrooms

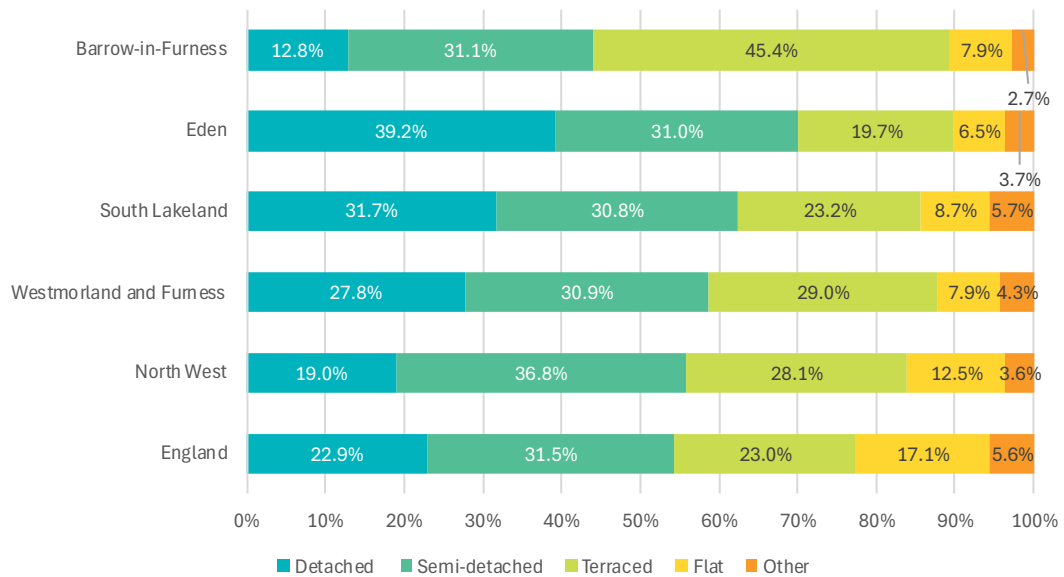
Housing Stock

Existing Dwelling Stock, by Type

5.25

Figure 5.4 provides a breakdown by type of housing stock for the former districts of Westmorland & Furness. Summed together for the new District, semi-detached housing forms the largest share of the housing stock at 30.9%, although this is below both the North West (36.8%) and England (31.5%). This is due to the higher concentration of detached housing (27.8%) compared to the North West (19.0%) and England (22.9%). Similarly, there is a larger amount of terraced housing (29.0%) than the North West (28.1%) and England (23.0%). Within the former districts, there are notably fewer detached properties in Barrow (12.9%) whilst Eden and South Lakeland have a far higher proportion at 39.2% and 31.7% respectively.

Figure 5.4 House Type in Westmorland & Furness (2021)

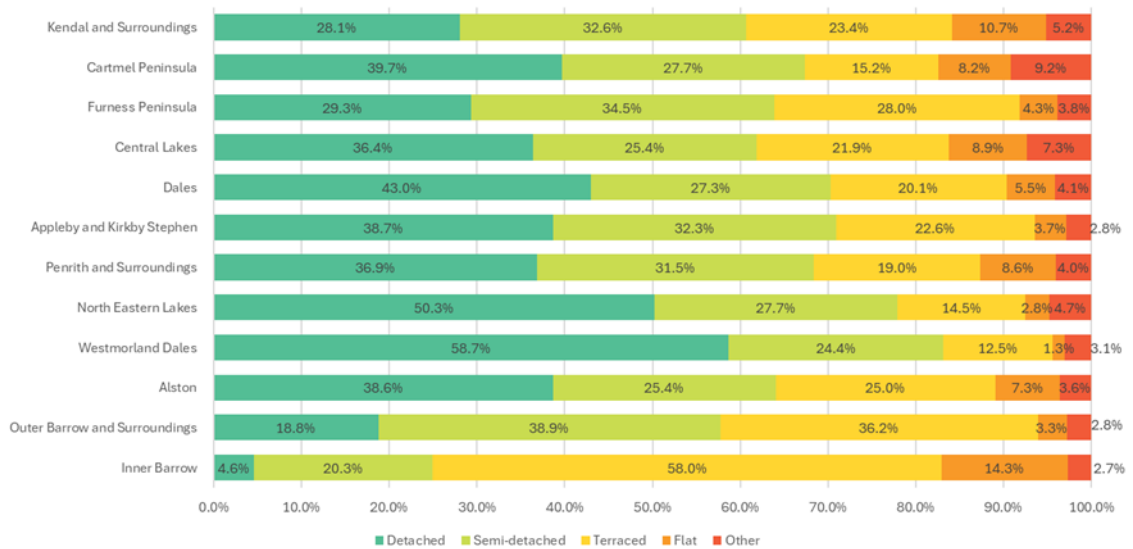


Source: Census (2021): TS044 – Accommodation Type

5.26

Figure 5.5 provides a breakdown of accommodation type by sub areas in Westmorland & Furness. This highlights that, on the whole, accommodation types follow a similar breakdown with the exception of Inner Barrow and, to a lesser extent, Outer Barrow.

Figure 5.5 Accommodation by type by Sub Area (2021)



Source: Census (2021): TS044 – Accommodation Type

5.27

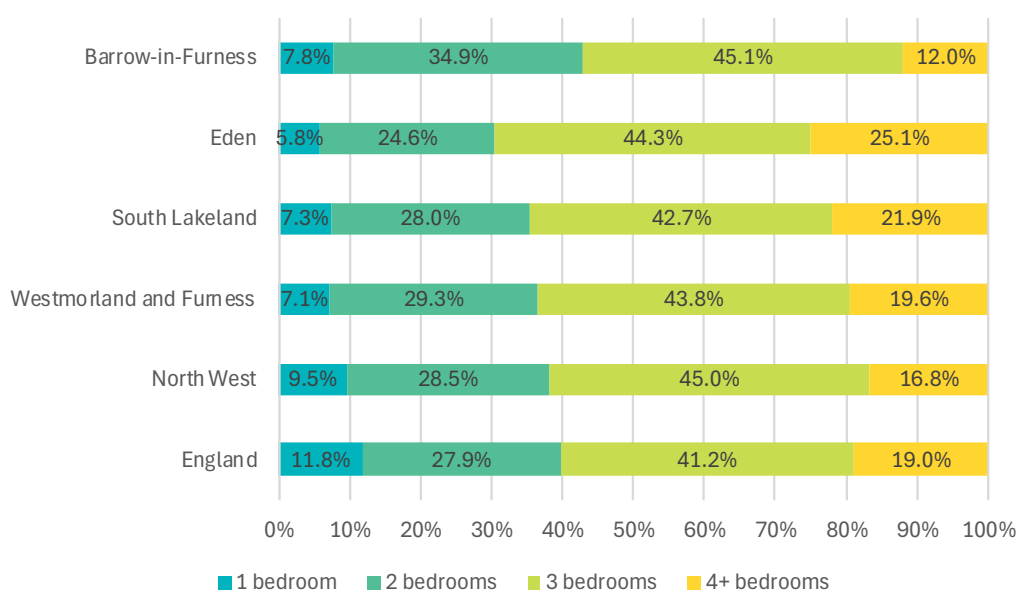
Inner Barrow is predominantly characterised by terraced housing (58.0%) whilst Outer Barrow also has a higher proportion of terraced properties (36.2%) and semi-detached properties (38.9%). By contrast, the rural Westmorland Dales has a very high proportion of detached properties (58.7%).

Size of Accommodation

5.28 The number of bedrooms in Westmorland & Furness follows a similar pattern to the North West and England. The area is dominated by 3-bed properties (43.9%) which is in line with the North West (44.5%) and England (40.0%). Within the former districts, a largely similar pattern is followed with the exception of Barrow which has a higher proportion of 2-bed properties at 33.8% compared to 26.5% in South Lakeland and 23.5% in Eden.

5.29 However, there are fewer 1-bed properties (7.3%) compared to the North West (9.3%) and England (11.6%). This is true of the former districts, particularly Eden which only has 5.8% 1-bed properties.

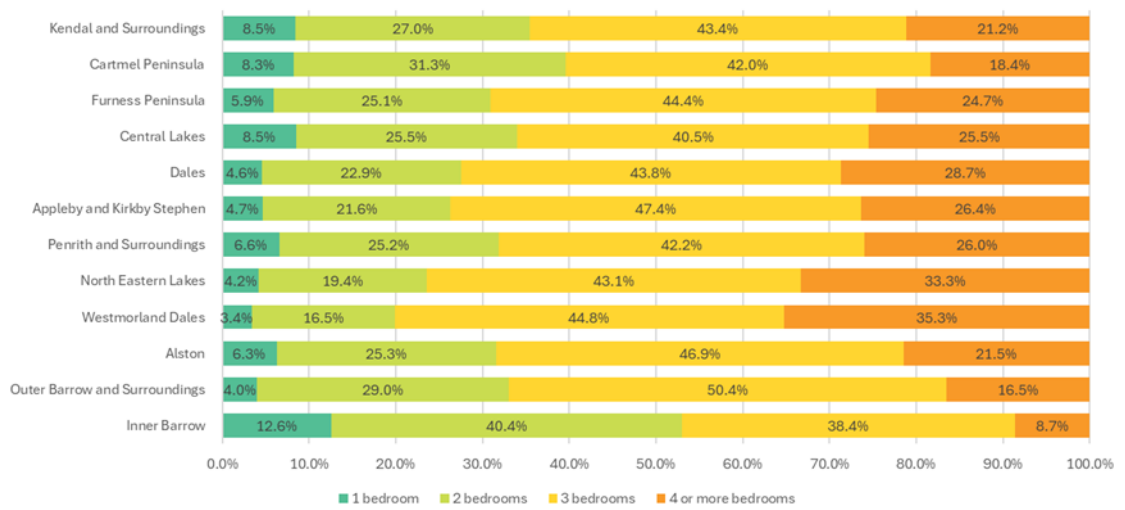
Figure 5.6 Number of bedrooms in Westmorland & Furness and comparator regions (2021)



Source: Census (2021): TS050 – Number of bedrooms

5.30 Figure 5.7 illustrates that Inner Barrow is largely dominated by two-bedroom properties (40.4%) which is likely to reflect the concentration of terraced properties. Similarly, within the more rural sub areas such as Westmorland Dales and North Eastern Lakes, there is a higher proportion of 4-bed properties (35.3% and 33.3% respectively).

Figure 5.7 Share of bedrooms in Westmorland & Furness Sub Areas (2021)



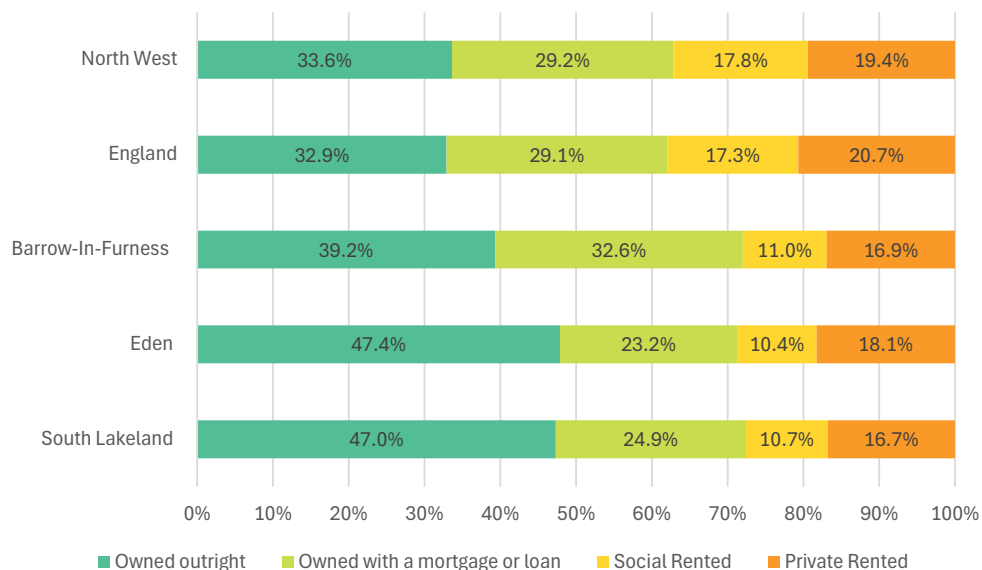
Source: Census (2021): TS050 – Number of bedrooms

Tenure Profile

5.31 Figure 5.8 illustrates the tenure profile of the study area. It shows that across the three former districts, more households own their own property outright across Eden (47.4%), Barrow (39.2%) and South Lakeland (47.0%) the North West (33.6%) and England (32.9%). More households in Eden (47.4%) and South Lakeland (47.0%) own their own home outright compared to Barrow (39.2%).

5.32 Conversely, the share of social rented accommodation in Barrow, Eden and South Lakeland are well below its comparators, with 11.0%, 10.4%, and 10.7% living in socially rented accommodation respectively compared to 17.8% in the North West and 17.3% nationally.

Figure 5.8 Tenure profile of Westmorland & Furness and comparator areas (2021)



Source: Census (2021): TS054 – Tenure

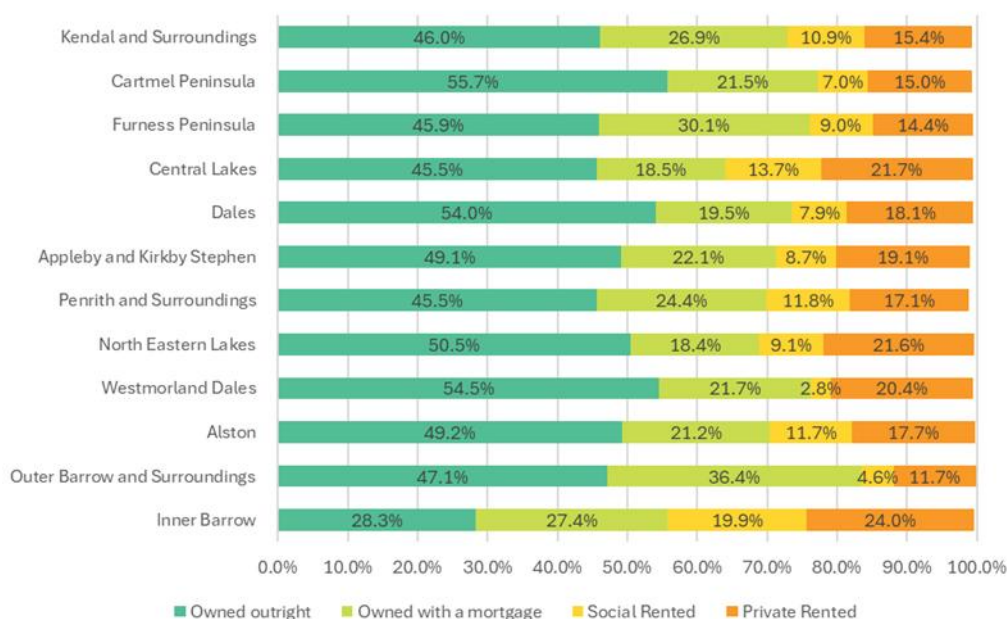
5.33 Since the 2011 Census, the number of properties owned outright in Westmorland & Furness increased by only 9.6% which is below the North West (12.5%) and England (13.0%). There has also been a marked decline in the number of people owning their home with a mortgage (-10.1%) compared to the North West (-9.2%) and England (-6.7%).

5.34 There has also been a notable increase in the proportion of people renting in the District. Private renting as a proportion of the tenure profile increased by 19.8%, although this is still below the North West (31.1%) and England (29.0%). However, social renting increased by only 4.5% compared to only 1.0% in the North West and 2.6% nationally. This highlights a shifting pattern away from people primarily owning their own home (outright or with a mortgage) and more people needing to rent (privately).

Tenure Profile by Sub Area

5.35 Regarding the tenure profile of the sub-areas, in general, households either owned their home outright or with a mortgage. Again, Inner Barrow is the clear exception, with a much lower proportion of owned-outright properties (28.3%) with more people renting either socially (19.9%) or privately (24.0%). The more rural parts of the Westmorland & Furness, where the demographic tends to be older, also have a higher proportion of people who own their home outright. This includes Cartmel Peninsula (55.7%), the Dales (54.0%) and Westmorland Dales (54.5%).

Figure 5.9 Tenure profile by Sub-Area across Westmorland & Furness (2021)



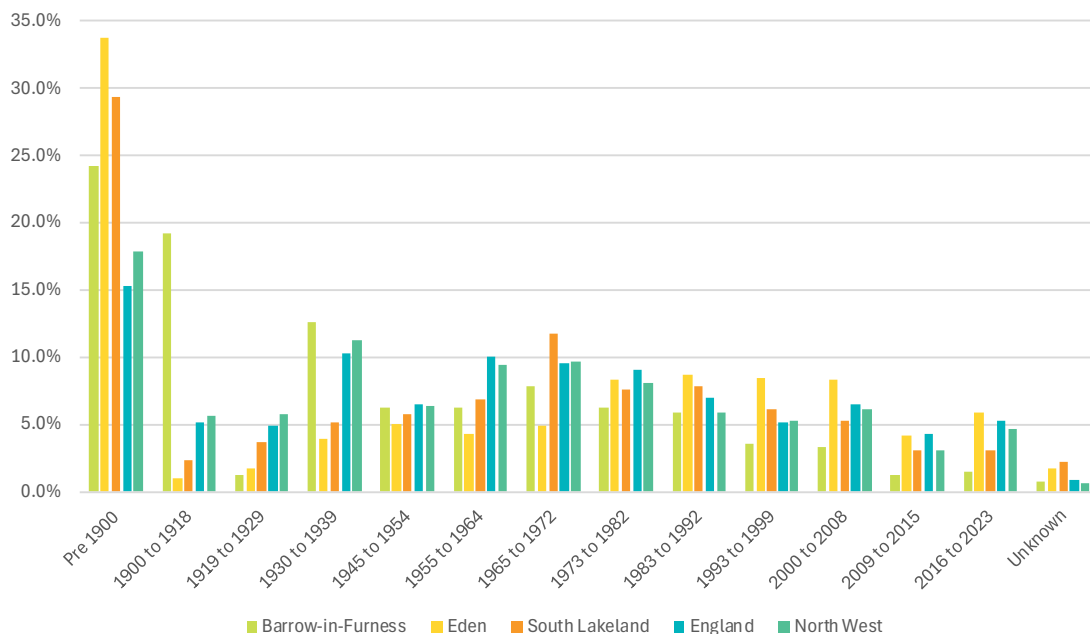
Source: Census (2021): TS054 – Tenure (Note figures may not sum exactly due to the very small number of households living rent-free and in shared ownership).

Stock Age and Condition

5.36 Figure 5.10 illustrates that the majority of properties across the former districts were built pre-1900. For Barrow (24.2%), Eden (33.7%) and South Lakeland (29.3%) this figure is higher than both the North West (17.9%) and nationally (15.3%). This suggests that there is a high proportion of old housing stock in the District which may cause additional challenges

for properties in terms of energy efficiency, overall quality and adaptability to meet modern-day household needs.

Figure 5.10 Share of properties in Westmorland & Furness and comparator areas by property build period (pre 1900-2023)



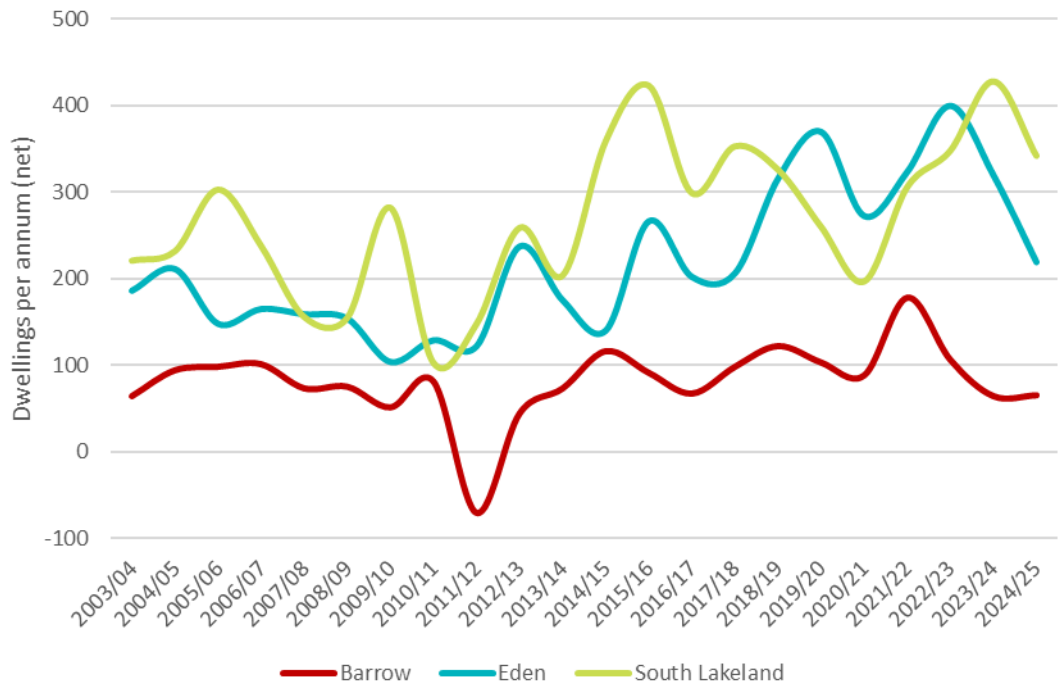
Source: Valuation Office Agency (2023): Table CTSOP4.0

The Active Market

Changes in Stock

- 5.37 Data provided by the Council regarding housing deliveries shows that net completions have fluctuated year-on-year since 2003/04. Over the past 22 years, 1,781 dwellings have been delivered (net of demolitions) in Barrow at an annual average of 81 dpa; 4,820 dwellings in Eden, at an average of 219 dpa; and 5,942 dwellings in South Lakeland at an average of 270 dpa. These figures include completions within the National Park boundaries.
- 5.38 Delivery levels have actually increased over the past decade, to 98 dpa in Barrow; 289 dpa in Eden; and 328 dpa in South Lakeland; therefore 715 dpa for the District overall, with considerable fluctuations over the years.

Figure 5.11 Net Dwelling Completions in Westmorland & Furness 2003/04 – 2024/25



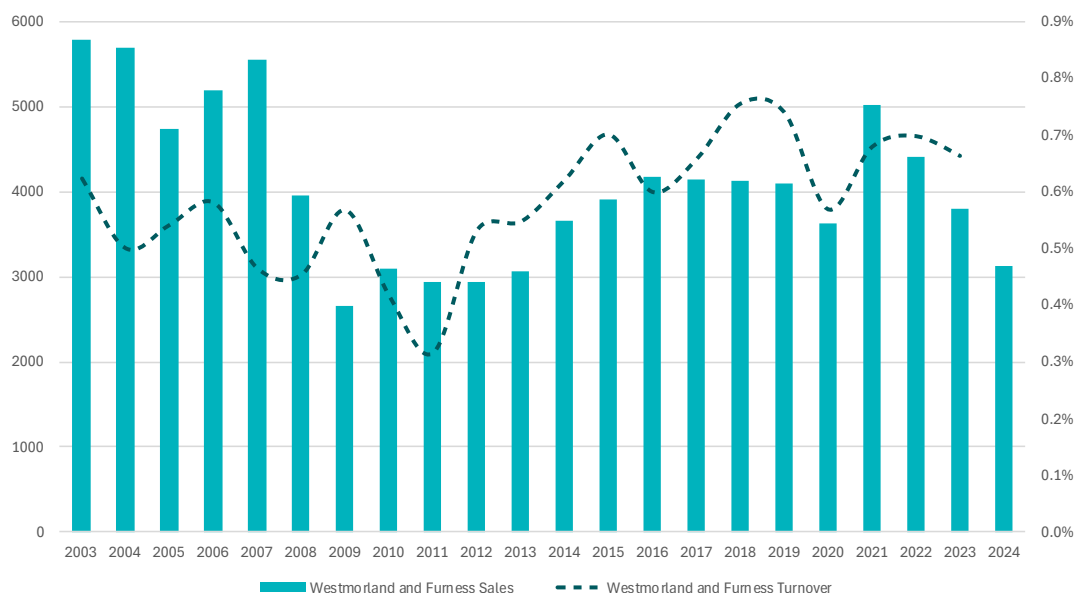
Source: Westmorland & Furness Council (2026)

Transactions and Prices in the Private Market

5.39

Pre-recession, dwelling sales across the District ranged from 3,425 and 4,424 transactions per annum, representing between 4.9% to 6.5% of the dwelling stock. Transactions declined sharply in 2008 as a result of the recession, reaching a low of just 1,691 transactions in 2009. The number of transactions remained below 2,000 until 2014 and have since fluctuated between 2,000 and 2,500 transactions annually. The exception was 2021 where transactions increased slightly to 2,806 but subsequently dropped to 2,491 the following year.

Figure 5.12 Property Sales and Stock Turnover, 2003-2024



Source: ONS HPSSA Dataset 6 Residential Property sales for administrative geographies and MHCLG Live Table 125: Dwelling Stock Estimates by Local Authority District (2025)

Median and Lower Quartile House Prices

5.40 Across Barrow, the Lower Quartile house price stood at £120,217 at the y/e March 2025, compared to a median price paid of £159,148. All of these figures are well below those seen in Eden and South Lakeland, with the latter in particular seeing Lower Quartile house prices in excess of even the national figure, at £202,000 (see Table 5.7).

Table 5.7 Lower Quartile and Median House Prices (y/e March 2025)

	Median	Lower Quartile
Barrow	£159,148	£120,217
Eden	£265,604	£202,750
South Lakeland	£311,035	£228,006
North West	£220,000	154,950
England	£300,000	202,000

Source: MHCLG (2025) Median Price Paid by MSOA; Lower Quartile Paid by MSOA

5.41 Regarding the various sub-areas, an analysis has been undertaken of the MHCLG Median House Price data by MSOA. As many of the sub-areas, particularly in the National Parks, have seen comparatively few transactions for any one year, we have amalgamated the price paid data over the past five years and recorded it in Table 5.8. The data suggests that house prices are lowest in Inner Barrow, with median prices just £139,913, rising to as high as £320,000 in the Dales. Table 5.8 and Figure 5.13 present the spatial breakdown of house prices across the Council area.

Table 5.8 Median House Prices (y/e March 2025)

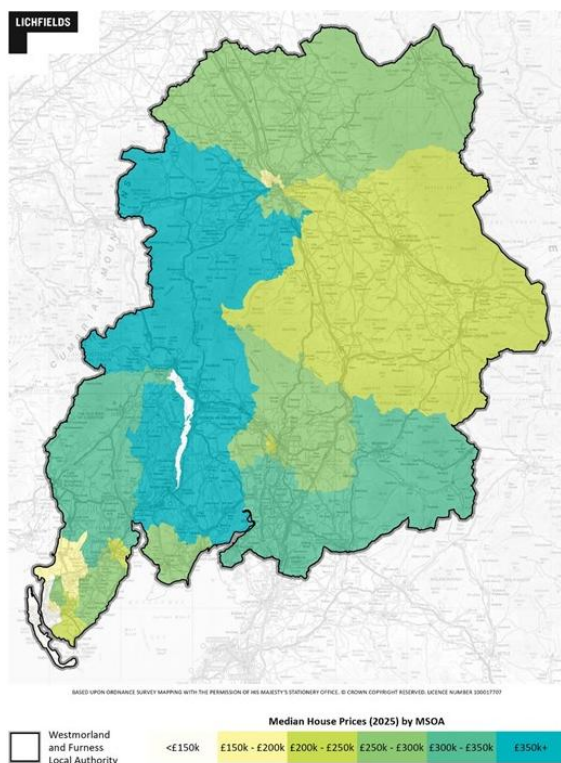
	Median
Kendal and Surroundings	£291,607
Cartmel Peninsula	£278,736
Furness Peninsula	£278,333
Central Lakes	£379,875
Dales	£320,000
Inner Barrow	£139,913
Outer Barrow and surroundings	£180,432
Penrith and Surroundings	£277,350
Appleby and Kirkby Stephen	£236,238
Alston	£285,000
North Eastern Lakes	£306,875
Westmorland Dales	£236,238

Source: MHCLG (2025) Median Price Paid by MSOA; Lower Quartile Paid by MSOA (2025)

5.42

Over the past 10 years, house prices have risen at a slower rate across the three former districts in Barrow (47.6%), Eden (50.0%) and South Lakeland (48.9%) compared to the regional (53.9%) and national (56.8%). There was a particularly strong increase between 2001 and 2007 which largely mirrors the trend seen regionally and nationally.

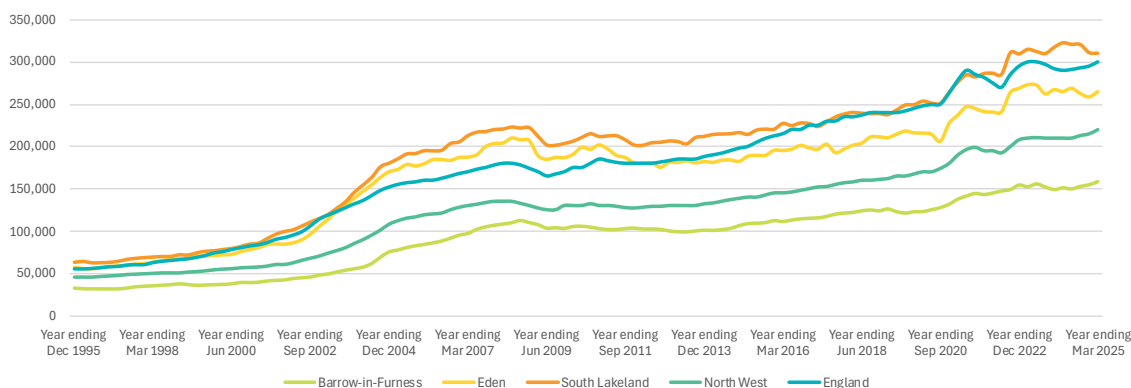
Figure 5.13 Median House Prices Across Westmorland & Furness (y/e March 2025)



Source: MHCLG (2025) Median Price Paid by MSOA

5.43 Figure 5.14 presents the change in median house prices across Westmorland & Furness since 1995. It indicates that house prices in Barrow and (since 2011) Eden have typically remained below the national level. Over the last 10 years, the disparity between house prices and the national average have fluctuated with the house prices in Barrow and Eden often 51.9% and 88.8% of the national average, whilst South Lakeland is higher at around 103.5%. The disparity has accelerated since 2010.

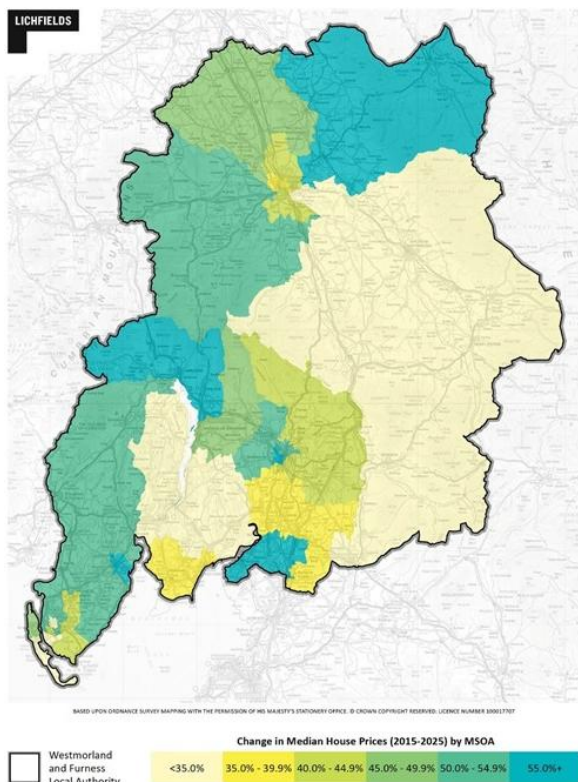
Figure 5.14 Median House Prices (y/e March 2025)



Source: MHCLG (2025) Median Price Paid by MSOA

5.44 Figure 5.15 illustrates where median house prices have changed the most across Westmorland & Furness (2015-2025). It indicates that the largest increases in median house price have been observed around the eastern part of the Penrith and Surroundings sub-area. There has also been a high increase around the western part of Kendal and Surroundings. This highlights the increasing house prices in rural and national park areas. Although it is difficult to be definitive given that the data includes sales prices of both existing and new build properties, it is possible that the higher increase correlates with greater new build activity in these places. The Districts new build homes can be very expensive, with 4-bed properties often selling for between £500,000 to £650,000 or even more in the most desirable locations.

Figure 5.15 Change in Median House Price (y/e March 2015-2025)



Source: MHCLG (2025) Median Price Paid by MSOA

5.45 Table 5.9 presents median house prices across the three former districts, North West and nationally from 2025, by type. In South Lakeland, house prices for each house type (with the exception of flats), remains above the median national price whereas in both Barrow and Eden, house price across the dwelling types remain below the national level.

Table 5.9 Median House Prices by House Type (y/e March 2025)

	Median			
	Detached	Semi-detached	Terraced	Flats
Barrow	£323,050	£208,247	£137,473	£83,125
Eden	£363,553	£240,714	£203,321	£134,938
South Lakeland	£513,321	£314,304	£250,196	£201,492
North West	£362,000	£230,000	£160,000	£150,000
England	£422,500	£277,500	£246,050	£248,000

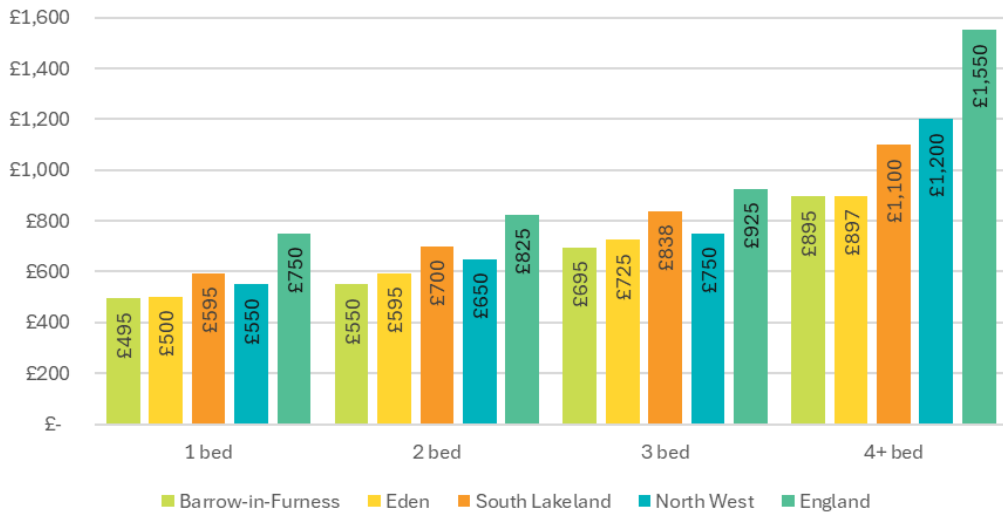
Source: MHCLG (2024) Lower Quartile / Median Price Paid by MSOA

Rental Levels

5.46 Since 2024, the ONS has ceased publications of median and LQ rents. Due to this, Lichfields has only been able to analyse data which covers the period up until September 2023. Median rents across Westmorland & Furness differ substantially across the former districts with overall rental levels lowest at £575 in Barrow whilst South Lakeland was £125 higher at £700 and Eden at £625. These compare to £675 in the North West and £850 nationally.

5.47 Figure 5.16 shows that rents range from £495 for a 1-bed property in Barrow, to £595 in South Lakeland, increasing to around £895 for a 4-bedroom property to £1,100 for the two districts. Rental levels across England are higher at £750 for a 1-bed and £1,550 for a 4-bed property.

Figure 5.16 Median Monthly Rental Prices (y/e September 2023)

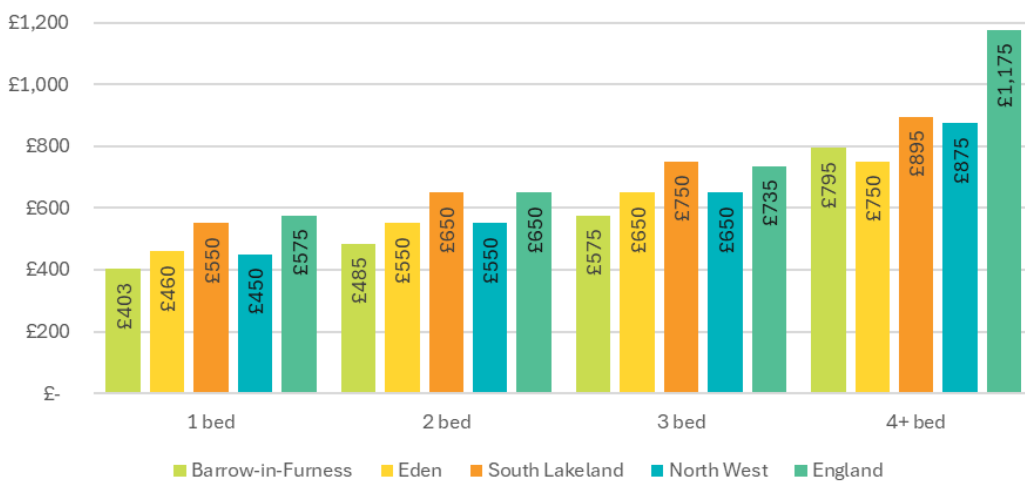


Source: ONS (2024) Private Rental Market Statistics

5.48 Similarly, LQ rents ranged from £495 in Barrow to £625 in Eden and £700 in South Lakeland.

5.49 For a 1-bed property, the LQ rent was £403 in Barrow, with Eden and South Lakeland higher at £460 and £550 respectively. However, for a 4-bedroom dwelling, rental levels increase to £795, £750 and £895 respectively.

Figure 5.17 Lower Quartile Monthly Rental Prices (y/e September 2023)



Source: ONS (2024) Private Rental Market Statistics

- 5.50 As of September 2025, the average rental price paid in Westmorland & Furness was £771 with the North West higher at £923 and the national average was nearly double at £1,410.⁴³ Since 2022, private rents have increased in Westmorland & Furness by £120 or 18.4%, again below the rate of growth seen regionally (26.3%) and nationally (23.5%).

Table 5.10 Private Rents as of September 2025

	September 2025	2022-2025
Westmorland & Furness	£771	+£120
North West	£923	+£192
England	£1,410	+£268

Source: ONS (2025) The Price Index of Private Rents

- 5.51 Data released by the ONS for 2023/24 states that, as a proportion of income that is equivalent to rent, private renting households spend around 22.8% of their income on rent.⁴⁴ This remains well below the North West (28.1%) and England (36.3%).

Affordability Ratios

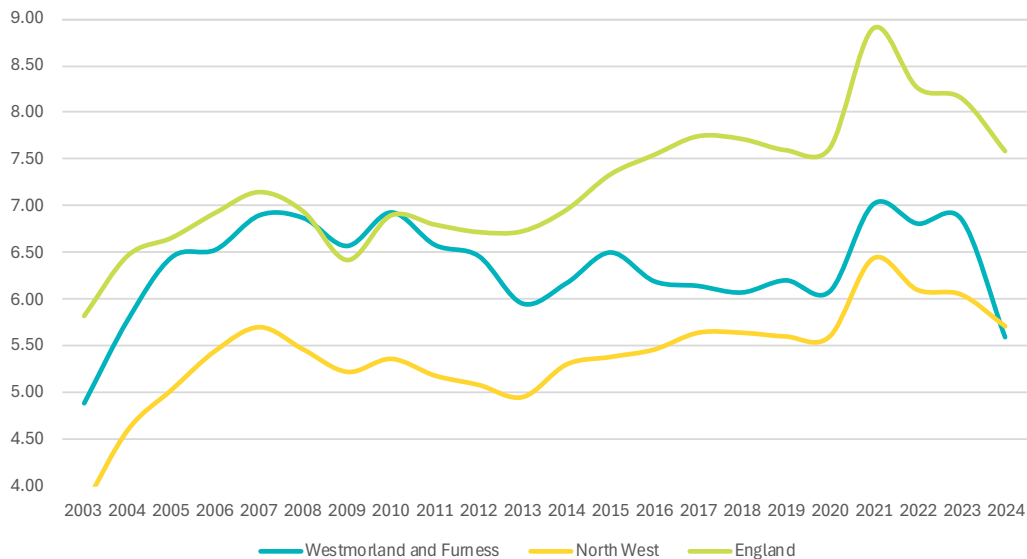
- 5.52 The former SHMA Practice Guidance (2007) defines affordability as a “*measure of whether housing may be afforded by certain groups of households*”. A household can be considered able to afford to buy a home if it costs 3.5 times the gross household income for a single earner household or 2.9 times the gross household income for dual-income households. Where possible, allowance should be made for access to capital that could be used towards the cost of home ownership.
- 5.53 The PPG’s standard methodology for calculating local housing needs incorporates the most recent median workplace-based ARs as an uplift to the average annual household growth. This is a helpful measure of identifying areas where the market is under stress, as affordability involves comparing costs against a household’s ability to pay, with the higher the ratio, the more unaffordable a home is in that locality.
- 5.54 As shown in Figure 5.18, the ratio of median house price to median residence-based earnings in Westmorland & Furness was 5.59 in 2024. This means that when set against the median gross annual earnings (£40,690) for people living in Westmorland & Furness, median house prices were 5.59 times higher. To set this into context, the Bank of England imposes a loan to income flow limit which restricts the number of mortgages that lenders can grant to borrowers at ratios of at or greater than 4.5 times the borrower’s salary; hence it is unusual for a lender to consider a higher loan-to-income ratio than 4.5, and certainly not 5.59.
- 5.55 Since around 2021, the AR has started to decline from the peak of 6.50 in 2020 in Westmorland & Furness. Nevertheless, to be able to afford a house, residents in Westmorland & Furness would need to earn at least £43,848 to qualify at maximum for the loan-to-income ratio of 4.5. Median incomes would need to increase by around 8.0% to afford current prices, notwithstanding likely future increases in house prices. This

⁴³ Since 2024, the ONS has changed how it publicises private rental statistics. Statistics are now published by the ‘Price Index of Private Rents.’ As these statistics are still ‘official statistics in development’, they are not yet published prior to 2022 or by type of private rental property. Due to this, the ONS advise caution when using the data.

⁴⁴ ONS (2025) Private rental affordability 2024

demonstrates the extent to which home ownership is a challenge and often an unaffordable aim for many residents.

Figure 5.18 Residence-based Median Affordability Ratios 2003-2024

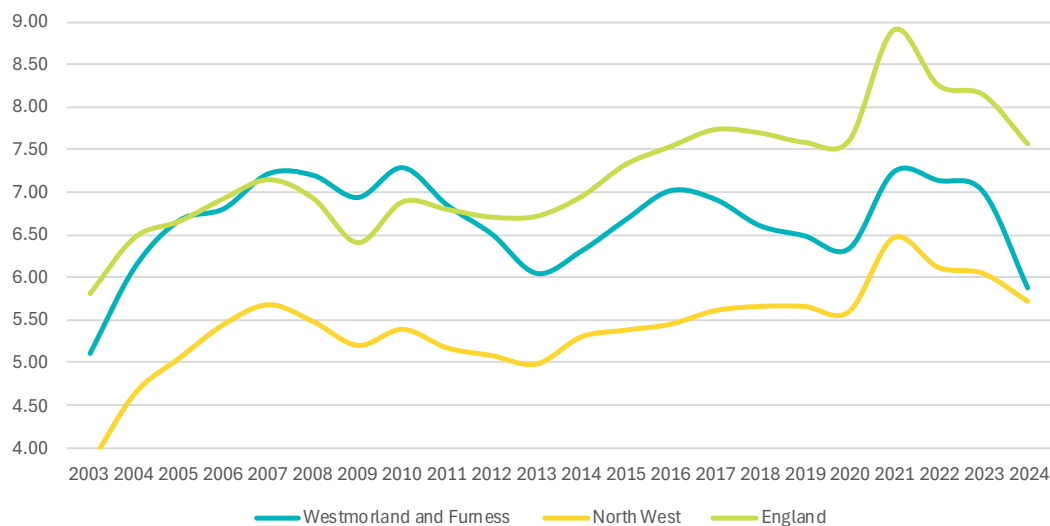


Source: ONS (2025): Ratio of House Prices to residence-based earnings

5.56

As above, the workplace-based AR in Westmorland & Furness is 5.87, which is higher than the North West average (5.72) but still well below the national ratio (7.57). This suggests that for both people living and working in Westmorland & Furness, housing may be unaffordable.

Figure 5.19 Workplace-based Median Affordability Ratios 2003-2024



Source: ONS (2025): Ratio of House Prices to workplace-based earnings

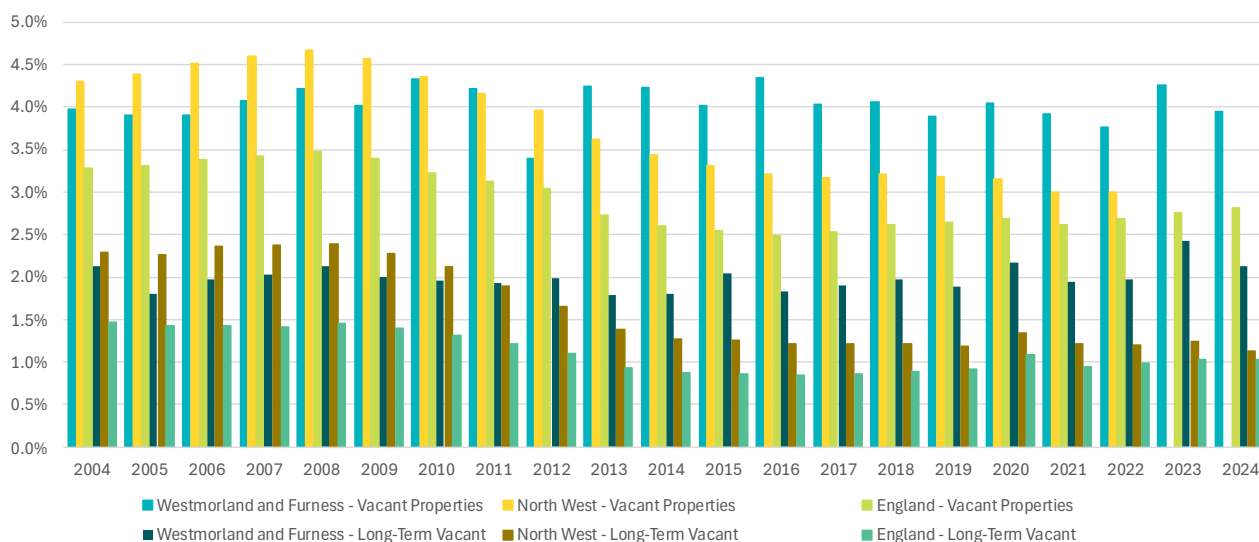
Vacancy Rates

5.57 As of October 2024, there were a total of 4,784 vacant dwellings across Westmorland & Furness.⁴⁵ Of these, 2,581 were recorded as long-term vacant properties (i.e. they were vacant for longer than six months). Homes become vacant for many reasons, including natural churn in the market (e.g. a void between tenancies or short-term vacancies as people move home). However, long term vacancies may indicate either structural weaknesses in the housing market (e.g. low demand) or may be reflective of problems with the stock of housing (e.g. condition or type).

5.58 Overall vacancy rates have varied over time, with from 4.4% to 6.2% from 2004 to 2022. In Eden rates have ranged from 3.9% to 4.3%. As of 2024, vacancy rates continue to be higher than both the North West (3.0%) and England (2.8%).

5.59 Long-term vacancy rates in Westmorland & Furness from 2004 to 2024 have also fluctuated, from 1.8% to 2.4%.

Figure 5.20 Total and Long-Term Vacancy Rates in Westmorland & Furness



Source: MHCLG Live Table 615 Vacant dwellings by local authority district and MHCLG Live Table 125: Dwelling Stock estimates by local authority district

Overcrowding and Homelessness

5.60 Indicators on overcrowding, sharing households and homelessness can demonstrate unmet need for housing within an area. The previous 2014 version of the PPG considered that overcrowding, concealed and sharing households, homelessness and the number in temporary accommodation could demonstrate unmet need for housing.⁴⁶

5.61 Whilst this section has now been removed from the current iteration of the PPG, overcrowding and homelessness nevertheless represent important housing market indicators.

⁴⁵ The ONS has discontinued publications at the three former local authority district levels since 2022. It is therefore not possible to provide a breakdown at this level.

⁴⁶ §2a-019-20140306

5.62 The 2021 Census provides measures overcrowding based on a standard formula; this measures the relationships between members of a household (as well as the number of people in that household) to determine the number of rooms they require. A rating of -1 or less indicates a household has at least one room fewer than required, +1 or more indicates a household has one or more rooms than needed. At the national level, affordability issues in recent years, as well as a shortfall in housing supply, have meant that people are either willing to accept sub-optimal living conditions (e.g., living in a smaller home to manage costs) or are forced into accepting such housing outcomes (e.g. are priced out of the market and have to share with friends / family).

5.63 Table 5.11 shows that overcrowding against the occupancy rating in Westmorland & Furness is not severe, with just 1.4% of households living in a dwelling that is too small for their household size and composition compared to the region (3.3%) and nationally (4.4%). Whilst the former districts point to more severe overcrowding in Barrow (1.8%) compared to Eden (1.2%) and South Lakeland (1.1%), it still remains below regional and national comparators.

Table 5.11 Overcrowding: Household Room Occupancy Rating

	Occupancy rating of bedrooms: +2 or more	Occupancy rating of bedrooms: +1	Occupancy rating of bedrooms: 0	Occupancy rating of bedrooms: -1 or less
Barrow	35.4%	40.4%	22.4%	1.8%
Eden	49.7%	33.8%	15.3%	1.2%
South Lakeland	46.0%	35.0%	17.9%	1.1%
Westmorland & Furness	43.7%	36.4%	18.6%	1.4%
North West	36.0%	36.0%	24.6%	3.3%
England	35.6%	33.2%	26.8%	4.4%

Source: Census 2021 (TS052)

5.64 The 2021 Census also records the number of concealed families i.e., where there is more than one family present in a household. Nationally, this rose significantly between 2011 and 2021, at least in part due to the lingering impact of recession on younger households' ability to afford their own homes. This meant that many younger people, including families, remained in the family home for longer than might have been expected in the past, through choice (to save money) or through necessity.

5.65 At the time of the 2021 Census in Westmorland & Furness, there were 938 concealed families at the time of 2021 Census, representing 1.4% of all families. The District has a lower proportion of concealed families than North West (2.2%) and the national average (1.9%).

5.66 Looking at the former districts, there remains a higher proportion of concealed households in Eden (1.8%) whilst South Lakeland (1.3%) and Barrow are lower (1.1%). These all remain below the regional and national average.

Table 5.12 Concealed families in Westmorland & Furness (2021)

	Number	%
Barrow	219	1.1%
Eden	299	1.8%
South Lakeland	420	1.3%
Westmorland & Furness	938	1.4%
North West	39,523	2.2%
England	353,127	1.9%

Source: Census 2021 (RM009)

- 5.67 The levels of overcrowding and concealed households in the District are therefore modest when compared with the regional and national levels.
- 5.68 The level of overcrowded households may also reflect the cultural preferences of some households who chose to live with multiple generations and extended family members through choice rather than necessity. The level of overcrowding and number of concealed households is not so significant that we can conclude that there is severe market pressure, but it nevertheless highlights a degree of inadequacy in the housing market.

Affordable Housing

- 5.69 The supply of new affordable dwellings provided across Westmorland & Furness⁴⁷ has fluctuated year-on-year between the former districts. The majority of affordable dwellings have been delivered in the former districts of South Lakeland and Eden. Delivery in Barrow peaked at 27 dpa in 2013-14 whilst Eden peaked at 122 in 2022-23 and South Lakeland at 226 dpa in 2014-15. There have been 144 affordable dwellings delivered on average over the last 5 years.

Table 5.13 Affordable House Building – Completions

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	5-year average
Barrow	11	27	0	2	0	8	0	0	0	22	4	5
Eden	105	31	42	41	31	37	52	25	38	113	122	70
South Lakeland	69	83	226	68	102	76	112	53	44	44	95	70
Westmorland & Furness	185	141	268	111	133	121	164	78	82	179	221	145

Source: Westmorland & Furness Council/DLUHC (2023), Live Tables on Housing Supply (Live Tables 1008C / 1008S)

- 5.70 Data provided by the Council indicates that there are 9,149 households on the Housing Register as of November 2025. Of those on the register, 4.0%, or 370, are identified as Priority Band A (urgent priority), 26.7% (2,445) as Priority Band B and 68.8% or 5,959 as Priority Band C (low priority). A further 40 households were unverified. Of these, 718 are recorded as being potential transfers (i.e. they are already living in social housing).
- 5.71 The majority of households on the Housing Register require a minimum sized property of 1-bedrooms (64% or 5,839) with 22% or 2,012 wanting a 2-bedroom property. Fewer require 3-bedroom properties at 13% or 1,232 households, and just 1% or 64 households require a 4-bedroom property or larger.

⁴⁷ These figures include delivery within National Park boundaries

6.0 Local Housing Need

Approach to defining the overall Local Housing Need

- 6.1 The December 2024 update to the NPPF (and the updated PPG) has changed the approach to calculating SM3. SM3 now uses a formula that incorporates a baseline of local housing stock which is then adjusted upwards to reflect local affordability pressures to identify the minimum number of homes expected to be planned for.
- 6.2 These issues have been tested by Lichfields throughout this section to come to a view on the LHN for the District.
- 6.3 The situation is complicated by the presence of much of the LDNP and to a lesser extent, the YDNP within the District’s administrative boundaries.
- 6.4 Both National Parks have the highest status of protection in respect to conserving and enhancing the landscape and scenic beauty. The NPPF states that great weight should be given to this and recognises the need to limit the scale and extent of development [paragraph 189]. Unlike other LPAs, national parks are exempt from housing targets. Nevertheless, the LDNPA and YDNPA are required to understand housing needs and to focus on meeting local affordable housing requirements (National Parks Circular (2010) para. 78).
- 6.5 The PPG states that national parks “*may continue to identify a housing need figure using a method determined locally*”⁴⁸. However, it goes on to state:
- “In doing so authorities should take into consideration the best available evidence on the amount of existing housing stock within their planning authority boundary, local house prices, earnings and housing affordability. In the absence of other robust affordability data, authorities should consider the implications of using the median workplace-based affordability ratio for the relevant wider local authority area(s).”*
- 6.6 Whilst further guidance is awaited, in the meantime we have explored a range of scenarios for the sub-areas of Westmorland & Furness (including the National Parks) that examine anticipated changes in households and affordability, alongside housing stock.

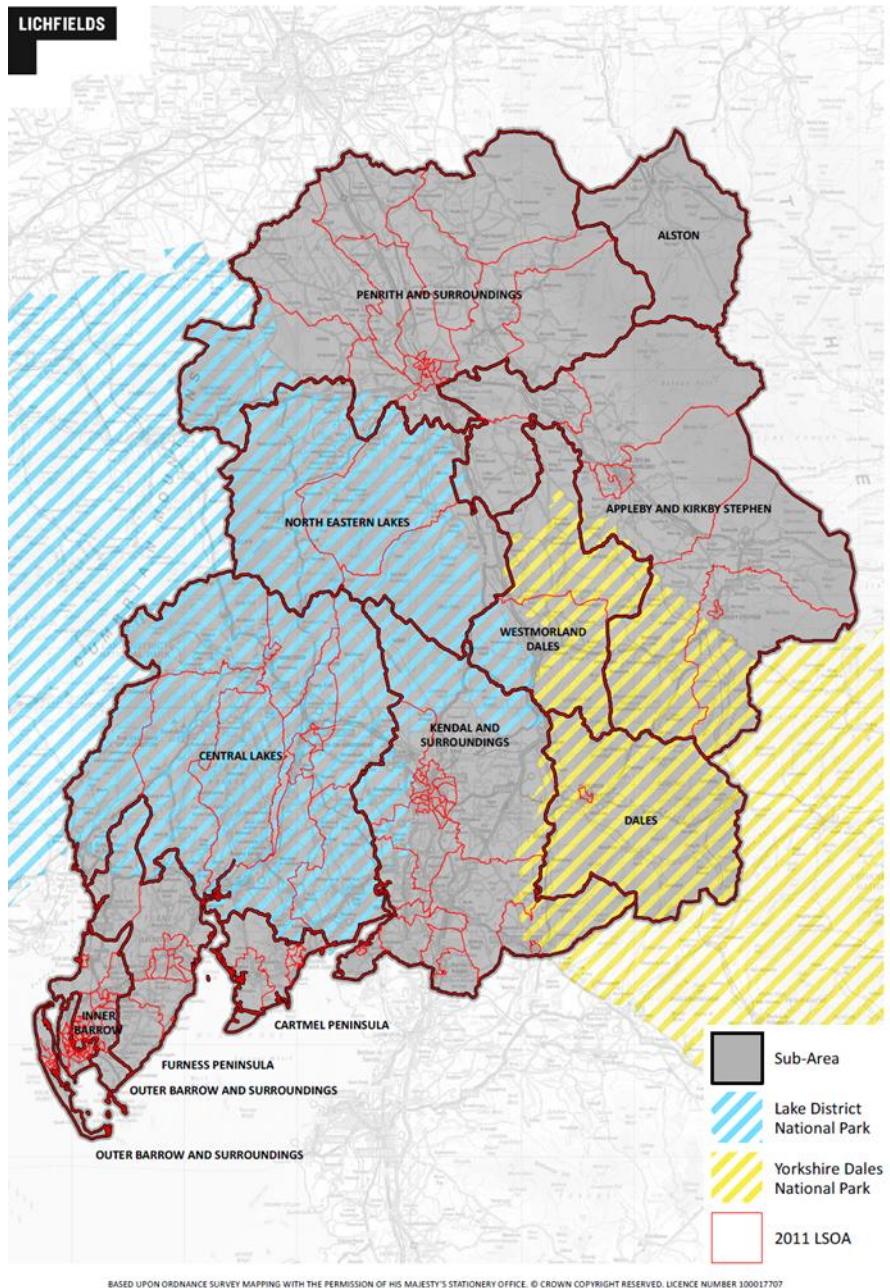
Identification of housing need for each sub area

- 6.7 Figure 6.1 presents the spatial breakdown of the three former authority areas which make up Westmorland & Furness and its associated 12 sub-areas (delimited by ‘best fit’ LSOAs⁴⁹ for the purposes of the demographic modelling). The sub-areas have been defined on the basis of similar housing characteristics (i.e. house prices, rents) within each of the three former districts.

⁴⁸ Reference ID: 2a-014-20241212

⁴⁹ LSOA boundaries have been used as these are the closest fit to Neighbourhood Plan boundaries.

Figure 6.1 Westmorland & Furness Sub-Areas



Source: Lichfields

- 6.8 The modelling generates a total population projection for the whole of Westmorland & Furness, the three main former districts and a total for the 12 sub-areas within. This has been undertaken for the following migration, population and dwelling led scenarios, considering demographic change and the current (and emerging) standard methodology. It uses the recently released 2022-based Sub-National Population Projections [SNPP] and accompanying Sub-National Household Projections [SNHP], as well as the 2024 MYPE.

Dwelling-led scenarios:

A: SM3

B: Past Delivery

Demographic scenarios:

C1: 2022-based SNPP Principal Migration Variant (baseline)

C2: 2022-based SNPP Principal Migration Variant using shares of institutionalised population over the age of 75

C3: 2022-based SNPP adjusted for 2024 MYPE

D1: 5-Year Migration Variant

D2: 10-Year Migration Variant

D3: High Migration Variant

D4: Low Migration Variant

D5: Zero Net Migration Variant

Job-led scenarios:

E: Economic Growth Scenario - Cambridge Econometric Job Growth forecast adjusted to incorporate the anticipated BAE growth at Barrow

Identification of the type, tenure and size of housing required

6.9 This element of the work identifies the type, tenure and size of housing required. The demographic modelling outlined above has been used as the starting point to quantify need by neighbourhood. This has then been broken down by the following categories as required by the NPPF:

- PRS;
- self-build and custom building;
- family housing;
- looked after children;
- housing for older people;
- housing for people with disabilities;
- student housing;
- service families; and,
- affordable housing.

6.10 The PPG states that plan-making authorities will need to count housing provided for older people against their housing requirement. For the purposes of this study however, the needs of individuals living in communal (Use Class C2) accommodation, such as elderly

residents living in Care Homes and students living in halls of residence, have been assessed separately.

6.11 The study is not required to assess the housing needs of gypsies and travellers, as a Cumbria-wide Gypsy and Traveller Accommodation Assessment has recently been concluded.

6.12 The study also considers the issue of second home ownership and commercial holiday lets (such as AirBnBs) in Westmorland & Furness and analyses how this issue impacts upon overall housing need and in particular affordable housing need.

Affordable Housing Needs

6.13 Lichfields has developed a methodology to enable a tenure split between intermediate, social rent and affordable rent⁵⁰. The approach adopted by Lichfields examines the interaction between housing costs and income. An analysis has been taken of the ability of households with insufficient income to afford access to market housing, and to afford different types of affordable housing.

6.14 This element of the SHENA draws upon a wide range of existing sources of data to identify affordable housing needs, relating to:

- The local housing market;
- Market signals, including house prices and affordability issues;
- The existing stock of affordable housing;
- Anticipated future changes in the affordable housing stock; and,
- Current and anticipated future levels of need for affordable housing.

6.15 The affordable housing target has been broken down by tenure, size, and type. Lichfields also considered the affordable rent model and the ability of households across the District to pay up to 80% market rents, as well as the need for intermediate housing.

6.16 The PPG also requires a calculation to be made of the total annual need for affordable housing based on calculating the total net need and converting into an annual flow over the plan period.

Starting Point – Standard Methodology

6.17 SM3 is one of the central tenets of achieving the Governments objective to deliver 1.5m homes in the current Parliament. The new method is much more ambitious than its predecessor (targeting 372,000 homes per year, up 21% from 305,000). The new method aims to boost housing numbers by pinning targets to existing housing stock (rather than household projections, as per the former method) and then uplifting needs, and the target, based on affordability (using a 5-year average). It no longer includes a 35% uplift for urban areas and also does away with the ‘cap’.

6.18 At the time the modelling was undertaken (late 2025), the SM3 resulted in an LHN of **1,330 dpa** for Westmorland & Furness (exponentially higher than the previous SM2

⁵⁰ It should be noted that the First Homes position statements for Eden and South Lakeland were revoked in July 2025.

demographic-based figure of 210 dpa). However, at the current time of writing (April 2026), the SM3 figure has reduced slightly, to 1,315 dpa, due to a slight fall in the 5-year average Affordability Ratio (to 6.9). The scenarios below are nevertheless based on the previous (higher) iteration, but can be updated if and when there is a more substantive change to the figure in the future.

- 6.19 SM3 is based upon Westmorland & Furness’s housing stock which was 121,139 in 2024. The baseline is calculated as 0.8% of stock, therefore the housing stock baseline figure is 969 dpa.
- 6.20 The affordability uplift equates to 37.2%, based on a 5-year average median workplace-based AR of 6.96 between 2020 and 2024, calculated as follows:
- 1 Average Median local workplace-based AR (2020-2024) = 6.96
 - 2 deduct 5 = 1.96
 - 3 divide by 5 = 0.392
 - 4 multiply by 0.95 = 0.3724 (or 37.24%).
- 6.21 Applying the 37.2% uplift to the stock baseline of 969 dpa equates to 1,330 dpa as a housing requirement based upon SM3. The starting point for assessing local housing need [LHN] in Westmorland & Furness is therefore 1,330 dpa. This is used as the minimum LHN starting point for the remainder of this SHENA.
- 6.22 The SM3 only provides figures for Westmorland & Furness; it does not provide an LHN for its constituent former districts; nor does it provide a figure for the two National Parks that partly overlap with the District’s boundaries.
- 6.23 For the purposes of the modelling, given that the 2022-based SNPP and equivalent SNHP provide figures only for the former districts at present, Lichfields calculated the breakdown of the 1,330 dpa figure across the former districts of Barrow, Eden and South Lakeland reflecting the principles of SM3, being based on the best available information on dwelling stock, house prices, earnings and ARs.
- 6.24 As a first baseline step for both scenarios the dwelling stock for each former District was established using the Census 2021, with adjustments made to generate a 2024 base date to align with the Live Table 100 [LT100] evidence⁵¹ used by MHCLG to calculate SM3. Council data indicates that between 2021 and 2024, some 348 dwellings were constructed in Barrow, 1,001 in Eden, and 966 in South Lakeland District. This comes to 2,315 dwellings in total, which is slightly below the net increase of 2,426 dwellings recorded in the LT100 between 2011 and 2024. To bring the baseline total dwelling stock up to 121,139 for 2024, the modest difference was split on a proportionate basis between the three former districts.
- 6.25 This equates to 34,553 dwellings in Barrow, 29,699 in Eden, and 56,887 in South Lakeland. 0.8% of these figures relates to 276, 238 and 455 respectively (969 dwellings across the whole of Westmorland & Furness). These figures include those parts of the LDNP / YDNP that sit within the former district boundaries.

⁵¹ MHCLG (2025): Dwelling Stock, Table 100: Dwelling stock by tenure and local authority, England, 31 March 2009 to 31 March 2024

- 6.26 The next step involves calculating the AR uplift to be applied to the stock baseline. This is less straightforward, as various approaches could be followed. The first, and easiest, is to simply apply the same workplace-based AR of 6.96 (and the concurrent uplift of 37%) to the stock figures. This would arrive at the same overall LHN figure of 1,330 dpa, but split as set out in Table 6.1.

Table 6.1 SM3 split by former Districts – constant Affordability Ratio Uplift

	0.8% of 2024 Dwelling Stock	SM3 Scenario 1	
		AR (Westmorland & Furness)	LHN
Barrow	276	6.96 / 137% uplift	379 dpa
Eden	238	6.96 / 137% uplift	326 dpa
South Lakeland	455	6.96 / 137% uplift	625 dpa
Westmorland & Furness TOTAL	969	6.96 / 137% uplift	1,330 dpa

Source: Lichfields

- 6.27 An alternative approach is to derive individual ARs for the three former districts. This involves taking median house price data from Land Registry [HMLR] over the past 5 years for each sub-area, and applying (former) district-level, workplace-based median earnings data for the former local authority areas⁵².

Table 6.2 SM3 split by former Districts – Bespoke Prices / District Earnings

Bespoke Prices / district Earnings	0.8% stock	Median Av. House Prices	Median Earnings	AR	Uplift	LHN	Rebalanced LHN
Inner Barrow	121	£94,320	£39,398	2.4	100%	121	105
Outer Barrow	155	£174,950	£39,398	4.4	100%	155	135
BARROW TOTAL	276					276	240
Penrith and Surrounds	127	£235,999	£29,695	7.9	156%	199	172
Appleby and Kirkby Stephen	78	£220,545	£29,695	7.4	146%	114	99
Alston	10	£194,268	£29,695	6.5	129%	13	11
North Eastern Lakes	12	£385,950	£29,695	13.0	252%	31	27
Westmorland Dales	11	£326,099	£29,695	11.0	214%	23	20
EDEN TOTAL	238					378	328
Kendal and Surroundings	201	£261,550	£29,179	9.0	175%	352	305
Cartmel Peninsula	37	£267,850	£29,179	9.2	179%	67	58
Furness Peninsula	80	£232,623	£29,179	8.0	156%	125	108
Central Lakes	118	£377,500	£29,179	12.9	251%	295	256
Dales	20	£301,500	£29,179	10.3	201%	40	35
STH LAKES TOTAL	455	-	-	-	-	878	762

⁵² ONS (March 2025): House price to workplace-based earnings ratio for former local authorities

Bespoke Prices / district Earnings	0.8% stock	Median Av. House Prices	Median Earnings	AR	Uplift	LHN	Rebalanced LHN
Westmorland & Furness TOTAL	969	-	-	-	-	1,533	1,330

Source: Lichfields *Note: rebalanced on a proportionate basis to ensure the total comes to 1,330 dpa.

- 6.28 This would generate an overall LHN of **1,533 dpa**. Rebalanced on a proportionate basis to fix to the overall SM3 figure of 1,330 dpa, the sub district need figures are set out in the table below. Whilst arguably a more robust scenario that reflects the reality of the significant variation in house prices and affordability across Westmorland & Furness, it does generate very high figures for South Lakeland in particular (at the expense of Barrow).

Table 6.3 SM3 split by former Districts

	0.8% of 2024 Dwelling Stock	Scenario 1		Scenario 2	
		AR (Westmorland & Furness)	LHN	AR (individual)	LHN*
Barrow	276	6.96 / 137% uplift	379 dpa	3.68 / 100% uplift	240 dpa
Eden	238	6.96 / 137% uplift	326 dpa	8.00 / 157% uplift	328 dpa
South Lakeland	455	6.96 / 137% uplift	625 dpa	9.58 / 187% uplift	762 dpa
Westmorland & Furness TOTAL	969	6.96 / 137% uplift	1,330 dpa	-	1,330 dpa

Source: Lichfields *Note: rebalanced on a proportionate basis to ensure the total comes to 1,330 dpa.

Consideration of a different figure to the LHN generated by the standard method

- 6.29 The NPPF is clear that to determine the minimum number of homes needed, strategic policies should be informed by an LHN assessment using the standard method in the PPG. As set out in LHN methodology above, the requirement could also be increased to reflect growth ambitions or additional need that cannot be met within neighbouring areas.
- 6.30 The PPG states that calculating housing need is a separate process from establishing a housing requirement figure, which factors in policy considerations and constraints⁵³. These are outside the scope of a SHENA and are for the Council to consider as part of its plan-making process.
- 6.31 The NPPF indicates that the requirement could be higher to align with economic ambitions: *“Strategic policy-making authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period. The requirement may be higher than the identified housing need if, for example, it includes provision for neighbouring areas, or reflects growth ambitions linked to economic development or infrastructure investment”* [paragraph 69].

⁵³“When preparing strategic policies, it may be concluded that insufficient sites / broad locations have been identified to meet objectively assessed needs, including the identified local housing need. In the first instance, strategic policy-making authorities will need to revisit their assessment...If insufficient land remains, then it will be necessary to investigate how this shortfall can best be planned for. If there is clear evidence that strategic policies cannot meet the needs of the area, factoring in the constraints, it will be important to establish how needs might be met in adjoining areas through the process of preparing statements of common ground, and in accordance with the duty to cooperate. If following this, needs cannot be met then the plan-making authority will have to demonstrate the reasons why as part of the plan examination”. PPG ID: 3-025-20190722

- 6.32 Furthermore, the NPPF is also clear that when planning for housing and employment land, the approach should be an integrated one which seeks “to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment” [paragraph 86d].
- 6.33 The PPG also provides guidance on how the housing needs of particular groups relate to the overall housing need calculated using the standard method, as set out in Section 2.0 - *Calculating the Housing Needs of Different Groups of People*.
- 6.34 The PPG goes on to give additional guidance as to how the needs should be met in the future for older people, disabled people and planning policy for traveller sites.⁵⁴
- 6.35 The PPG⁵⁵ states that for rural areas:
- “The nature of rural housing needs can be reflected in the spatial strategy set out in relevant policies, including in the requirement figures for any designated rural areas.”*
- 6.36 The remainder of this chapter addresses each of the aforementioned elements in order to assess whether the 1,330 dpa adequately reflects the Council’s growth ambitions linked to economic development or infrastructure investment, and if not, whether this could justify uplifting the LHN figure generated by the standard method.

Demographic Analysis

- 6.37 The SNPP estimates the population of all local authorities in England for a 25-year period and assume that demographic trends (births, deaths and in/out migration) that were experienced during the preceding 5/6-year period will continue into the future.
- 6.38 The 2022-based SNPP are the most up-to-date population projections. Published in June 2025, these replace the previous 2018-based projections. As discussed above, the demographic projections no longer inform the SM3 calculations.
- 6.39 The 2022-based SNPP indicate that the population of Westmorland & Furness is likely to grow by 10,834 people (+4.7%) over the Plan period 2025 to 2045, equivalent to 542 additional residents annually. This is driven particularly by the former district of Eden, which is projected to grow by 6,427 residents (+11.3%) and also South Lakeland (+6,280, or 5.9%). In contrast, the former district of Barrow is projected to decline by 1,872 residents (-2.8%).
- 6.40 This is a much lower rate of growth overall than the regional and national pictures, with the populations of the North West and England expected to grow by 9.2% and 8.6% respectively according to the 2022-based SNPP.
- 6.41 However, the latest projections are an improvement (in growth terms) on the previous 2018-based SNPP. Over a comparable time period of 2025-43 (the end date of the 2018-based SNPP), the 2022-based SNPP forecast growth of 9,733 residents, at 4.2%, compared to just +1,710 residents, or +0.8% over the same period in the 2018-based projections.

⁵⁴ PPG: ID: 67-001-20190722

⁵⁵ PPG: ID: 67-009-20190722

6.42 Figure 6.2 illustrates the following differences between the two projections across the 5-year age cohorts:

- A greater fall in the number of 5-24 year olds in the 2022-based SNPP compared to the 2018-based;
- Stronger growth in the number of 25-54 year olds in the 2022-based projections;
- Stronger levels of decline in 55-69 year olds in the 2018-based SNPP; and,
- Slightly higher levels of growth in people aged 70+ in the 2022-based projections, with significantly more growth in those aged 90+.

Figure 6.2 Comparison of 2018-based and 2022-based SNPPs, by 5-year age cohort (2025-2043)



Source: ONS 2018-based SNPP / 2022-based SNPP

6.43 The general message emerging from the 2022-based projections is that whilst there is some growth forecast for 25-39 year olds and healthy growth in 40-54 year olds, most future population growth in Westmorland & Furness will be driven by retirees, particularly those aged 70 and above. In contrast, the number of residents aged under 24 and between 55 – 69 is expected to decline. The projections show an increase in residents aged 15-64 of just 15 people by 2043, alongside an increase of 14,355 residents aged 70 and above. Unchecked, this could have serious negative impacts on the local economy due to a declining labour force unless measures are implemented to increase the employment rate.

6.44 In terms of the determinants of change, the 2022-based SNPP envisages that the population change in the District over the Local Plan period (2025-45) will be driven by inward migration. The projections forecast 61,316 deaths compared to 33,197 births, resulting in a net natural change figure of -28,118. In contrast, net international migration is positive, at +2,735 whilst internal migration is expected to be strongly positive at

+36,728, with 232,591 people moving to the District from other locations across the UK and 196,437 local residents moving in the other direction.

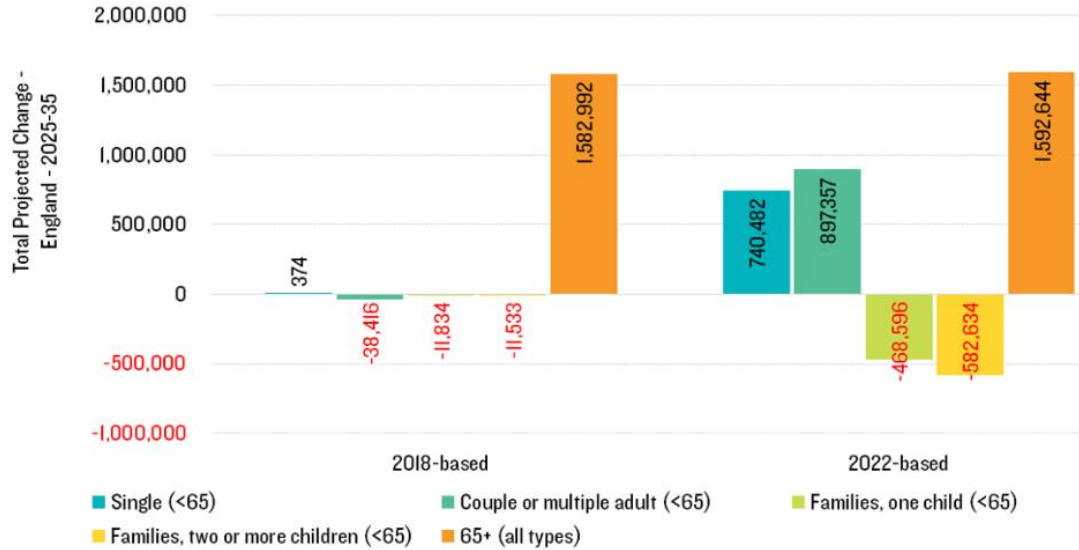
Household Projections

- 6.45 The equivalent household projections to the 2022-based SNPP were released in October 2025. The 2022-based SNHP are the third set to be produced by the ONS. They are the first set of household projections to incorporate results from the 2021 Census. While a similar model has been used to the 2018-based and 2016-based SNHPs, a change to two of the younger age groups⁵⁶ and use of 2011 and 2021 Census data also lead to results differing from earlier household projections releases.
- 6.46 The latest ONS projections indicate a higher level of household growth nationally than any projections in over a decade, which is largely attributable to higher underlying population growth (with more people overall, including more younger people as a result of higher international migration estimates). Over the entire 25-year projection period, the number of households in England is projected to increase by 22.8%, to 28.9 million by 2047. This is a significantly stronger rate of growth when compared to the previous 2018-based SNHP.
- 6.47 The projections continue to 'bake-in' trends of declining household formation meaning they are still likely to under-estimate true housing need and demand. If we applied the earlier 2018-based set of household formation rates by age and sex to the 2022-based projection of those living in households, then projected annual growth over the 2025-35 period would be just under 224,000. The actual projected household growth in the 2022-based projections is 218,000; on a like-for-like basis, the latest projections project a continued deterioration in headship rates such that 6,000 households per year are effectively 'lost'. When using headship rates from the 2014-based projections the difference is even greater, at nearly 16,000.
- 6.48 Ageing remains the key driver of growth in the number of households, but changing demographic trends (including declining birth rates and higher international migration) will affect demand from other groups, such as single people, couples, and families.
- 6.49 For decades the ageing population has been a significant contributor to growth; older people are more likely to occupy homes as couples or singles whereas those of family age are more likely to have adults and children in a single dwelling with consequential implications for the number of homes required for a given size of population. In the 2018-based projections 65+ households made up virtually all projected growth (Figure 6.3). This not only highlighted the importance of planning effectively for the ageing population (both for general housing and specialist housing) but also raised questions on how to effectively plan for demand from other groups.
- 6.50 The 2022-based projections show older age groups still comprise the majority of growth. However, changes to underlying birth rates show the number of families is now projected to decline by nearly 1m over 10 years; previously the decline was only marginal. There is a reversal in trends amongst other household types. The number of single person households is projected to increase by nearly 750,000; and the number of adult only (couples, multiple adult households or families with non-dependent children) households increases by nearly 900,000. The latter groups have a wide range of needs, and housing across a mix of sizes

⁵⁶ According to ONS, "the age group change affects the number of "dependent children" and, in combination with lower projected fertility in the subnational population projections, leads to a projected decrease in the number of households with dependent children. Changing the definition of dependent children to 0- to-18-year-olds, from 0- to-19-year-olds in previous releases, aligns with the Census 2021 definition." <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationpr>

and types will be required.

Figure 6.3 Projected Change by Household Type – England – 2025-35 – 2018-based and 2022-based

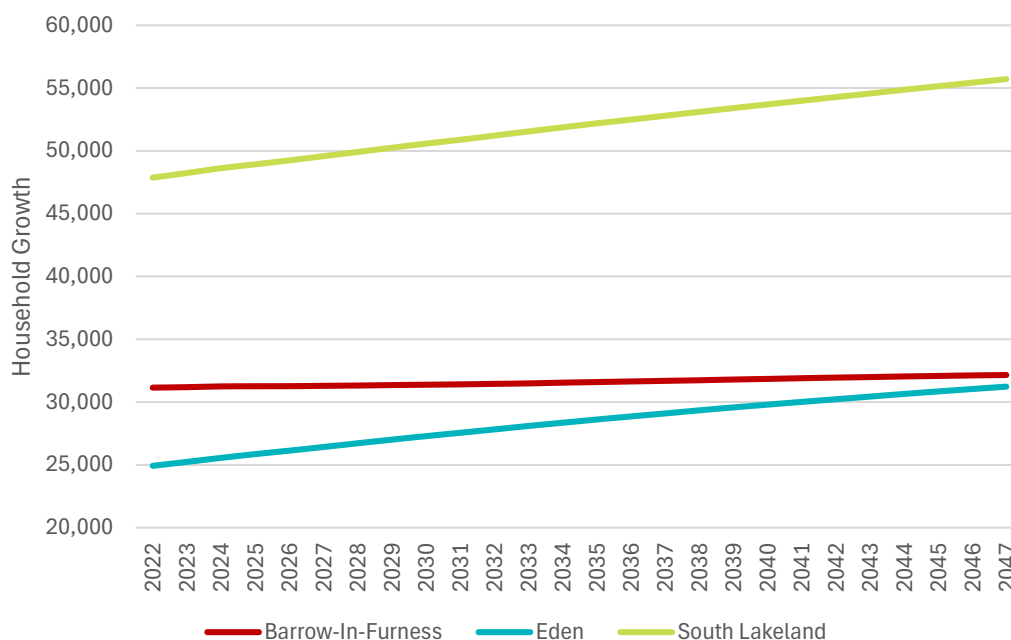


Source: Lichfields based on ONS

6.51 Westmorland & Furness is certainly not immune from these trends. Over the 20-year Plan period 2025 – 2045, the 2022-based projections project a total growth of 12,024 households, or 11.3%. This equates to an average household growth of **601 households per annum [hpa]**. However, as can be seen in Figure 6.4, this growth is not evenly distributed across the District, with Barrow expected to see very limited growth in the coming years of just 2.6%, equal to a net increase of just 811 households. In contrast, the former district of Eden is projected to grow by 4,989 households, an impressive 19.3%, whilst South Lakeland is projected to grow by +6,225 households, albeit at a lower rate (+12.7%).

6.52 The raw data underpinning both the 2022-based population and household projections has been used to inform the scenario building in the PopGroup analysis, set out overleaf.

Figure 6.4 Household Growth Projections for Westmorland and Furness’s former districts



Source: ONS 2022-based Sub-National Household Projections

Modelling Results

- 6.53 Based on the trends identified through the demographic and economic assessment of the District, a number of scenarios have been modelled to test whether any adjustment is required which deviates from the locally assessed need identified by SM3.
- 6.54 The scenarios demonstrate the extent to which the population of the District could change over the Plan period and how this change would be translated into households, dwellings, numbers of economically active residents and the number of jobs that might be supported by the local population.
- 6.55 The number of households is translated into dwelling needs through the application of an adjustment for the proportion of vacant properties / second homes that are currently recorded in the District.
- 6.56 Lichfields has modelled each of these scenarios using industry standard PopGroup demographic modelling software for the three former districts of Barrow, Eden and South Lakeland. The detailed assumptions utilised in the modelling can be found in Appendix 1.

Dwelling-led Scenarios

Scenario A1 & A2: Standard Methodology 3 and Sensitivity

- 6.57 As discussed above, the SM3 results in an LHN of 1,330 dpa for Westmorland & Furness. Two different approaches have been modelled in PopGroup. The first simply applies the same Westmorland & Furness workplace-based AR of 6.96 (and the concurrent uplift of 37%) to the stock figures. The second derives individual ARs for the three districts and the sub-areas within. The resultant figure of 1,533 dpa rebalanced to match the SM3 figure of 1,330 dpa.

- 6.58 These figures have been modelled in PopGroup to understand the demographic and economic implications of maintaining this housing requirement. The outputs are summarised in Table 6.8 (with the Affordability Ratio kept constant at the Westmorland & Furness rate of 6.96) and Table 6.9, with individual ARs calculated for each sub-area and then rebalanced.
- 6.59 The figures indicate that the total number of jobs can range from 30,262 (1,513 p.a.) under Scenario A1, to a slightly higher 30,471 (1,524 p.a.) under Scenario A2, weighted towards South Lakeland and to a lesser extent, Barrow depending on the scenario. Net migration is likely to be very high if these dwelling targets are to be achieved given the current decline in natural change, with over 66,000 new residents likely to have to move into the District over the next 20 years if 1,330 dpa are delivered.

Table 6.4 Scenario A1: SM3 with Westmorland & Furness Affordability Ratio

2025-2045	Barrow		Eden		South Lakeland		Westmorland & Furness Total	
	Total	Annual	Total	Annual	Total	Annual	Total	Annual
Population change	12,454	623	9,310	466	18,569	928	40,333	2,017
<i>Of which natural change</i>	-3,772	-189	-6,814	-341	-15,300	-765	-25,886	-1,294
<i>Of which net migration</i>	16,226	811	16,124	806	33,869	1693	66,219	3,311
Labour force growth	8,064	403	5,284	264	11,198	560	24,546	1,227
Job growth	10,196	510	6,363	318	13,703	685	30,262	1,513
Households	7,154	358	5,963	298	11,189	559	24,305	1,215
Dwellings	7,587	379	6,521	326	12,491	625	26,600	1,330

Source: Lichfields using PopGroup

Table 6.5 Scenario A2: SM3 with Sub-Area Affordability Ratios

2025-2045	Barrow		Eden		South Lakeland		Westmorland & Furness Total	
	Total	Annual	Total	Annual	Total	Annual	Total	Annual
Population change	6,546	327	9,395	470	24,358	1218	40,299	2015
<i>Of which natural change</i>	-4,299	-215	-6,808	-340	-14,900	-745	-26,007	-1,300
<i>Of which net migration</i>	10,844	542	16,203	810	39,261	1,963	66,309	3,315
Labour force growth	4,989	249	5,330	267	14,500	725	24,819	1,241
Job growth	6,307	315	6,418	321	17,745	887	30,471	1,524
Households	4,526	226	5,998	300	13,656	683	24,180	1,209
Dwellings	4,800	240	6,560	328	15,246	762	26,606	1,330

Source: Lichfields using PopGroup

Scenario B: Past Delivery

- 6.60 Data provided by the Council indicates that over the past 21 years, a total of 12,543 homes (net) have been completed in Westmorland & Furness (including the National Park areas). As can be seen in Table 6.6, there has been a general trend for increasing delivery rates since the low of 199 dpa in 2011/12 (with plenty of fluctuations in between):

Table 6.6 Net Housing Completions in Westmorland & Furness 2003/04-2024/25

	Barrow	Eden	South Lakeland	W&F Total
2003/4	64	186	221	471
2004/5	94	211	232	537
2005/6	98	148	303	549
2006/7	101	165	238	504
2007/8	73	159	156	388
2008/9	75	154	155	384
2009/10	51	104	282	437
2010/11	81	129	103	313
2011/12	-71	122	148	199
2012/13	44	237	259	540
2013/14	73	175	204	452
2014/15	116	140	359	615
2015/16	91	266	423	780
2016/17	67	202	299	568
2017/18	98	206	353	657
2018/19	122	315	326	763
2019/20	103	369	260	732
2020/21	88	272	197	557
2021/22	178	323	306	807
2022/23	106	399	348	853
2023/24	64	319	428	811
2024/25	65	219	342	626
Grand Total 2003/04-2024/25	1,781	4,820	5,942	12,543
10-yr Annual average	98	289	328	715

Source: the Council (2025)

- 6.61 Figure 6.5 demonstrates the considerable fluctuations in delivery over time, with clear upward trends for Eden District and South Lakeland in terms of annual net completions. Barrow consistently lags behind housing completions compared to the other two districts, averaging just 98 dpa over the past decade– 14% of Westmorland & Furness’s total.

Figure 6.5 Net Housing Completions in Westmorland & Furness 2003/04-2023/24



Source: the Council (2025)

6.62 For demographic modelling purposes, and given the gradual increase in delivery over time, we have taken the past ten-year average of 715 dpa across Westmorland & Furness. This breaks down to 98 dpa for the former district of Barrow; 289 dpa for Eden; and 328 dpa for South Lakeland.

6.63 These figures have been modelled in PopGroup to understand the demographic and economic implications of maintaining this current level of net delivery. In this regard, keeping a housing delivery figure in line with previous levels would lead to an increase in the population equal to 14,317 over the next 20 years across the District as a whole. This would also potentially result in growth of 12,640 jobs, the majority of which would be in Eden and South Lakeland. A summary of this scenario is set out in Table 6.7.

Table 6.7 Housing Need Scenario B: Past Delivery Levels

2025-2045	Barrow		Eden		South Lakeland		Westmorland & Furness Total	
	Total	Annual	Total	Annual	Total	Annual	Total	Annual
Population change	526	26	7,689	384	6,102	305	14,317	716
<i>Of which natural change</i>	-4,835	-242	-6,915	-346	-16,157	-808	-27,907	-1,395
<i>Of which net migration</i>	5,361	268	14,604	730	22,259	1113	42,224	2,111
Labour force growth	1,855	93	4,399	220	4,084	204	10,337	517
Job growth	2,345	117	5,297	265	4,998	250	12,640	632
Households	1,848	92	5,285	264	5,876	294	13,009	650
Dwellings	1,960	98	5,780	289	6,560	328	14,300	715

Source: Lichfields using PopGroup

Demographic Scenarios

Scenario C1: 2022-based SNPP Baseline (Principal Migration Variant)

- 6.64 The 2022-based SNPP represent the most up-to-date population projections published by ONS in June 2025. Unlike with previous iterations, the ONS has decided to use the 'migration category variant' projection in place of the principal projection. This is considered by ONS to be in line with its advice to use the corresponding migration category variant for the UK in ONS's 'national population projections: 2022-based bulletin'. ONS recommends the use of this variant, as it better reflects likely international migration patterns⁵⁷. This is the version of the 2022-based SNPP that we have used for Scenario B.
- 6.65 As set out above, they show an increase in the population of Westmorland & Furness of 10,834 people between 2025-2045, with net in-migration considerably outweighing the levels of negative natural change in the population. This translates to an increase of 9,197 jobs (due to changes in the economic activity rate over time, with more people working into their 70s). Applying the household formation rates contained within the recently published 2022-based Household Projections generates a net increase of 12,025 households and a need for 13,265 dwellings net, at 663 dpa.
- 6.66 Broken down by former district, we can see from Table 6.8 that very little growth is projected for Barrow under this scenario, with a negative population growth counterbalanced to an extent by declining household size resulting in a very modest need for 43 dpa, compared to 273 dpa in Eden and 47 dpa in South Lakeland.

Table 6.8 Summary of the demographic outcomes - Scenario C1: 2022-based SNPP Baseline

2025-2045	Barrow		Eden		South Lakeland		Westmorland & Furness Total	
	Total	Annual	Total	Annual	Total	Annual	Total	Annual
Population change	-1,872	-94	6,427	321	6,280	314	10,834	542
<i>Of which natural change</i>	-5,413	-271	-6,875	-344	-15,828	-791	-28,116	-1,406
<i>Of which net migration</i>	3,541	177	13,302	665	22,107	1105	38,950	1,948
Labour force growth	402	20	3,276	164	3,877	194	7,555	378
Job growth	508	25	3,945	197	4,745	237	9,197	460
Households	811	41	4,989	249	6,225	311	12,024	601
Dwellings	860	43	5,456	273	6,949	347	13,265	663

Source: Lichfields using PopGroup

Scenario C2: 2022-based SNPP Principal Migration Variant using shares of institutionalised population over the age of 75

- 6.67 One change that ONS has made to the latest 2022-based SNPP from previous iterations concerns its approach to the population 'not in households', i.e. those living in communal establishments such as care homes. In previous sets of projections, the [absolute] number of people in communal establishments below age 75 was held constant, but that above age

⁵⁷ [Subnational population projections for England - Office for National Statistics](#)

75 a percentage rate was applied, such that the number steadily increased over the projection period.

- 6.68 However, the latest projections hold the number of communal residents constant across the 25-year period for all of the age cohorts including the over 75s. ONS's reasoning for this is that their research suggested that using the existing method culminated in a 'step-change' for both under 75's and 75+ groups when switching between one census and another. Using interpolation (between the two census points) presented a smoother, more linear trend and ONS decided this was a better option. Essentially, it has interpolated the figure between 2011 and 2021 censuses and then held this constant to 2047.
- 6.69 There are pros and cons to this approach. The main potential negative outcome is that it essentially assumes that the number of residents living in Care homes in Westmorland & Furness will remain the same in 2045 as it does in 2025. So even though the number of over 75s living in households in Westmorland & Furness is projected to increase from 30,283 in 2025, to 42,678 in 2045 (an increase of 12,395 residents, or 40.9%), the number of residents aged over 75 living institutionalised accommodation (mainly care/nursing homes) stays exactly the same over that 20-year period, at 1,221.
- 6.70 As a sensitivity therefore, we have calculated the percentage of the total population 'not in households' for the 5-year age cohorts of ages 75 and above in 2022 and kept the percentage rate constant to 2045. This has also been modelled in PopGroup.
- 6.71 Whilst it results in an identical level of population and job growth overall as Scenario B1, this has the effect of slightly reducing the household (and by extension, dwelling) growth, as more residents over the age of 75 are assumed to require C2 care home accommodation rather than C3 dwellings. The dwelling requirement overall falls slightly, from 13,265 (663 dpa) to 12,579 (629 dpa):

Table 6.9 Summary of the demographic outcomes - Scenario C2: 2022-based SNPP Baseline Share

2025-2045	Barrow		Eden		South Lakeland		Westmorland & Furness Total	
	Total	Annual	Total	Annual	Total	Annual	Total	Annual
Population change	-1,872	-94	6,427	321	6,280	314	10,834	542
<i>Of which natural change</i>	-5,413	-271	-6,875	-344	-15,828	-791	-28,116	-1,406
<i>Of which net migration</i>	3,541	177	13,302	665	22,107	1,105	38,950	1,948
Labour force growth	402	20	3,276	164	3,877	194	7,555	378
Job growth	508	25	3,945	197	4,745	237	9,197	460
Households	665	33	4,893	245	5,842	292	11,401	570
Dwellings	706	35	5,352	268	6,522	326	12,579	629

Source: Lichfields using PopGroup

Scenario C3: 2022-based SNPP adjusted for 2024 MYPE

- 6.72 This scenario mirrors Scenario B1 but pins the 2024 population figure to the 2024 MYPE figure of 230,185, which is slightly higher than the 2022-based SNPP figure of 229,336. This results in a fall in population of 82, and a greater increase in jobs of 1,030 (due to the changing composition of the age cohorts), but 554 fewer households and 615 fewer

dwellings.

Table 6.10 Summary of the demographic outcomes - Scenario C3: 2024 MYPE / 2022-based SNPP

2025-2045	Barrow		Eden		South Lakeland		Westmorland & Furness Total	
	Total	Annual	Total	Annual	Total	Annual	Total	Annual
Population change	-1,645	-82	6,207	310	6,189	309	10,751	538
<i>Of which natural change</i>	<i>-5,065</i>	<i>-253</i>	<i>-6,963</i>	<i>-348</i>	<i>-16,111</i>	<i>-806</i>	<i>-28,139</i>	<i>-1,407</i>
<i>Of which net migration</i>	<i>3,420</i>	<i>171</i>	<i>13,170</i>	<i>659</i>	<i>22,300</i>	<i>1,115</i>	<i>38,890</i>	<i>1,945</i>
Labour force growth	747	37	3,544	177	4,098	205	8,389	419
Job growth	944	47	4,268	213	5,016	251	10,227	511
Households	885	44	4,665	233	5,920	296	11,470	574
Dwellings	939	47	5,102	255	6,608	330	12,650	632

Source: Lichfields using PopGroup

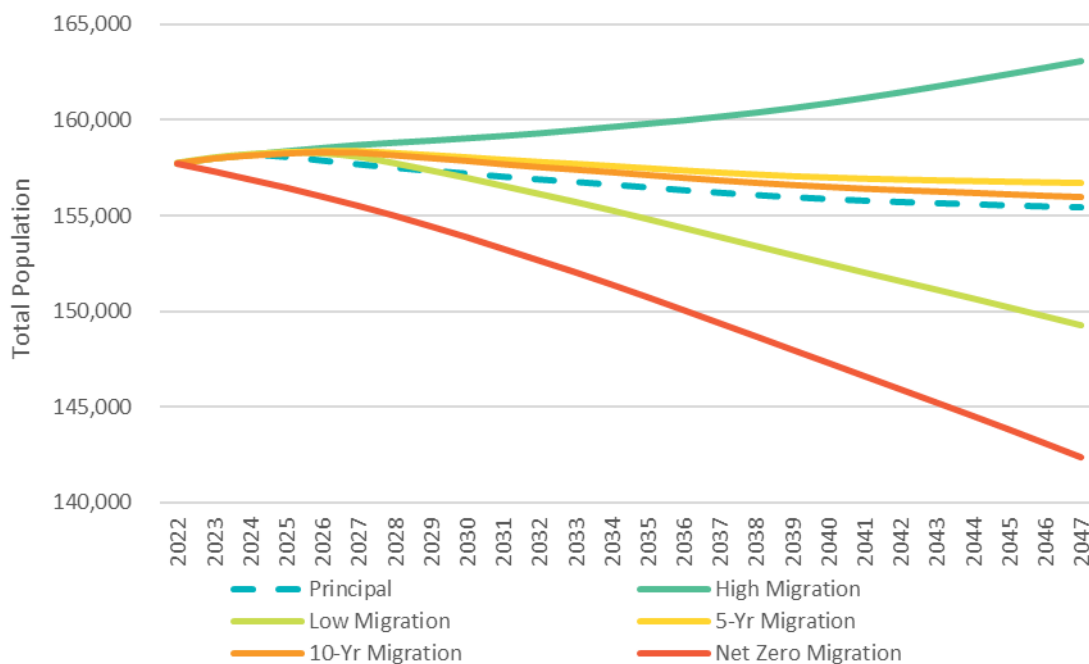
Scenarios D1-D5: 2022-based SNPP Variants

- 6.73 ONS has provided a set of variant projections to its recommended ‘*migration category variant projection*’ (Scenario B1 above). These model the implications of higher or lower assumptions about the trajectories of migration, over different trend periods. According to ONS, these provide an indication of uncertainty and sensitivity to alternative assumptions and should not be considered upper or lower limits of future demographic behaviour⁵⁸.
- 6.74 The variant projections enable us to explore a range of possibilities and the effects of changing the underlying assumptions on population and household projections at national and local levels. The 2022-based SNPP variants include five different levels of migration:
- 1 **a 5-year migration variant:** this works on the basis that all migration trends (internal, cross-border and international) are based on 5-years of data.
 - 2 **a 10-year migration variant:** this works on the basis that all migration trends (internal, cross-border and international) are based on 10-years of data.
 - 3 **a high international migration variant:** assume higher levels of net international migration to England as a whole, but the proportional distribution at local authority level remains the same.
 - 4 **a low international migration variant:** as above, but with the assumption that lower levels of net international migration to England as a whole are experienced. The result is that all areas see correspondingly lower population totals, with areas that have high levels of international migration in the principal projection (especially parts of London) seeing the greatest difference.
 - 5 **A net zero migration variant:** this variant assumes zero net migration into/out of the District.
- 6.75 The resultant population projections are illustrated in Figure 6.6 (for the full period of the projections 2022-2047). They indicate that the principal projection sits towards the middle

⁵⁸<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/methodologies/variationalpopulationprojectionsfortheukandsubnationalpopulationprojectionsandhouseholdprojectionsforenglanduserguide>

of the range, with the high international migration scenario projection representing a significant upturn in the local population of 3,371 between 2025 and 2045, in stark contrast with a consistent fall for each of the other four variant scenarios, from -1,483 (5-year migration), to -11,244 (net zero migration).

Figure 6.6 Variant population projections showing a range of future demographic scenarios for Westmorland & Furness, 2022-2047



Source: Lichfields / ONS 2022-based SNPP Variants

6.76 When modelled in PopGroup, the variant scenarios suggest that the dwelling requirement could range from a low of -54 dpa under the net zero migration scenario for Barrow, to a high of 94 dpa under the high international migration scenario as set out in Table 6.11:

Table 6.11 Summary of outcomes - Scenarios D1-D5: 2022-based SNPP variants for Barrow

2025-2045	D1 5-yr Mig		D2 10-yr Mig		D3 High Mig		D4 Low Mig		D5 Net Zero Mig	
	Total	Annual	Total	Annual	Total	Annual	Total	Annual	Total	Annual
Population change	-1,291	-65	-3,155	-158	463	23	-3,330	-167	-6,348	-317
<i>Of which natural change</i>	-5,288	-264	-5,631	-282	-5,034	-252	-5,590	-280	-6,314	-316
<i>Of which net migration</i>	3,998	200	2,476	124	5,497	275	2,260	113	-34	-2
Labour force growth	711	36	-345	-17	1,712	86	-472	-24	-2,145	-107
Job growth	899	45	-436	-22	2,165	108	-597	-30	-2,712	-136
Households	1,035	52	247	12	1,774	89	159	8	-1,011	-51
Dwellings	1,098	55	262	13	1,882	94	168	8	-1,073	-54

Source: Lichfields using PopGroup

- 6.77 For Eden, the dwelling requirement could range from a low of 189 dpa under the 10yr migration scenario, to a high of 318 dpa under the high international migration scenario as set out in Table 6.12.

Table 6.12 Summary of outcomes - Scenarios D1-D5: 2022-based SNPP variants for Eden

2025-2045	D1 5-yr Mig		D2 10-yr Mig		D3 High Mig		D4 Low Mig		D5 Net Zero Mig	
	Total	Annual	Total	Annual	Total	Annual	Total	Annual	Total	Annual
Population change	6,819	341	3,291	165	8,510	425	4,684	234	2,621	131
<i>Of which natural change</i>	-6,798	-340	-7,182	-359	-6,563	-328	-7,077	-354	-7,514	-376
<i>Of which net migration</i>	13,617	681	10,473	524	15,073	754	11,760	588	10,135	507
Labour force growth	3,519	176	1,748	87	4,617	231	2,204	110	936	47
Job growth	4,237	212	2,105	105	5,560	278	2,654	133	1,127	56
Households	5,137	257	3,461	173	5,811	291	4,335	217	3,589	179
Dwellings	5,618	281	3,785	189	6,356	318	4,741	237	3,925	196

Source: Lichfields using PopGroup

- 6.78 For South Lakeland, the dwelling requirement could range from a low of 194 dpa under the Net Zero migration scenario, to a high of 455 dpa under the high international migration scenario as set out in Table 6.13:

Table 6.13 Summary of outcomes - Scenarios D1-D5: 2022-based SNPP variants for South Lakeland

2025-2045	D1 5-yr Mig		D2 10-yr Mig		D3 High Mig		D4 Low Mig		D5 Net Zero Mig	
	Total	Annual	Total	Annual	Total	Annual	Total	Annual	Total	Annual
Population change	6,785	339	5,171	259	11,297	565	1,455	73	-1,071	-54
<i>Of which natural change</i>	-15,696	-785	-15,523	-776	-15,135	-757	-16,361	-818	-17,173	-859
<i>Of which net migration</i>	22,480	1124	20,694	1035	26,432	1322	17,816	891	16,102	805
Labour force growth	4,218	211	3,619	181	6,973	349	953	48	-872	-44
Job growth	5,162	258	4,429	221	8,534	427	1,167	58	-1,067	-53
Households	6,457	323	5,728	286	8,160	408	4,438	222	3,478	174
Dwellings	7,209	360	6,395	320	9,109	455	4,954	248	3,882	194

Source: Lichfields using PopGroup

- 6.79 And finally, for Westmorland & Furness as a whole, the dwelling requirement could range from a low of 337 dpa under the Net Zero migration scenario, to a high of 867 dpa under the high international migration scenario as set out in Table 6.14:

Table 6.14 Summary of outcomes - Scenarios D1-D5: 2022-based SNPP variants for Westmorland & Furness

2025-2045	D1 5-yr Mig		D2 10-yr Mig		D3 High Mig		D4 Low Mig		D5 Net Zero Mig	
	Total	Annual	Total	Annual	Total	Annual	Total	Annual	Total	Annual
Population change	12,313	616	5,307	265	20,271	1014	2,808	140	-4,798	-240
<i>Of which natural change</i>	-27,782	-1389	-28,336	-1417	-26,732	-1337	-29,028	-1451	-31,001	-1,550
<i>Of which net migration</i>	40,095	2005	33,643	1682	47,002	2350	31,836	1592	26,203	1,310
Labour force growth	8,448	422	5,023	251	13,302	665	2,685	134	-2,081	-104
Job growth	10,298	515	6,099	305	16,258	813	3,224	161	-2,652	-133
Households	12,629	631	9,436	472	15,746	787	8,932	447	6,055	303
Dwellings	13,925	696	10,442	522	17,347	867	9,864	493	6,735	337

Source: Lichfields using PopGroup

Jobs-led Scenarios

- 6.80 Chapter 6 of the NPPF focuses on the need for planning policies and decisions to create conditions to help support economic growth.
- 6.81 Ensuring a sufficient supply of homes within easy access employment opportunities represents a central facet of an efficiently functioning economy and can help to minimise housing market pressures. Achieving employment growth needs to be supported by an adequate supply of suitable housing.

Assumptions used in the Modelling

- 6.82 To determine the scale of housing required to support a given level of jobs growth, some assumptions must be made about future economic activity, unemployment and commuting. These assumptions have been modelled as follows:
- **Unemployment** – model-based estimates for unemployment for Westmorland & Furness have been obtained from ONS. This shows that the District’s unemployment rate averaged just 1.3% in between June 2024 and July 2025, equating to 3.2% in Barrow, 2.0% in Eden and 1.5% in South Lakeland.
 - **Economic Activity Rates** – these rates are applied to the overall population (by sex and each five-year age cohort) to determine how many people are active in the labour market (‘active’ being either in employment or unemployed and available for work). To project economic activity rates, the modelling uses labour market participation rates published by the Office for Budget Responsibility [OBR] in July 2018 (which remain the latest edition). These provide long-term projections at the national level by sex and age, and the trends can be applied to local authority areas to provide local projections.
 - **Labour Force Ratio** – this comprises the ratio of the number of residents who are economically active in an area to the number of jobs in that area. It therefore implicitly captures both commuting patterns and ‘double-jobbing’ (where one person may occupy more than one job). Applying the economic activity rates to the base population in 2025 gives an estimate of the total labour force as of 2025, less unemployed workers. This is then compared with the total number of jobs (as given by Experian in its June

2025 projection) to create the labour force ratio which is held constant across the period.

- **Other assumptions** – inputs related to births, deaths, migration and household formation are the same as those applied in the demographic scenarios i.e. are taken from the 2022-based SNPP and SNHP, rebased to the 2024 MYPE. The modelling constrains/inflates migration to a level, which taking account of the profile of migrants moving in and out (plus natural change), produces a labour force sufficient to support forecast job growth, taking account of the ratio of labour to jobs.

Scenario E: BAE Experian Job Growth 2025

- 6.83 This scenario considers the implication of the significant level of workforce jobs growth likely to come forward in BAE’s Barrow shipyards over the course of the plan period. The very substantial levels of direct and indirect job growth likely to result from the AUKUS nuclear submarine agreement over and above the baseline Experian job forecasts for the three former districts.
- 6.84 The modelling, prepared by Experian with consultation involving Council Officers and BAE themselves, suggests that the District could expect to grow by a total of 13,300 jobs over the period 2025 to 2045 (including the National Park areas).
- 6.85 Due to the declining number of residents of working age living in the District, there has to be a disproportionate increase in the number of migrants moving into Westmorland & Furness if we are to meet the Experian job forecasts. In order to support this level of job growth between 2025 and 2045, an increase in the population of 15,573 would be required, equal to +13,689 households and 14,832 dwellings (or 742 dpa).
- 6.86 A summary of the Experian baseline BAE Experian Job Growth scenario is set out in Table 6.15 for each of the three former district areas. It indicates that the total dwelling growth will be in the order of 742 dpa to meet the economic growth needs, weighted disproportionately towards Barrow (with 74% of the job growth but 51% of the housing need) and to a lesser extent, South Lakeland (with just 20% of the net job growth but a third of the total housing need):

Table 6.15 Summary of the economic outcomes - Scenario E: BAE Experian Job growth

2025-2045	Barrow		Eden		South Lakeland		Westmorland & Furness Total	
	Total	Annual	Total	Annual	Total	Annual	Total	Annual
Population change	12,214	611	918	46	2,441	122	15,573	779
<i>Of which natural change</i>	-3,447	-172	-7,402	-370	-16,629	-831	-27,478	-1374
<i>Of which net migration</i>	15,661	783	8,320	416	19,070	953	43,051	2153
Labour force growth	7,751	388	747	37	2,125	106	10,623	531
Job growth	9,800	490	900	45	2,600	130	13,300	665
Households	7,070	353	2,421	121	4,198	210	13,689	684
Dwellings	7,498	375	2,648	132	4,686	234	14,832	742

Source: Lichfields using PopGroup

Unmet Need from Elsewhere

- 6.87 As set out in Section 2.0, Officers have confirmed that there is no unmet housing need from neighbouring areas that should be met in Westmorland & Furness, other than that part of the LDNP and YDNP that is located within the Council's administrative boundaries. There is an agreement in place that they are all meeting their own needs in their own boundaries as set out in the corresponding DtC statements.

Short-Term Lets

- 6.88 The rise of short-term lets advertised through platforms such as AirBnB is of increasing concern to many rural authorities due to the potential impacts on reducing the supply of housing available for purchase or long-term rents. The LDNP and YDNP and Cumbria more widely are particularly popular areas for short-term stays, with the *Cumbria Housing Delivery Strategy (2020)* and subsequent *Action Plan (2022)* noting concerns that the rapid increase in short term lettings are exacerbating housing issues by depopulating villages, increasing house prices and making it even harder for first time buyers to access the local housing market. However, consideration must also be given to the beneficial effects of the short-term let market on both tourism and providing housing for seasonal or short-term contract workers.
- 6.89 The ONS has only recently started collecting and releasing data which allows analysis of the situation. Table 6.16 shows the number of short-term let listings as a share of all dwellings in March 2023. The data includes both whole properties and rooms which are listed for short-term let, so care needs to be taken when comparing with dwelling numbers. With that caveat, the data demonstrates the potential scale of the issue in both South Lakeland and Eden, where short-term listings as a share of all dwellings are as high as 17.0% and 10.1% respectively, compared to just 0.9% in Barrow, 1.3% regionally and 1.7% nationally.

Table 6.16 All dwellings and short-term let listings as of March 2023

	All Dwellings	Short-term let listings	%
Barrow	34,456	310	0.9%
Eden	29,377	2,960	10.1%
South Lakeland	56,506	9,580	17.0%
Westmorland & Furness	120,339	12,850	10.7%
North West	3,414,280	43,960	1.3%
England	25,396,342	431,530	1.7%

Source: ONS (2024): Short-term lets through online collaborative economy platforms

- 6.90 The ONS dataset includes estimates from January to December 2023. It shows that the number of short-term listings increased by 930 or 9.8% in South Lakeland, by 260 or 8.9% in Eden. Listings in Barrow also increased by 100 or 34.5%. Again, these numbers relate to listings including whole properties and individual rooms.
- 6.91 Data which would allow for more accurate analysis is currently only available through subscriptions to online analysis platforms such as AirDNA. However, the Government consulted on a potential registration scheme which could form an official dataset for informing policy decisions in 2024. In the statement of response to the consultation, the Government announced that work will begin on a registration scheme, and that it will be

introducing planning measures to provide local areas with more control over the future growth of short-term lets, as well as a new use class for short-term lets.⁵⁹

- 6.92 It is ultimately a consideration for the Council as to whether a specific policy response to the growing short-term let market is required. Higher housing delivery under the SM3 requirement should counter at least some of the wider negative impacts on the housing market

Conclusions on Westmorland & Furness’s locally assessed housing need

- 6.93 The LHN for the District, as calculated using the Government’s SM3, is 1,330 dpa, which represents a very substantial uplift on the previous SM2 housing need figure of 210 dpa due to a move away from a demographic-led projection to a stock-based one. The PPG sets out that there is an expectation that the standard method will be used and that any other method will be accepted in exceptional circumstances only.
- 6.94 However, the standard method generates a minimum annual housing need figure. It does not produce a housing requirement, which is for the Council to identify and robustly justify in its Local Plan. This SHENA has provided an overview of the evidence needed for the Council to determine whether it would be appropriate for it to deviate from the 1,330 dpa LHN figure.
- 6.95 The PPG states that SM3 should be used to assess housing needs. However, it recognises that there are some specific circumstances in which an alternative approach could be justified, with the example referred to in the PPG relating to circumstances that would apply to Westmorland & Furness, i.e. National Parks.⁶⁰
- 6.96 The NPPF explains that the housing requirement may be higher than the identified housing need, and authorities should consider the merits of planning for higher growth if, for example, this would seek to reflect economic growth aspirations or if the LPA is taking on board unmet need from neighbouring areas.
- 6.97 The analysis summarised in this section indicates that the SM3 figure of 1,330 dpa would exceed the level of growth under all of the demographic-led scenarios using the most recent 2022-based SNPP and its variants; it would also be able to sustain a level of job growth (over 30,000) that would be in excess of even the most optimistic job forecast of +13,300 over the next 20 years; and Council Officers reported that there is currently no unmet housing need from neighbouring areas that should be met in Westmorland & Furness other than where the National Park boundaries overlap with the Council’s.
- 6.98 The Council however noted that discussions with neighbouring LPAs are in the early stages, and whilst it is likely there will be unmet need in many areas no other LPAs will be in a position to take this on.

⁵⁹ <https://www.gov.uk/guidance/delivering-a-registration-scheme-for-short-term-lets>

⁶⁰ 2a-014-20241212

Figure 6.7 Housing Need Modelling vs. Job Growth – Westmorland & Furness (2025-2045)



Source: Lichfields analysis

6.99 Furthermore, the PPG suggests an increase in the total housing figures included in a Local Plan may need to be considered by the Council where it could help deliver the required number of affordable homes. It is for the Council to consider the evidence contained in this SHENA when identifying a housing requirement which would support the strategy underpinning the emerging plan and whether an adjustment to the SM3 is appropriate. An analysis of the District’s affordable housing need and its implications for the LHN are set out in detail in Section 7.0.

6.100 **It should be noted that the analysis in this section relates to housing need; it does not set the housing requirement, which is a policy choice for the Council to make. As noted in the PPG:**

“Once local housing need has been assessed, as set out in this guidance, authorities should then make an assessment of the number of new homes that can be provided in their area. This should be justified by evidence on land availability, constraints on development and any other relevant matters.” [PPG: 2a-040-20241212]

Sub-Area Distribution

6.101 The NPPF states that within the overall housing requirement for their whole area, strategic policy-making authorities should set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations.

6.102 It goes on to note that where it is not possible to provide a requirement figure for a neighbourhood area, the LPA should provide an indicative figure, if requested to do so by

the neighbourhood planning body. This figure should consider factors such as the latest evidence of local housing need, the population of the neighbourhood area and the most recently available planning strategy of the LPA [§70].

- 6.103 The PPG clarifies that strategic policies should set out a housing requirement figure for designated neighbourhood areas from their overall housing requirement, and that where this is not possible the LPA should provide an indicative figure, if requested to do so by the neighbourhood planning body, which will need to be tested at the neighbourhood plan examination.
- 6.104 Whilst the 12 sub-areas of Westmorland & Furness are significantly larger than typical neighbourhood areas, the overarching principle of distributing the overall LHN on the basis of an examination of each area's demographic make-up and how this might change in future, remain valid considerations.
- 6.105 Given that four of the sub-areas assessed relate to land within either the LDNP and YDNP, the following PPG consideration is also relevant:
- “For local authorities whose boundaries cross National Parks or Broads Authority areas, the proportion of the local authority area that falls within and outside the National Park or Broads Authority area should also be considered – for example where only a minimal proportion of the existing housing stock of a local authority falls within the National Park or Broads Authority area it may be appropriate to continue to use the local housing need figure derived by the standard method for the local authority area” [PPG: 2a-014-20241212].*
- 6.106 Given the size and complexity of the District, in our view, it may be appropriate to apply the outputs from either Scenarios A1 (SM3 with the Council AR) or A2 (SM3 with sub-area specific ARs) to the sub-areas. The outputs are summarised in Table 6.17.

Table 6.17 SM3 split by Sub-Area

	0.8% stock	A1: SM3, Westmorland & Furness AR		A2: SM3, Sub-Area ARs	
		AR	LHN	AR	LHN*
Inner Barrow	121	6.96	166	2.4	105
Outer Barrow	155	6.96	213	4.4	135
BARROW TOTAL	276	6.96	379		240
Penrith and Surrounds	127	6.96	175	7.9	172
Appleby and Kirkby Stephen	78	6.96	107	7.4	99
Alston	10	6.96	13	6.5	11
North Eastern Lakes	12	6.96	17	13.0	27
Westmorland Dales	11	6.96	15	11.0	20
EDEN TOTAL	238	6.96	326		328
Kendal and Surroundings	201	6.96	276	9.0	305
Cartmel Peninsula	37	6.96	51	9.2	58
Furness Peninsula	80	6.96	109	8.0	108
Central Lakes	118	6.96	161	12.9	256
Dales	20	6.96	27	10.3	35
STH LAKES TOTAL	455	6.96	625		762
Westmorland & Furness TOTAL	969	6.96	1,330		1,330

Source: Lichfields *Note: rebalanced on a proportionate basis to ensure the total comes to 1,330 dpa.

6.107 In our view, although more straightforward, Scenario A1 may have more merit going forward, given that it avoids an over-concentration of housing need in areas where they are less likely to be delivered, notably the National Parks, and more towards Barrow with its strongly positive growth opportunities moving forward.

6.108 For example, comparing the BAE Experian job forecast Scenario E with the modelled outputs of the SM3 (distributed on the basis of the Council's AR of 6.96) suggests a close match for Barrow in particular, suggesting that the SM3 homes would align well with the area's job growth aspirations (Table 6.18).

Table 6.18 SM3 the Council AR Split / BAE Experian Job Growth Scenario Comparisons

2025-2045	Barrow		Eden		South Lakeland		Westmorland & Furness Total	
	A1 SM3	E: BAE Jobs	A1 SM3	E: BAE Jobs	A1 SM3	E: BAE Jobs	A1 SM3	E: BAE Jobs
Population change	12,454	11,944	9,310	918	18,569	2,791	40,333	15,653
Job growth	10,196	9,600	6,363	900	13,703	2,800	30,262	13,300
Dwellings	7,587	7,375	6,521	2,648	12,491	4,879	26,600	14,902

Source: Lichfields analysis

6.109 If such an approach were to be taken, then Scenario A1 would equate to an overall LHN of 1,330 dpa, with an indicative breakdown as follows:

- Westmorland & Furness: 1,110 dpa;
- Lake District National Park: 178 dpa; and,

- Yorkshire Dales National Park: 42 dpa.

- 6.110 However, Scenario A2 does perhaps more closely reflect the principles of the standard method by being influenced by the varying affordability levels and generating a higher need in the least affordable areas. In addition, these figures relate to all types of housing whereas in reality National Parks are generally expected to focus only on affordable / local needs housing, meaning that their fair share of need may be considerably lower.
- 6.111 **As noted above, how it distributes its housing requirement around the District is a policy choice for the Council to make**, although we note that consistent stakeholder feedback during the course of this study has indicated that due to the sheer size of Westmorland & Furness, housing (and indeed employment land) provision should be located as close as possible to where the needs arise.
- 6.112 For example, during the housing workshop a number of attendees made the point that housing provision to meet the needs of BAE's workforce should be located in Furness (i.e. Inner or Outer Barrow, or the Furness Peninsula in South Lakeland) and that the peninsula represented a very clear perceptual boundary for housing areas of search. Similar points of view were expressed regarding the likes of Kendal, Penrith and Alston.
- 6.113 As for how the 1,330 dpa LHN could be translated down to Neighbourhood Plan level, this latest evidence on the LHN forms the starting point for any requirement figure for neighbourhood areas. It is suggested that the Council should work on the basis of a straightforward and easy to understand approach that can be consistently replicated on the basis of each neighbourhood taking its 'fair share' of overall needs where these arise.
- 6.114 This could be on the basis of the total number of dwellings located in each Output Area within the defined Neighbourhood Plan area boundary (based on the 2021 Census), combined together and adjusted to 0.8% of the stock, with a straightforward 6.96 AR uplift (equal to +37%).
- 6.115 However, as recommended by the NPPF [paragraph 70], this starting point figure may also be influenced by the Council's most recently available planning strategy for the area. In addition, the PPG⁶¹ brings into play other qualitative considerations such as the neighbourhood plan area's characteristics; relevant evidence on land supply such as the HELAA; and the area's role in providing services.
- 6.116 In certain circumstances therefore, the Council may advise the Neighbourhood Forum in question that their housing requirement should be slightly higher or lower than the LHN as derived by the SM3 approach defined above to meet certain defined policy objectives or to reflect that area's role in the overall settlement hierarchy. This would need to be considered on a case-by-case basis, with the approach set out above representing the default starting point.

⁶¹ PPG 41-101-20190509

7.0 **Affordable Housing Needs**

Introduction

7.1 On 2nd July 2025 the Labour Government announced its ambitions for a ‘social rent revolution’ through its new £39 billion Social and Affordable Homes Programme. The Government announced its intention to deliver around 300,000 new social and affordable homes, through the £39 billion new Social and Affordable Homes Programme announced at the Spending Review. Through this, the Government set an ambitious target that at least 60% of homes will be for social rent which is linked to local incomes – achieving this would mean delivering around 180,000 homes for social rent, which is six times more than the decade up to 2024⁶².

7.2 It is clear the Government is taking the issue of affordability seriously and is seeking to boost delivery of affordable homes, with a specific focus on social rented properties.

Overarching Approach

7.3 Within this section, a calculation of affordable housing need, in accordance with the PPG on affordable housing needs assessment⁶³, has been undertaken for the District to inform the assessment of the scale of housing need as well as arriving at an estimate of future housing need.

7.4 The first stage analyses affordable housing needs based on households unable to afford private market rents as per the PPG. We also set out an assessment of the further potential demand for intermediate housing, based on households which can afford to rent in the local market but are unable to access home ownership in the market, and where ownership is their aspiration. This adopts a simplified version of the methodology set out above based on net change/need.

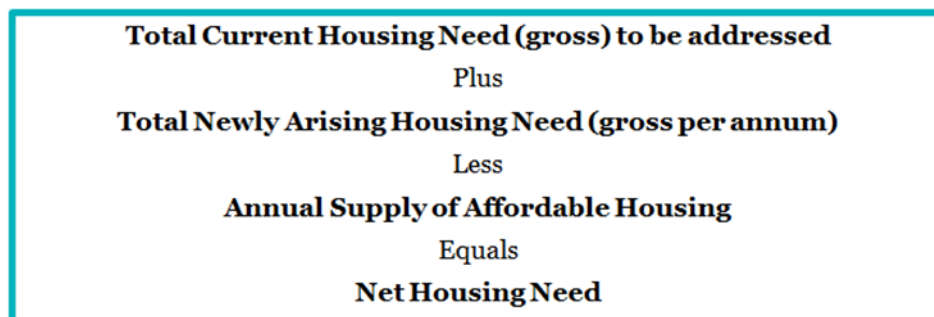
7.5 This PPG requirement states that as part of the calculation needed to understand the current unmet gross need for affordable housing, this should include households who, in theory, can afford to rent privately but have an aspiration to own their property, can be assumed to be in need. This element has been calculated separately in the analysis below.

7.6 The over-arching approach is set out in Figure 7.1.

⁶² <https://www.gov.uk/government/news/hundreds-of-thousands-to-get-secure-roof-over-their-heads#:~:text=The%20last%20five%20year%202021,4bn%20in%202029%2F30>.

⁶³ Reference ID 2a-018-20190220 to 2a-024-20190220

Figure 7.1 Net Housing Need Methodology



Source: Lichfields

7.7 Affordable housing is defined within Annex 2 to the NPPF as:

“housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

Social Rent: *meets all of the following conditions: (a) the rent is set in accordance with the Government’s rent policy for Social Rent; (b) the landlord is a registered provider; and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision.*

Other affordable housing for rent: *meets all of the following conditions: (a) the rent is set in accordance with the Government’s rent policy for Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).*

Discounted market sales housing: *is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.*

Other affordable routes to home ownership: *is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.”*

7.8 With regards to the incorporation of affordable housing needs into the total housing figures included in Local Plans, the PPG requires that LPAs consider how and whether affordable

housing needs can be met. This is in the context that paragraph 64 of the NPPF requires LPAs to specify the type of affordable housing required where a need is identified.

Affordable Housing Needs Calculation

Lower Quartile House Prices

- 7.9 HMLR 'Price Paid' data indicates that Lower Quartile house prices for the year ending March 2025 averaged £165,000 in Westmorland & Furness. This is a significant increase on the previous year, at £155,500.
- 7.10 We have analysed the HM Land Registry [HMLR] price paid data at sub-area level for every sale in 2024, and then standardised this back to the District-wide level to reflect the fact that house prices tend to be higher than the District-wide average in South Lakeland and the National Park areas in particular, and much lower in Inner Barrow.
- 7.11 By way of comparison, the average Lower Quartile house price for England was £199,950⁶⁴ in the year to March 2025, indicating that in general, the District's overall house prices are much lower than the national level (although those in the National Parks, Kendal and the Cartmel Peninsula are higher).

Table 7.1 LQ House Prices in Westmorland & Furness (2025)

	Lower Quartile
Inner Barrow	£75,397
Outer Barrow and surroundings	£139,984
BARROW TOTAL	£99,790
Penrith and Surrounds	£186,358
Appleby and Kirkby Stephen	£182,949
Alston	£151,071
North Eastern Lakes	£399,161
Westmorland Dales	£243,031
EDEN TOTAL	£187,245
Kendal and Surroundings	£225,083
Cartmel Peninsula	£215,658
Furness Peninsula	£196,532
Central Lakes	£312,538
Dales	£255,020
STH LAKELAND TOTAL	£232,844
Westmorland & Furness	£165,000

Source: HMLR 'Price Paid' data for yr/ending March 2025 / Lichfields analysis of HMLR 'price paid data

⁶⁴ ONS (2025): Lower quartile price paid for administrative geographies, data for the year to March 2025.

Lower Quartile Rents

- 7.12 The ONS publishes private rental market statistics by local authority. The most recent figures relate to November 2025 and suggest that for Westmorland & Furness the average rental price for a property is £771 a week, which is around than half the national rate (£1,410) and also well below the North West's level of £923.

Table 7.2 Private Rental Market Statistics in Westmorland & Furness (September 2025)

Monthly Rental Price (weighted geometric mean)	One Bed	Two Bed	Three Bed	Four Bed+	All
Westmorland & Furness	£571	£729	£889	£1,256	£771
The North West	£670	£840	£1,002	£1,436	£923
England	£1,155	£1,289	£1,433	£2,096	£1,410

Source: ONS (2025): Price Index of Private Rents, UK: monthly price statistics

- 7.13 Until 2024⁶⁵, ONS also produced quartile and median rental statistics for every authority in England and Wales; however, the production of this dataset ceased from March 2024 onwards (with the exception of Greater London, with the Greater London Authority publishing its quartile data in the [London rents map](#)).
- 7.14 Lower Quartile private rental data was last published for the three former districts that now comprise Westmorland & Furness for the year ending September 2023. This indicated that the lower quartile rental price across all types of housing for the period 1st October 2022 to 30th September 2023 was **£495 per month in Barrow (equivalent to £5,940 per annum)⁶⁶; £550 per month in Eden (£6,600 per annum) and £625 per month in South Lakeland (£7,500 per annum).**
- 7.15 Between September 2023 and September 2025, mean rents in Westmorland & Furness grew by 14.6% overall. If it is assumed that LQ rents grew at a similar rate over the past two years, then this would suggest that the average LQ private rent was around **£567 per month in Barrow; £630 per month in Eden and £716 per month in South Lakeland.**
- 7.16 Data on rents at a sub-district level is not available in any publicly available datasets. A search for properties available to rent in the District as of November 2025 showed that 212 properties were available, with LQ and median rents summarised in Table 7.3:

⁶⁵ ONS was approached regarding the unavailability of LQ and median rental level data for individual authorities as part of this study. It replied that other users had also requested rent price at median and lower, upper quartiles and median rent at local level, by property type and bedroom category. ONS stated that it is engaging with other government departments on how to address those needs.

⁶⁶ ONS (December 2023): Private Rental Market Statistics Summary – Table 2.7

Table 7.3 LQ Rental Prices in Westmorland & Furness (2025)

	LQ Rents	Median Rents	LQ Rents as a % of District Total
Inner Barrow	£621	£695	95.5%
Outer Barrow and surroundings	£745	£800	114.6%
BARROW TOTAL	£650	£748	100.0%
Penrith and Surrounds	£995	£1,225	128.4%
Appleby and Kirkby Stephen	£650	£788	83.9%
Alston	£663	£763	85.5%
North Eastern Lakes	£1,988	£2,125	256.5%
Westmorland Dales	£900	£950	116.1%
EDEN TOTAL	£775	£950	100.0%
Kendal and Surroundings	£825	£973	100.0%
Cartmel Peninsula	£850	£895	103.0%
Furness Peninsula	£825	£895	100.0%
Central Lakes	£793	£890	96.1%
Dales	£888	£900	107.6%
STH LAKELAND TOTAL	£825	£900	100.0%
Westmorland & Furness	£745	£870	100.0%

Source: Lichfields search of property websites, November 2025

7.17 It indicates that LQ private sector rents are highest in the North Eastern Lakes at £1,988 per calendar month [pcm], or 257% of the Eden-wide total. Similarly, LQ rents in the Westmorland Dales were 116% of the Eden-wide total. There is a notable drop in LQ private sector rents in Appleby and Kirkby Stephen and also Alston.

7.18 For the purposes of this sub-area assessment, we have applied the sub-area LQ rents pegged to the (adjusted) ONS LQ District-wide rental levels summarised above.

Income Profiles

7.19 To understand how affordable (or unaffordable) local housing is to local residents, the analysis requires an understanding of local household incomes. The average (median) household income in Westmorland & Furness is £44,480, with the lower quartile income falling to £37,240. Incomes are significantly lower in Inner Barrow and generally highest in the Central Lakes, North Eastern Lakes, Kendal and the Dales.

Affordability

7.20 A key stage of the assessment involves an affordability test. Information in respect of local house prices, market rents and household income levels has informed the test which estimates the ability of households to afford LQ market housing. The affordability test has been calculated by identifying the costs of entry level (lower quartile) market housing, the cost of which have been obtained from the HMLR and private rental costs obtained from the ONS as set out above.

- 7.21 Drawing upon the review of current house prices and private rental values, LQ prices for a house (£165,000 price paid for a Lower Quartile dwelling – all property types – in Westmorland & Furness (2025) and a rental property (c.£6,800 in Barrow per annum; £7,560 in Eden and £8,590 in South Lakeland) have been used as an indicator of the entry price to market housing. Such houses are available within the District, and these values are relatively typical of smaller properties on the market, ideal for newly forming households seeking to move into a first property.
- 7.22 To understand what income would be required to sustain ownership or occupation of such properties, it is necessary to consider how much households can afford to spend on their housing. The former SHMA Guidance from 2007 (superseded by the NPPF and PPG but still containing useful context where the PPG is silent) sets out that a household can be considered able to afford to buy a home if it costs 3.5-times the gross household income for a single earner or 2.9-times the gross household income for a dual-income household. However, the PPG does not prescribe exactly how affordability calculations should be undertaken other than to say that access to lower quartile (entry level) market housing is the relevant barometer.
- 7.23 The household income data utilised for Westmorland & Furness does not differentiate between single earners and dual earners, whilst the former SHMA Guidance is now almost 20 years old and the loan to income mortgage ratios do not reflect current lending practices.
- 7.24 In 2014 the Bank of England’s Financial Policy Committee said that it would only allow 15% percent of new mortgages to be at multiples higher than 4.5 times a borrower’s income, in effect 4.5-times as a maximum. There are therefore 15% of cases where this can be exceeded; for example, Halifax will allow couples with a combined income of £50,000 to £75,000 to borrow 5-times their income at up to 75% LTV⁶⁷. More generally, income multipliers of between 4 and 4.5-times a borrower’s income are fairly standard in the industry.
- 7.25 Lichfields has complemented this with evidence from the Council of Mortgage Lenders⁶⁸, which identified that in Q3 2018, average loan-to-value ratio for first time buyers in England was 85%, whilst according to the EHS, the median deposit for first time buyers was also around 15.5% in 2021/22. Although there may be difficulties in newly forming households in being able to secure a 15% deposit, there are options available as well as traditional sources of deposits such as parents.
- 7.26 More recently, and according to the EHS 2023/24 (November 2024), the average (mean) deposit of a first-time buyer in 2023-24 was **£55,372 (£32,700 median)**. In 2023-24, most first-time buyers (40%) paid a deposit between 10-19% of the property price and 22% paid a deposit between 20-29%. Table 7.4 indicates that the median first-time buyer deposit was somewhere between 10% and 19%, and in all likelihood, around 16-17%:

⁶⁷ <https://www.which.co.uk/news/2021/11/how-much-can-you-borrow-when-taking-out-a-mortgage/>

⁶⁸ [Median loan to value ratio for first time buyers - data.gov.uk](#)

Table 7.4 Deposit and type of mortgage, recent first time buyers in England, 2023-24

Percentage of purchase price paid	Thousands of households	%
0%	30,000	3.4%
1-9%	146,000	16.3%
10-19%	361,000	40.5%
20-29%	192,000	21.6%
30-99%	117,000	13.2%
100%	45,000	5.0%
Total	891,000	100.0%

Source: EHS 2023/23 (2024) Annex Table 2.1

7.27 Furthermore, Halifax released a press release in February 2025 regarding the recovery of the first-time buyers market⁶⁹. It stated that:

*“In 2024, the average cost of a first-time buyer home was £311,034 (up +8% vs 2023), with **deposits averaging 20% of the purchase price**. This means a typical new buyer is putting down a deposit of £61,090, around £7,500 (+14%) more than in 2023.”*

7.28 This suggests that the average deposit placed by a first-time buyer has gradually crept up in recent years and is likely to sit somewhere between 15% and 20%, no doubt in response to the ever-increasing growth in house prices.

7.29 **For the purposes of this modelling exercise, and to ensure the findings are as robust as possible to reflect the fact that finding a 20% deposit remains highly challenging for most first-time buyers with external assistance (such as the ‘bank of Mum and Dad’), we have retained the 15% deposit assumption.**

7.30 As for the loan to income multiple, most lenders typically allow households to borrow between 4 to 4.5 times their household income for a mortgage, although they may be eligible for a smaller or larger mortgage than this. There are examples, however, of the loan to income multiple increasing from this range.

7.31 To take a high-profile example, in August 2024, Lloyds Banking Group launched a new proposition called First-time Buyer Boost. This enhanced the maximum loan to income multiple to 5.5 times for eligible first-time buyers who take out a mortgage with Halifax or Lloyds Bank with a loan-to-value of 90% or less. Previously, the maximum amount Lloyds Banking Group lent to these customers was 4.49 times their income. First-time Buyer Boost enables them to lend eligible customers up to 22% more⁷⁰. Another example is Nationwide, which stated in September 2024 that new borrowers could request a mortgage up to six times their income with a 5% deposit, although this would only be available for those taking out a five or 10-year fixed-rate deal⁷¹.

7.32 **On balance, and given that for now the higher income multiples remain the exception rather than the rule, we have led with the assumption that**

⁶⁹ www.lloydsbankinggroup.com/assets/pdfs/media/press-releases/2025-press-releases/halifax/250214-halifax-first-time-buyer-market-rebounds.pdf

⁷⁰ <https://www.lloydsbankinggroup.com/insights/giving-first-time-buyers-a-boost.html>

⁷¹ <https://www.bbc.co.uk/news/articles/c5y947573k5o>

households can borrow between 4x and 4.5x their annual income when buying housing, with a 15% deposit secured.

7.33 In respect of renting, there is no official, or definitive, threshold for how much a household can spend on rent before it is unaffordable. The former SHMA Guidance (2007) set out that a household can be considered able to afford renting on the private market in cases where the rent payable was up to 25% of their gross household income.

7.34 However, there is more up to date evidence which suggests that the proportion of gross household income spend on rent may be higher than 25%.

7.35 For example, data released more recently estimates that nationally, private renters spent 32.3% of their income on rent (inclusive of housing support), higher than the proportion spent by social renters (26.5%) and higher than mortgagors paid for their mortgage (17.8%). Over the past ten years, the proportion of household income that private renters spent remained similar (34% in 2012-13 and 32% in 2022-23)⁷².

7.36 For the purposes of this assessment, we have assumed that households in PRS in Westmorland & Furness can reasonably be expected to spend **between 25% and 32% of their annual income on rent.**

7.37 These affordability criteria have been applied to the identified rental costs to arrive at an income threshold to support ownership / occupation of entry level market housing. Under both scenarios, households require considerably lower incomes to rent privately in Eden and South Lakeland than for them to buy a property on the open market. In Barrow however, a lower income is required to be able to afford a LQ property than to rent.

Table 7.5 Income Thresholds for Entry Level Market Housing in Westmorland & Furness

	Market	Product	Cost	Basis	Income Threshold
Barrow	Private Purchase	LQ House Prices	£99,790	4 x income and 15% deposit	£21,205
				4.5 x income and 15% deposit	£18,849
	Private Rent	LQ Rental Prices	£6,804 per annum	25% income	£27,216
				32% income	£21,263
Eden	Private Purchase	LQ House Prices	£187,245	4 x / 15%	£39,790
				4.5 x / 15%	£35,369
	Private Rent	LQ Rental Prices	£7,560 per annum	25% income	£30,240
				32% income	£23,625
South Lakeland	Private Purchase	LQ House Prices	£232,844	4 x / 15%	£49,479
				4.5 x / 15%	£43,982
	Private Rent	LQ Rental Prices	£8,592 per annum	25% income	£34,368
				32% income	£26,850

Source: SHMA Guidance, CML, English Housing Survey, HMLR, ONS and Lichfields analysis

⁷² DLUHC English Housing Survey 2022/23 – Headline Report Chapter 2: Housing costs and affordability, Annex Table 2.5: Mortgage/rent as a proportion of household income (including and excluding housing support), by tenure, 2010-11 to 2022-23

7.38 The income distribution of newly forming households is different from total households, reflecting their lesser incomes compared to the average.⁷³ This means that a greater proportion of newly forming households are unable to access market housing than households overall. The PPG, however, sets out clearly that the affordability of housing for newly forming households must be considered foremost, as it is these households that will most likely fall into housing need if their housing requirements are not met in the market.

Stage 1: Current Housing Need

7.39 The first stage of the assessment considers current affordable housing need, also referred to as the 'backlog' (those needs which exist, and are unmet, now). The PPG is clear that an estimate should be made of the number of households who lack their own housing or who cannot afford to meet their housing needs, in the open market. The PPG⁷⁴ provides an indication of the types of housing that should be considered unsuitable which are set out below:

- The number of homeless households;
- The number of those in priority need who are currently housed in temporary accommodation;
- The number of households in over-crowded housing;
- The number of concealed households;
- The number of existing affordable housing tenants in need (i.e., householders currently housed in unsuitable dwellings); and,
- The number of households from other tenures in need and those that cannot afford their own homes, either to rent, or to own, where that is their aspiration.

7.40 Although potentially not including all households in need of housing, the housing waiting list is the starting point for estimating what the need and demand for affordable housing is. If all households on the waiting list and in priority need were accommodated, it would be reasonable to assume that all demand for affordable housing would be met, even if there remain households in need which are not reflected in the housing waiting list.

7.41 Therefore, it is considered that the components of affordable housing need including those in need and within a reasonable preference group for affordable housing (e.g. homeless households and overcrowded households), currently concealed households and other groups in need, are represented by those identified on the waiting list as a best-case proxy.

7.42 The Council's Banding system is as follows:

- **Band A - Urgent housing need to move:** These are applicants that are awarded '*additional priority preference*' based on their urgent and exceptional housing need.
- **Band B – Statutory housing need to move:** These are applicants that are owed a statutory award of *reasonable preference* under the policy and have been awarded

⁷³ English Housing Survey 2015-16: housing costs and affordability – Annex Table 2.1: Mean and median income, 2015-16. HRP aged 16-34 have an average weekly income of £718 per week compared to £780 per week for all households, meaning younger newly forming households earn 92% of the 'all households' amount.

⁷⁴ ID 2a-020-20190220

Band B priority based on their statutory housing need. It also includes certain key workers granted B priority.

- **Band C – All other applicants in housing need:** This is the housing need band awarded where an applicant is not assessed as coming under the criteria adopted by the policy for being in a statutory housing need. Applicants placed in band C can still bid for properties but will not be considered above applicants from Bands A or B who have bid for the same property.

7.43 According to the Council there are 9,149 households on the Housing Register as of November 2025. Of this total, a very substantial 6,585 are identified as being Band C, or 'low priority' for housing (or otherwise unverified), leaving the remaining 2,815 as being classified as being in priority need of social housing. The latest data is summarised in Table 7.6.

7.44 Further information provided by the Council suggests that 51% all applications are for households wishing to live in South Lakeland, followed by 37.6% wishing to live in the Barrow area, and 11.6% in Eden.

Table 7.6 Number of Households on the Housing Register in Bands A-C in Westmorland & Furness (November 2025)

	Barrow	Eden	Sth Lakes	TOTAL
Band A (Urgent housing need to move)	174	32	164	370
Band B (Statutory housing need to move)	1,094	291	1,060	2,445
Band C (All other applicants in housing need)	2,164	715	3,415	6,294
Unverified	5	20	15	40
TOTAL	3,437	1,058	4,654	9,149
Band A-B TOTAL*	1,268	323	1,224	2,815

Source: the Council (November 2025). *Note: when applicants complete the social housing application form, they can tick as many or as few areas as they want. Some will tick all areas regardless and others don't tick any. Therefore, there will be some overlap between the areas.

7.45 According to Council Housing Officers, of these 2,815 Band A-B households, 382 were already living in social housing in the District and would represent transfers seeking to move to alternative social housing. This leaves **2,433** households in priority need, or 86%, who are not already living in social housing. When applied to the stated preferences in Table 7.6, this would suggest that 1,095 are in Barrow, just 295 in Eden, and the remaining 1,043 in South Lakeland.

Table 7.7 Step 1.4: Current Backlog of Housing Need in Westmorland & Furness

Component	Barrow	Eden	Sth Lakes	TOTAL
Net Estimate of Current Housing Need (Backlog)	1,095	295	1,043	2,433

Source: Households in priority bandings not already living in social housing – the Council Housing Officers

7.46 The figures only include those people who have applied for and are eligible for social or affordable rent housing in accordance with the Council's Housing Allocation Policy. The figures do not include households in housing need and who are seeking and eligible for intermediate affordable housing tenures (e.g. shared ownership).

- 7.47 Households in unsuitable housing already living in affordable housing have therefore been excluded from the calculation at Step 1.4. Although these households do have a housing need, this could be addressed via a transfer within affordable housing (e.g. by transferring an overcrowded household living in social rented to a larger social rented house). This transfer would result in their existing home becoming available for someone else in need. Thus, these households do not contribute to the net requirement for affordable housing and in turn when these households move, this does not contribute to net supply.
- 7.48 Although existing households in need already occupying affordable housing are excluded from the affordable housing calculation, it is noted that they do still have a requirement for the right type of affordable housing to become available to meet their needs. If an appropriate unit does not become available (e.g. due to shortage of supply of a specific type or size of unit) then these households will remain in need, despite not contributing to a net need requirement. New affordable housing provision provides the opportunity to focus on the size / type of provision to balance affordable housing mix, as explained in Section 9.0.
- 7.49 As a sensitivity test, we have also modelled the number of homeless, overcrowded, and concealed households in Westmorland & Furness. The results are summarised in Table 7.8 and suggest that the current backlog under this approach is broadly in line with the Housing Waiting List, at around 2,207 households (around 9% lower). **It is therefore considered that it is reasonable to work on the basis of a backlog need of 2,433 households, based on the latest Housing Waiting List.**

Table 7.8 Step 1.4: Current Backlog of Housing Need in Westmorland & Furness

	Number		Source/Notes
Homeless Households	951		MHCLG Statutory Homeless Live Tables – Local Authority data April to March 2025
Households in temporary accommodation	14		
Overcrowded households	<i>Owned</i>	565 (215)	Census 2021 – households with an occupancy rating of -1 or less by tenure in the local area. For overcrowded owner-occupiers, 43%/36%/32% for Barrow/Eden/SL respectively are assumed to be unable to meet their needs once equity taken into account @4.5 income multiplier, based on Lichfields' affordability modelling below.
	<i>Private</i>	450	
	<i>Social</i>	395 (0)	
Existing affordable housing tenants in affordable need	363 (0)		The Council Housing Register – Households in Priority Need who are already living in social housing (Nov 2025)
Concealed Households	577		Census 2021 – concealed households in the local area (age 50 and under)
Total	2,207 (excluding those already living in social housing)		

Stage 2: Future Need Steps 2.1 to 2.3

- 7.50 Future housing need is split into two components. The PPG⁷⁵ sets out that projections of affordable housing need will firstly have to reflect new household formation and the

⁷⁵ 2a-021-20190220

proportion of these newly forming households unable to buy or rent in the market area, and secondly an estimate of the number of existing households falling into need.

- 7-51 This could be either through purchasing a dwelling or renting privately, although as we have set out below, households require a considerably higher income to buy, than to rent privately under all scenarios, in all sub-areas of Eden and South Lakeland. For the purposes of this affordable/social rented analysis therefore, we have focused on those newly forming households unable to rent, with the separate calculation on intermediate housing to purchase analysed in a subsequent section. For Barrow however, across both the Inner and outer sub-areas, the opposite is true and it is effectively ‘cheaper’ to buy than to rent.

New Household Formation (Step 2.1)

- 7-52 The PPG⁷⁶ recommends that gross household formation should be used as the measure of newly forming households, as opposed to net household growth which considers household dissolution. This is required to ensure that household dissolution is not double counted in the calculation, once as a net loss of households and potentially again as a re-let of the house they may have occupied. However, gross household formation is typically much higher than net rates and may represent an overestimate of the number of households seeking new housing in each year within the District. This is limited to households forming who are under the age of 45, which is consistent with the former 2007 SHMA Guidance (Annex B) which notes that after 45 years of age, household formation rates ‘plateau’⁷⁷.
- 7-53 For the purposes of considering future newly forming households, the modelling underpinning the SM3 calculation of 1,330 dpa as set out in Section 7.0 has been used in the first instance. This generates a household requirement of 1,215 hpa, which is a net figure, which translates into and **2,227 hpa figure gross**⁷⁸. As a sensitivity test, an alternative level of household formation has been modelled which uses the lower 2022-based SNHPP as adjusted for the 2024 MYPE. This generate^{4s} an annual household formation rate of **1,789 hpa gross** (Table 7.9).
- 7-54 This output of future housing need should be treated with caution. Such gross estimates may include people that form several different households over the period at different stages of their life, but does not account for their previous household no longer existing (i.e. two single person households becoming a couple and moving in together).

Table 7.9 Gross newly forming households Westmorland & Furness over 20 years

	No. newly forming households annually (gross)
SM3	2,227
2022-based SNHP MYPE adjusted	1,789

Source: Lichfields analysis

⁷⁶ 2a-021-20190220

⁷⁷ This is supported by the EHS data for 2021/22 (*Annex Table 1.8: Demographic and economic characteristics, recent first time buyers, 2021-22*), which indicates that 90.3% of First Time Buyers are aged between 16 and 44, with 51.4% aged between 25 and 34.

⁷⁸ We note that SHMAs undertaken by some other housing consultants prefer to apply average gross household formation rates based on applying national rate to total households over the period, using data from the English Housing Survey. If such an approach were to be applied here, then using the 3-year average national gross household formation rate of 1.439% from the EHS 2016/17-2018/19 and applying it to the 2025 position for Westmorland and Furness and trending this forward 20 years to 2045 would generate a gross annual household formation of 1,755 hpa, which is very similar to the 1,789 hpa recorded above for the 2022-based SNHP.

Those unable to rent or buy (Step 2.2)

- 7.55 This stage of the assessment involves an affordability test. Information in respect of local house prices, market rents and household income levels has informed the test which estimates the ability of households to afford lower quartile market housing. The affordability test has been calculated by identifying the costs of entry level (lower quartile) market housing, the costs of which have been obtained from the HMLR, as well as private rental costs obtained from ONS⁷⁹.
- 7.56 As set out above, drawing upon the review of current house prices and private rental values, lower quartile prices for a house (price paid by local authority 2025 and equal to £99,790 in Barrow, £187,245 in Eden and £232,844 in South Lakeland) and a rental property (£567 per month, £630 and £716 respectively) have been used as indicators of the entry price to market housing. Such houses are available within the District, and such values are relatively typical of smaller properties on the market, ideal for newly forming households seeking to move into a first property.
- 7.57 The income distribution of newly forming households is different from total households, reflecting their lesser incomes compared to the average⁸⁰. This means that a greater proportion of newly forming households are unable to access market housing than households overall. The PPG, however, sets out clearly that the affordability of housing for newly forming households must be considered foremost, as it is these households that will most likely fall into housing need if their housing requirements are not met in the market.
- 7.58 The percentage of both existing and newly forming households unable to afford to buy/rent is set out below and equates to 38.3% for newly forming households, falling to 27.4% of all the District's households if a 32% gross income threshold is modelled rather than 25%⁸¹.
- 7.59 In addition, Step 2.3 uses secondary data for the number of households who move house each year (based on past trends) to estimate the number of existing households falling into need annually. Using data for the number of people actually moving (from HMLR and CORE data) provides a good indicator of need, as it shows actual moves; whereas the Housing Register only provides an indication of intentions to move.
- 7.60 Existing households falling into need is therefore based upon an analysis of recent trends of movements from the private sector into the social sector as a proxy for existing households falling into need. These figures were averaged from CORE data over the past 5 years.
- 7.61 In summary, the components of the future affordable housing need for the District are set out in Table 7.10. A sensitivity test is modelled in Table 7.11, with a lower level of net household formation based on the 2022-based SNHP adjusted for the 2024 MYPE, and applying the 32% affordability rate.

⁷⁹ ONS (2025): Private Rental Market Statistics Summary – Table 2.7

⁸⁰ EHS 2015 to 2016: housing costs and affordability - Annex Table 2.1: Mean and median income, 2015-16. HRP aged 16-34 have an average weekly income of £718 per week compared to £780 per week for all households, meaning younger newly forming households earn 92% of the 'all households' amount.

⁸¹ Note: As has been well publicised the country remains in the midst of a 'cost of living' crisis. These figures are a point in time estimate and are reflective of what people can currently afford to borrow, although clearly the adverse economic headwinds and soaring utilities bills may make such levels unaffordable. As such, despite the analysis including sensitivity testing to help future-proof the analysis, this should be monitored by the Council and adjustments made as necessary going forward.

Table 7.10 Future Affordable Housing Needs for Westmorland & Furness SM3 scenario

Component	Barrow		Eden		South Lakeland		Source/Calculation
	25%	32%	25%	32%	25%	32%	
Newly forming households (Gross per annum)	785		474		968		Lichfields modelling of SM3 housing need of 1,330 dpa
% unable to rent or buy in the private market	33.6%	27.6%	41.0%	27.4%	37.1%	24.1%	Lichfields' Affordability Modelling
Newly forming households unable to afford market housing (per annum)	264	217	194	130	359	233	Newly forming households (Gross per annum) x % unable to rent or buy in the private market
Existing households falling into need (annual average)	66		85		130		CORE 2019/20 to 2023/24.
Estimate of Future Housing Need (p.a.)	329	282	279	214	489	363	Newly forming households unable to afford market housing (per annum) + Existing households falling into need (annual average)

Source: CORE Data and Lichfields analysis. Note some sums may not add due to rounding errors.

Table 7.11 Future Affordable Housing Needs for Westmorland & Furness 2022-based SNHP MYPE

Component	Barrow	Eden	South Lakeland	Source/Calculation
	32%	32%	32%	
Newly forming households (Gross per annum)	549	439	801	Lichfields modelling of 2022-based SNHP MYPE housing need of 632 dpa
% unable to rent or buy in the private market	27.6%	27.4%	24.1%	Lichfields' Affordability Modelling
Newly forming households unable to afford market housing (per annum)	152	120	193	Newly forming households (Gross per annum) x % unable to rent or buy in the private market
Existing households falling into need (annual average)	66	85	130	CORE 2019/20 to 2023/24.
Estimate of Future Housing Need (p.a.)	217	205	323	Newly forming households unable to afford market housing (per annum) + Existing households falling into need (annual average)

Source: CORE Data and Lichfields analysis. Note some sums may not add due to rounding errors.

7.62 Sub-Area data is provided in Table 7.12. As the number of newly forming households and existing households falling into need is only available at a District-wide level, it has been assumed that these will be split proportionately in line with the current number of households living in each sub-area (as recorded in the 2021 Census). It should be noted that for Barrow, it is more affordable to buy an LQ house than to rent an LQ property.

Table 7.12 Future Affordable Housing Needs by Sub-Area – Barrow

Barrow	Inner Barrow			Outer Barrow		
	25%	32%	MYE	25%	32%	MYE
% of Barrows' Households living in sub-area	42%			58%		
Newly forming households (Gross per annum)	330		231	455		318
% unable to rent or buy in the private market	35%	30%		38%	27%	
Newly forming households unable to afford market housing (p.a.) *	105	95	67	159	121	85
Existing households falling into need (annual average)**	28			38		
Estimate of Future Housing Need (p.a.)	132	123	94	197	159	123

Source: SM3 modelling, 2021 Census TS003 - Household composition, MHCLG Local Authority Live Table, CORE Data and Lichfields analysis *Balanced to sum.

** Sub-areas estimated on a proportionate basis using the 2021 Census household split.

Table 7.13 Future Affordable Housing Needs by Sub-Area – Former Eden District

Eden	Penrith			Appleby and Kirkby Stephen			Alston			NE Lakes			Westmorland Dales		
	25%	32%	MYE	25%	32%	MYE	25%	32%	MYE	25%	32%	MYE	25%	32%	MYE
% of Eden's Households living in sub-area	57%			29%			4%			6%			4%		
Newly forming households (Gross per annum)	270		250	138		128	19		17	27		25	20		19
% unable to rent or buy in the private market	56%	41%		35%	21%		47%	29%		87%	76%		41%	27%	
Newly forming households unable to afford market housing (p.a.) *	123	84	78	39	22	21	7	4	4	19	16	15	7	4	4
Existing households falling into need (annual average)**	48			25			3			5			4		
Estimate of Future Housing Need (p.a.)	171	132	126	63	47	45	10	7	7	24	21	19	10	7	7

Source: SM3 / SNHP modelling, 2021 Census TS003 - Household composition, MHCLG Local Authority Live Table, CORE Data and Lichfields analysis

*Balanced to sum. **Sub-areas estimated on a proportionate basis using the 2021 Census household split.

Table 7.14 Future Affordable Housing Needs by Sub-Area – Former South Lakeland District

South Lakeland	Kendal and Surroundings			Cartmel Peninsula			Furness Peninsula			Central Lakes			Dales		
	25%	32%	MYE	25%	32%	MYE	25%	32%	MYE	25%	32%	MYE	25%	32%	MYE
% of SL's Households living in sub-area	47%			8.1%			18.4%			21.8%			4.2%		
Newly forming households (Gross per annum)	460		380	79		65	178		147	211		175	40		33
% unable to rent or buy in the private market	38%	24%		51%	34%		43%	29%		27%	17%		42%	28%	
Newly forming households unable to afford market housing (p.a.) *	171	111	91	39	26	22	76	51	42	57	34	28	17	11	9
Existing households falling into need (annual average)**	62			11			24			28			5		
Estimate of Future Housing Need (p.a.)	233	172	153	50	37	32	100	75	66	85	63	57	22	17	15

Source: SM3 / SNHP modelling, 2021 Census TS003 - Household composition, MHCLG Local Authority Live Table, CORE Data and Lichfields analysis

*Balanced to sum. **Sub-areas estimated on a proportionate basis using the 2021 Census household split.

Stage 3: Affordable Housing Supply steps 3.1 to 3.8

7.63 This Section estimates the existing and forthcoming stock of affordable housing as per the PPG. This stage examines housing stock that can accommodate households in housing need. The information is required to calculate net affordable housing requirements. The model considers both current affordable housing stock (including how much of this is available) as well as the level of future annual new supply.

Current Affordable Housing Stock (Steps 3.1 to 3.5)

7.64 The PPG⁸² sets out the current components of housing stock used to accommodate current households in affordable housing need as well as future supply:

- the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need;
- Suitable surplus stock (vacant properties);
- The committed supply of new net affordable homes at the point of the assessment (number and size); and,
- Identifying units to be taken out of management (demolition or replacement).

7.65 The PPG states that the first three components are to be added together, and the number of social housing units to be taken out of management deducted, to equate to the total affordable housing stock that is available.

Affordable Dwellings occupied by Households in Need (Step 3.1)

7.66 The purpose of Step 3.1 is to identify the number of affordable dwellings which become available but are occupied by households in housing need. Thus, this step considers transfers within the affordable housing stock. The movement of these households (within affordable housing) will have a nil effect overall in terms of housing need. These households have already been netted off at Stage 1 of the calculation and the figure for this step is therefore zero.

Surplus Stock (Step 3.2)

7.67 A certain level of voids is normal and allow for transfers and works to properties. The former SHMA Guidance (page 48) noted that a social housing vacancy rate in excess of 3% (and properties which are vacant for considerable periods of time), should be counted as surplus stock.

7.68 An analysis has been undertaken utilising vacancy level data. This indicates a social housing vacancy level of 1.85% in 2024⁸³ for Westmorland & Furness, with 205 vacant social properties, down from 270 the year before. It is estimated that this breaks down to a 2.8% vacancy rate for Barrow, 1.5% for Eden, and 1.4% for South Lakeland, all of which are below the 3% rate recommended by the former SHMA guidance.

7.69 **Therefore, a surplus stock rate of zero has been included within the model.**

⁸² 2a-022-20190220

⁸³ MHCLG Data: Table 100 (2024) and Table 615 (2024)

Committed Supply of New Affordable Housing (Step 3.3)

- 7.70 The former SHMA Guidance states that this step of the model should utilise information about new social rented and intermediate affordable dwellings which are committed at the point of assessment. The Local Authority Housing Statistics [LAHS] data no longer shows the number of planned and proposed affordable units. However, data on committed supply of affordable housing has been provided by the Council and the two National Park Authorities, split by social/affordable rent and intermedia or shared ownership properties with only the former included in this calculation (Table 7.15). This is equal to 277 across the District as a whole, with the majority located in South Lakeland (particularly in the Furness Peninsula and Kendal) and to a lesser extent, Penrith.
- 7.71 For the purposes of this calculation, a forward supply of 277 has been included (social rent and affordable/intermediate rent) with the shared ownership properties considered in the Shared Ownership analysis.

Table 7.15: Total Supply of New Affordable Units to Rent as of 31st November 2025

Barrow	Inner Barrow	Outer Barrow	TOTAL			
	0	6	6			
Eden	Penrith and Surrounds	Appleby and Kirkby Stephen	Alston	North Eastern Lakes	Westmorland Dales	TOTAL
	61	0	0	4	0	65
South Lakeland	Kendal and Surroundings	Cartmel Peninsula	Furness Peninsula	Central Lakes	Dales	TOTAL
	53	31	74	48	0	206

Source: Local Authority Information provided by the Council / LDNP / YDNP Officers in November 2025

Units to be taken out of Management (Step 3.4)

- 7.72 The former SHMA Guidance states that this stage should “*estimate the numbers of social rented or intermediate affordable housing units that will be taken out of management.*” This includes properties which are planned to be demolished or redeveloped (with a net loss of stock).
- 7.73 Discussions with Housing Officers at the Council indicated that no major estate regeneration projects or other council house losses were on the horizon at the time of writing.

Total Affordable Housing Stock Available (Step 3.5)

- 7.74 Table 7.16 sets out these current components of supply in Westmorland & Furness.

Table 7.16: Current Supply of Affordable Housing in Westmorland & Furness

Component	#	Source
Step 3.1 (Affordable Dwellings Occupied by households in need)	None – already netted off at Stage 1 (Step 1.4 – 382 units)	Housing Register Nov 2025
PLUS Step 3.2 (Surplus Stock) – Vacant but available for letting	0	MHCLG Table 615
PLUS Step 3.3 (Committed Supply of New Affordable Housing to Rent)	277	the Council as at 31 st Nov 2025
MINUS Step 3.4 (Units to be taken out of management) – Vacant but not available for letting	0	the Council as of Nov 2025
EQUALS Step 3.5 Current Supply of Affordable Housing	277	

Source: the Council 2025

Future Affordable Housing Supply (Steps 3.6 to 3.7)

7.75 The final part of the calculation relates to an analysis of the level of likely future affordable housing supply coming forward, which considers future annual supply of social housing re-lets (net), calculated based on past trends (generally the average number of re-lets over the previous three years should be taken as the predicted annual levels). This only includes those re-lets that would lead to a net gain in the stock, hence it excludes first lets, internal transfers and tenancy renewals.

7.76 Social re-lets data has been obtained from 5 years-worth of CORE data (for 2019/20 to 2023/24). The data obtained for this component is set out in Table 7.17, demonstrating that the churn is relatively evenly distributed across the three former districts. The various sub-area figures have been calculated on the basis on the size of the existing social housing stock in each sub-area, based on 2021 Census data.

Table 7.17: Future Annual Supply of Social Re-lets

	Barrow	Eden	South Lakeland	Westmorland & Furness TOTAL
2019/20 – 2023/24 Average	113	101	114	327

Source: 2019/20 -2023/24 CORE Data

7.77 It should be noted that CORE does not capture any information about the location to where a previous occupant moved, only their tenure. Therefore, “*Relet – tenant moved to other social housing provider*” could mean in the same district (i.e. Westmorland & Furness) or anywhere else in the country. In the Table above, it has been assumed that all relets that have arisen due to the tenant moving to another social housing provider or internal transfers have been internal to Westmorland & Furness.

7.78 As a sensitivity test, we have also modelled the number of social re-lets if it is assumed that all of the transfers resulted in the household in question moving to another provider outside of the District. If this was the case (which is very unlikely), then the future annual supply of social re-lets would **increase from 327 to 440**. This has been modelled as a sensitivity at the end of this section albeit with the strong caveat that it is highly unlikely that every internal relet will involve a household moving out of the District.

Estimate of Net Affordable Housing Needs

- 7.79 Bringing the above elements together the analysis can calculate net affordable housing need. This is done on an annual basis over the whole plan period, and as such it will be necessary to convert the backlog of need into an annual quota based upon the period which this backlog will be addressed. It is a point for any Local Plan's housing trajectory to set out how and when the backlog of affordable housing need will be delivered in the plan period. However, for the purposes of an LHN calculation, an average figure over the Council's 20-year plan period will still match the total affordable housing need over the plan period (even if this is addressed fully in the first 5 years).
- 7.80 Table 7.18 sets out the calculation of net annual affordable social/affordable rented housing need for the former district of Barrow.
- 7.81 This illustrates that net annual need based on current data over the period 2025 to 2045 amounts to **between 387 and 434 homes for affordable/social rent** (depending on the income multiplier used). This reflects gross household formation and therefore does not account for household dissolutions, with the implication that needs are likely to be 'worst case' under this approach as it could include some double counting. It also assumes that the **backlog need will be addressed in full in the first 5 years of the Plan**. Strongest levels of affordable housing rental need are identified for Outer Barrow and surroundings.
- 7.82 **If the backlog were to be removed over the full 20-year plan period (rather than in the first 5 years of the Plan), then the net annual affordable housing need would reduce to between 224 and 271 dpa.**
- 7.83 If the annual supply of social re-lets is increased (from 113 p.a. to 131 p.a., an increase in supply of 18 dpa) to take into account the uncertainty regarding internal transfers, then the annual requirement could fall still further, to **between 205 and 252 dpa**; however, as set out above, this sensitivity test is questionable as it is highly probable that a very significant proportion of the households in question will transfer to another social housing provider based in the District, rather than moving further afield (as typically the distance moved is much lower for social housing tenants than in the private sector).
- 7.84 As a final sensitivity test, if the lower household growth associated with the 2022-based SNHP rather than the SM3 were applied (resulting in a newly arising net households of 152 p.a. in Barrow rather than 217 p.a.), and reducing the backlog over 20 years with a higher 32% assumption applied to gross income, then the net annual need for Barrow would fall to **159 dpa** (split 40 dpa in Inner Barrow and the remaining 119 dpa in Outer Barrow). This would represent the most optimistic scenario modelled.

Table 7.18 Barrow Affordable Housing Need Calculation

Stage and step in calculation	Notes	Barrow		Inner		Outer	
		25%	32%	25%	32%	25%	32%
Stage 1: Current Need (Gross)							
1.1-1.3 Current Need (including Backlog)	Housing Register 2025	1,095		615		480	
Stage 2: Future Need							
2.1 New household formation (gross p.a.)	SM3 modelling	330		455		785	
2.2 Proportion of new households unable to buy or rent in the market	Unable to afford LQ rents	34%	28%	35%	30%	38%	27%
2.3 Existing households falling into need	5-year average to 2024 CORE data	66		28		38	
2.4 Total newly arising housing need (gross p.a.)	(2.1 x 2.2) + 2.3	329	282	132	123	197	159
Stage 3. Affordable Housing Supply							
3.1 Affordable dwellings occupied by households in need	Housing Register 2025	0 (173 units already deducted)					
3.2 Surplus stock (Vacant but available for letting)	MHCLG Tables 100 and 615	0					
3.3 Committed supply of affordable housing for rent	(the Council data return 2025)	6		0		6	
3.4 Units to be taken out of management (Vacant but not available for letting)	Council	0		0		0	
3.5 Total affordable housing stock available	3.1+3.2+3.3-3.4	6		0		6	
3.6 Annual supply of social re-lets (net)	5-year average from 2019/20 to 2023/24 CORE data	113		85		28	
3.8 Annual supply of affordable housing		113		85		28	
Net Annual Affordable Housing Need	1.3 – 3.5 (annualised over 5 yr) + 2.4- (3.1+3.2+3.4)-3.8	434	387	170	161	264	226

Source: the Council, Local Authority Live Tables, CORE Data, Housing Register and Lichfields analysis.

- 7.85 Table 7.19 sets out the calculation of net annual affordable social / affordable rented housing need for the former district of Eden. This illustrates that net annual need over the period 2025 to 2045 amounts to **between 159 and 224 dpa for affordable / social rent**. This again assumes that the **backlog need will be addressed in full in the first 5 years of the Plan**. Strongest levels of affordable housing rental need are identified for Penrith and its surroundings.
- 7.86 **If the backlog were to be removed over the full 20-year plan period (rather than in the first 5 years of the Plan), then the net annual affordable housing need would reduce to between 125 dpa and 189 dpa across the District.**
- 7.87 If the annual supply of social re-lets is increased (from 101 p.a. to 142 p.a., an increase in supply of 41 dpa) to consider the uncertainty regarding internal transfers, then the annual requirement could fall still further to **between 84 and 148 dpa**.
- 7.88 As a final sensitivity test, if the lower household growth associated with the 2022-based SNHP rather than the SM3 were applied (resulting in a newly arising net households of 120 p.a. in Eden rather than 130 p.a.), and reducing the backlog over 20 years with a higher 32% assumption applied to gross income, then the net annual need for Eden would fall to

115 dpa (split 67 dpa in Penrith and surrounds; 23 dpa in Appleby and Kirkby Stephen; 4 dpa in Alston; 15 dpa in the North Eastern Lakes; and 6 dpa in the Westmorland Dales sub-areas).

Table 7.19 Eden Affordable Housing Need Calculation

		Eden		Penrith and Surrounds		Appleby and Kirkby Stephen		Alston		North Eastern Lakes		Westmorland Dales	
Stage and step in calculation	Notes	25%	32%	25%	32%	25%	32%	25%	32%	25%	32%	25%	32%
Stage 1: Current Need (Gross)													
1.1-1.3 Current Need (including Backlog)	Housing Register 2025	295		198		65		13		17		1, 198	
Stage 2: Future Need													
2.1 New household formation (gross p.a.)	SM3 modelling	474		270		138		19		27		20	
2.2 Proportion of new households unable to buy or rent in the market	Unable to afford LQ rents	41%	27%	56%	41%	35%	21%	47%	29%	87%	76%	41%	25%
2.3 Existing households falling into need	5-year average to 2024 CORE data	85		48		25		3		5		4	
2.4 Total newly arising housing need (gross p.a.)	(2.1 x 2.2) + 2.3	279	214	171	132	63	47	10	7	24	21	10	7
Stage 3. Affordable Housing Supply													
Current Supply													
3.1 Affordable dwellings occupied by households in need	Housing Register 2025	0 (382 units already deducted)											
3.2 Surplus stock (Vacant but available for letting)	MHCLG Tables 100 and 615	0											
3.3 Committed supply of affordable housing for rent	(the Council data return 2025)	65		61		0		0		4		0, 61	
3.4 Units to be taken out of management (Vacant but not available for letting)	Council	0		0		0		0		0		0, 0	
3.5 Total affordable housing stock available	3.1+3.2+3.3-3.4	65		61		0		0		4		0, 61	
Future Supply													
3.6 Annual supply of social re-lets (net)	5-year average from 2019/20 to 2023/24 CORE data	101		66		25		4		5		1	
3.8 Annual supply of affordable housing		101		66		25		4		5		1	
Net Annual Affordable Housing Need	1.3 – 3.5 (annualised over 5 yr) + 2.4- (3.1+3.2+3.4)-3.8	224	159	133	94	51	35	9	6	22	18	9	6

Source: the Council, Local Authority Live Tables, CORE Data, Housing Register and Lichfields analysis.

7.89

Table 7.20 sets out the calculation of net annual affordable social / affordable rented housing need for the former district of South Lakeland. This illustrates that net annual need over the period 2025 to 2045 equates to **between 417 and 543 dpa for affordable / social rent**. This again assumes that the **backlog need will be addressed in full in**

the first 5 years of the Plan. Strongest levels of affordable housing rental need are identified for Kendal and its surroundings.

- 7.90 **If the backlog were to be removed over the full 20-year plan period (rather than in the first 5 years of the Plan), then the net annual affordable housing need would reduce to between 291 dpa and 417 dpa across the District.**
- 7.91 If the annual supply of social re-lets is increased (from 114 p.a. to 167 p.a., an increase in supply of 53 dpa) to consider the uncertainty regarding internal transfers, then the annual requirement could fall still further to **between 238 and 265 dpa.**
- 7.92 As a final sensitivity test, if the lower household growth associated with the 2022-based SNHP rather than the SM3 were applied (resulting in a newly arising net households of 193 p.a. in South Lakeland rather than 233 p.a.), and reducing the backlog over 20 years with a higher 32% assumption applied to gross income, then the net annual need for South Lakeland would fall to **251 dpa** (split 124 dpa in Kendal and surrounds; 27 dpa in the Cartmel Peninsula; 52 dpa in the Furness Peninsula; 35 dpa in the Central Lakes; and 12 dpa in the Dales sub-areas).

Table 7.20 South Lakeland Affordable Housing Need Calculation

		South Lakeland		Kendal and Surrounds		Cartmel Peninsula		Furness Peninsula		Central Lakes		Dales	
Stage and step in calculation	Notes	25%	32%	25%	32%	25%	32%	25%	32%	25%	32%	25%	32%
Stage 1: Current Need (Gross)													
1.1-1.3 Current Need (including Backlog)	Housing Register 2025	1,043		569		54		152		248		21	
2.1 New household formation (gross p.a.)	SM3 modelling	968		460		79		178		211		40	
2.2 Proportion of new households unable to buy or rent in the market	Unable to afford LQ rents	37%	24%	38%	24%	51%	34%	43%	29%	27%	17%	42%	28%
2.3 Existing households falling into need	5-year average to 2024 CORE data	130		62		11		24		28		5	
2.4 Total newly arising housing need (gross p.a.)	(2.1 x 2.2) +2.3	489	363	233	172	50	37	100	75	85	63	22	17
Stage 3. Affordable Housing Supply													
Current Supply													
3.1 Affordable dwellings occupied by households in need	Housing Register 2025	0 (181 units already deducted)											
3.2 Surplus stock (Vacant but available for letting)	MHCLG Tables 100 and 615	0											
3.3 Committed supply of affordable housing for rent	(the Council data return 2025)	206		53		31		74		48		0	
3.4 Units to be taken out of management (Vacant but not available for letting)	Council	0		0		0		0		0		0	
3.5 Total affordable housing stock available	3.1+3.2+3.3-3.4	206		53		31		74		48		0	
Future Supply													
3.6 Annual supply of social	5-year average	114		55		6		18		31		4	

		South Lakeland		Kendal and Surrounds		Cartmel Peninsula		Furness Peninsula		Central Lakes		Dales	
Stage and step in calculation	Notes	25%	32%	25%	32%	25%	32%	25%	32%	25%	32%	25%	32%
re-lets (net)	from 2019/20 to 2023/24 CORE data												
3.8 Annual supply of affordable housing		114		55		6		18		31		4	
Net Annual Affordable Housing Need	1.3 – 3.5 (annualised over 5 yr) + 2.4- (3.1+3.2+3.4)-3.8	543	417	280	220	48	35	98	73	94	71	23	17

Source: the Council, Local Authority Live Tables, CORE Data, Housing Register and Lichfields analysis.

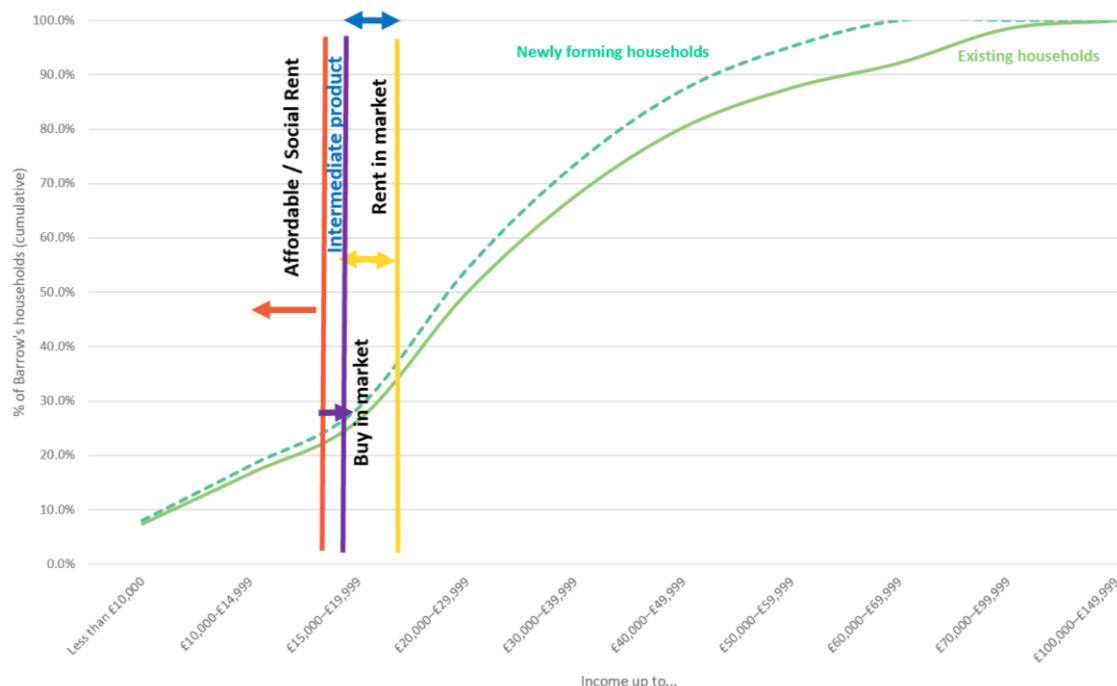
Affordable Homes for Purchase

- 7.93 The current version of the PPG states that the affordable housing need assessment should include an estimate of those that cannot afford their own home to rent or to own their home where that is their aspiration⁸⁴. This introduces a new concept whereby the need figure must include an indication of the number of households who can currently afford to rent privately, but who nevertheless aspire to own their own home (which could include intermediate affordable home ownership products, discounted market housing and First Homes).
- 7.94 It is therefore necessary to also consider households which want to move towards ownership tenures, but may be unable to, even if their needs are currently being met in PRS. These households' needs would be met through affordable home ownership products, including shared ownership and other types (e.g. discount market). Being a current tenant of PRS does not exclude a household from being able to apply for shared ownership, as long as they are a first-time buyer or cannot afford to buy a home now (if they used to own a home).
- 7.95 In the case of assessing needs of affordable homes for purchase, it is therefore necessary to capture households who can afford to rent in the market but are unable to afford to buy. This is because those unable to afford renting are captured in the assessment of affordable rented need, whilst those able to buy in the market without assistance are unlikely to be eligible for forms of affordable housing for purchase (except for First Homes).
- Barrow**
- 7.96 To calculate this, and as set out above, we have obtained household income data for Barrow, Eden and South Lakeland from Experian and adjusted this based on data from the English Housing Survey, which shows younger / newly forming households have a slightly lower than average income⁸⁵. We have assumed that households which cannot afford more than 80% of market rents need affordable rented or social rented housing and that households which can afford market rents and private home ownership represent the potential market for intermediate products such as shared ownership.
- 7.97 This results in a household income distribution for Barrow as shown in Figure 7.2.

⁸⁴ PPG ID: 2a-020-20190220

⁸⁵ English Housing Survey (2015/16) Housing costs and affordability – Annex Table 2.1: Mean and median income by age of Household Reference Person (HRP). Households with HRP age 16-34 have average weekly income of £718 per week compared to £780 for all households; therefore younger/newly forming households earn 92% of the overall average

Figure 7.2 Income Distribution and Product Affordability in Barrow



Source: © Experian 2025- All rights reserved. Figures are calculated on the basis of 4.5x income multiples for home ownership and 32% of gross annual earnings for rentals.

7.98 This indicates that, based on 4.5x income multiples for home ownership and 32% of gross annual earnings for rentals:

- 23.5% of newly forming Barrow households have income levels below the threshold likely to afford affordable rent (and 20.5% cannot afford social rent);
- 33.7% of newly forming Barrow households cannot afford to rent privately; and,
- 27.6% of newly forming Barrow households cannot afford to buy a property on the open market.

7.99 **For Barrow, the potential additional demand for intermediate housing is, theoretically, almost non-existent** as renting a property is less affordable than buying a house. It reflects the fact that it is relatively affordable to buy a property in the District (in a national context at least).

Table 7.21: Percentage of households able to afford private rents but unable to buy in Barrow

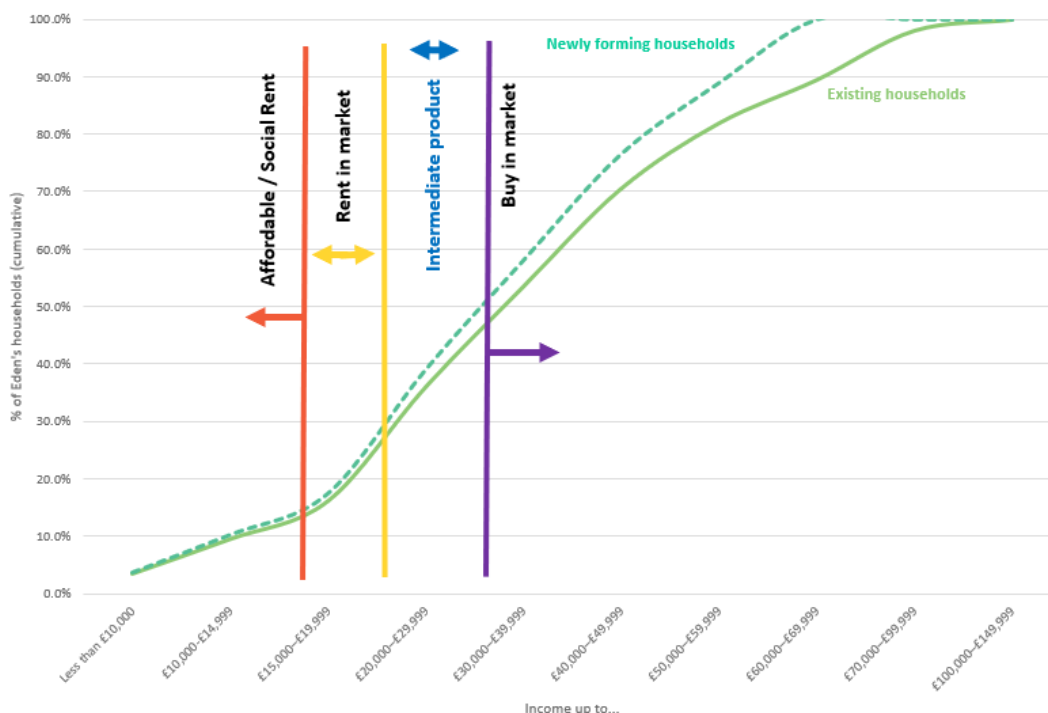
	Income multiples	Barrow	Inner	Outer
All households	4x / 25%	-14.1%	-31.0%	-2.7%
	4.5x / 32%	-5.2%	-20.8%	+4.1%
Newly Forming Households	4x / 25%	-15.3%	-30.1%	-2.90%
	4.5x / 32%	4.6%	-17.8%	+4.4%

Source: Lichfields analysis of Experian/VOA/ONS data

Eden District

7.100 The income distribution for Eden District is illustrated in Figure 7.3:

Figure 7.3 Income Distribution and Product Affordability in Eden District



Source: © Experian 2025- All rights reserved. Figures are calculated on the basis of 4.5x income multiples for home ownership and 32% of gross annual earnings for rentals.

7.101 This indicates that, based on 4.5x income multiples for home ownership and 32% of gross annual earnings for rentals:

- 17.2% of newly forming households in Eden have income levels below the threshold likely to afford affordable rent;
- 27.4% of newly forming households in Eden cannot afford to rent privately; and,
- 50.7% of newly forming Eden households cannot afford to buy a property on the open market.

7.102 For this local area, the potential additional demand for intermediate housing is therefore reasonably wide and ranges from households with an income of between £23,625 (the income needed to access lower quartile market rents @32%) and £35,369 (the income needed to buy at lower quartile prices @4.5x income multiplier). Any newly forming household earning in this range can afford to rent privately but cannot afford to buy in the open market (assuming a 15% deposit). This range would change to between £30,240 and £39,790 if the lower thresholds of 25% income threshold for renting and 4x income multiplier for purchase are applied for dual earners.

7.103 The households in this range represent the further potential demand for intermediate housing in Eden. Based on this income distribution for single earners, an estimated 22% of all existing households in the local area can afford market rents but are unable to buy at 4.5/32%, rising to 23.3% for newly forming households, as shown in Table 7.22. This represents a substantial portion of the local population that are unable to purchase their

own home. However, this actually falls if the lower income multiplier is used, down to 16.7% for existing and 18.1% for newly forming households.

Table 7.22: Percentage of households able to afford private rents but unable to buy in Eden

	Income multiples	Eden	Penrith	Appleby and Kirkby Stephen	Alston	NE Lakes	Westmorland Dales
All households	4x / 25%	16.7%	1.3%	26.3%	15.3%	3.7%	32.1%
	4.5x / 32%	22.0%	8.4%	31.0%	23.6%	31.3%	36.4%
Newly Forming Households	4x / 25%	18.1%	1.4%	27.3%	13.8%	4.0%	32.0%
	4.5x / 32%	23.3%	9.2%	32.6%	24.5%	10.1%	40.1%

Source: Lichfields analysis of Experian/VOA/ONS data

- 7.104 As indicated in the Table, the gap is particularly wide in the Westmorland Dales (which has very high LQ house prices in particular) and to a lesser extent Appleby and Kirkby Stephen, and much narrower in Penrith and its surroundings.
- 7.105 This means that affordable home ownership options are needed for private rented households which cited affordability as a main reason for them not expecting to buy (i.e. those who would expect to buy if they could afford to do so). This assessment should therefore be regarded as a minimum, because if any private renters who do expect to buy need (or expect that) an affordable home ownership option will be available when they plan to buy, the demand for affordable ownership products will be higher.
- 7.106 Having established the percentage of households falling in this ‘gap’, we need to understand how many households this is likely to represent over the course of the 20-year Plan period. For the purposes of this assessment, we have projected household growth using the SM3 housing need of 326 dpa as modelled in Section 7.0 in PopGroup.
- 7.107 The assessment of need has been restricted to under 45s on the basis that this the age most newly forming households form⁸⁶ (and older households may have equity as well as income, which would affect their eligibility for affordable home ownership products). However, it is entirely possible that households over the age of 44 would be eligible for (and be interested in purchasing) discounted market housing. Whilst occupants of the scheme would be subject to income and local connection criteria, there is no proposal to specifically restrict occupants based solely on age, thus households over the age of 44 could potentially add additional demand on top of that identified in this analysis.
- 7.108 With the above caveat, and when applied to the household growth from the SM3 modelling, this could suggest that there will be an annual pool averaging **1,447 households over the period 2025-2045** who can afford to rent but not buy privately (based on the 4.5x/32% income multipliers; falling to 1,124 households per annum if the lower multiples in Table 7.22 are applied).
- 7.109 The former District currently has some supply of shared ownership housing which is likely to be catering to the needs of some households which would otherwise be in the private rented sector (and cannot afford to buy in the open market). The 2021 Census indicates that there were **254** shared ownership homes across Eden, of which 167 were located in

⁸⁶ The English Housing Survey for 2020/21 indicates that 92.9% of First Time Buyers are aged 44 and under. Source: English Housing Survey, full household sample, Annex Table 1.8: Demographic and economic characteristics, recent first-time buyers, 2020-21

Penrith; 74 in Appleby and Kirkby Stephen; 2 in Alston; 5 in the North Eastern Lakes; and 6 in the Westmorland Dales.

- 7.110 Considering that 254 households in the local area already live in shared ownership housing, the remaining households which can afford rents but unable to afford open market purchase (and are assumed to be currently living in private rented housing) reduces the annual pool from 1,124 households over 20 years, to **870** households.
- 7.111 Of course, not every household within the private rented sector will need (or will want) to move into home ownership each year. Some households may not want to move into ownership due to not having a secure enough job, not wanting to be in debt, the cost of repairs and maintenance, not wanting the commitment/preferring the flexibility of renting and liking their current accommodation.
- 7.112 The EHS (2019/20) found that nationally, 59.5% of private renters expect to buy at some point in the future and 40.5% do not. Amongst those who do not expect to buy, 68.2% cited affordability. Based on this, we can estimate the number of households which may be expected to buy if the affordability barrier were removed. This would be:
- 1 The percentage of households in a group who would be expected to buy anyway (59.5%); plus; and,
 - 2 The percentage of households which currently do not expect to buy, mainly due to affordability reasons (40.5% x 68.2%).
- 7.113 Having established the percentage of households in Eden which would be expected (at any time) to buy if an affordable home ownership option were made available to them, we then need to determine how many actually buy in a given period. The EHS found that of private renters who did expect to buy, 26.74% expected to do so within two years; this would equate to 13.4% per annum⁸⁷. Applying this to the total number of households (by type) which would expect to buy if an affordable home were available gives an estimate of the potential demand each year for affordable housing for purchase from first time buyers⁸⁸. This is shown in Table 7.23 and equates to **11.6%**.

⁸⁷ Source: EHS 2019/20 Annex Table 1.20: Buying expectations, social and private renters, 2019-20. Refers to privately renting households

⁸⁸ Note: in Year 1 of the assessment, all households in a given group which can afford to rent but not to buy are included as potential FTBs. In subsequent years these households are removed, so the 'pool' of potential FTBs gradually decreases to take into account those who have already bought.

Table 7.23: Estimate of households who would buy (in the next year) if affordable home available

	Percentage	Source
a. Percentage of households expecting to buy (at any point in the future)	59.5%	English Housing Survey 2019/20 Annex Table 1.20: Buying expectations, social and private renters, 2019-20
b. Percentage of households not expecting to buy	40.5%	(100% - a)
c. Percentage of private renters not expecting to buy citing affordability as main reason	68.2%	English Housing Survey 2019/20 Annex Table 3.17: Perceived barriers to buying a home, by tenure, 2019-20
d. Total percentage expected to buy if affordable home provided	87.1%	(a + [b * c])
e. Of those expecting to buy, percent expecting to buy within 2 years	26.74%	English Housing Survey 2019/20 Annex Table 1.20: Buying expectations, social and private renters, 2019-20. Refers to privately renting households
f. Equivalent per annum	13.4%	(e / 2)
g. Total – expected to buy in next year	11.6%	(d * f)

Source: Lichfields' analysis based on English Housing Survey data

- 7.114 As a sensitivity test, we have modelled the implications of excluding people who were already expecting to buy anyway (59.5% of all households in the Table above) and only including people who were not expecting to buy due to affordability problems. The inherent assumption here being that those people who were expecting to buy may well have assumed that they would be able to do so in the market. This would reduce the percent expected to buy in the next year from 11.6% to **3.69%**.
- 7.115 Conversely, it is noted that the EHS presents national data on expectations in relation to home ownership. It therefore does not reflect the more severe affordability pressures in areas such as the National Parks. Hence, the use of this national data represents a conservative approach, and it is likely that there may be a higher proportion of people locally that would like to buy but are not expecting to do so due to affordability issues in certain parts of the District and therefore a larger pool of potential buyers may exist at a localised level.
- 7.116 The approach used below to assess the potential demand for intermediate housing from households currently in PRS does not include separate calculations of backlog, future need and supply. All elements are wrapped up in a single calculation by using all households as the basis for need (thus implicitly including backlog) and by using net household change (thus removing the need to separately calculate gross need and future supply).
- 7.117 This calculation of need is shown in Table 7.24. This analysis suggests an annualised demand for **55 affordable homes for purchase** from existing and future households in Eden. Split by sub-area, this indicates that need is greatest in Appleby and Kirkby Stephen (due primarily to the large gap between LQ house prices and LQ rents), followed by Penrith.

Table 7.24: Estimate of existing and future demand for intermediate housing: Eden and Sub-Areas – 4.5x / 32%

	Eden	Penrith	Appleby and Kirkby Stephen	Alston	NE Lakes	Westmorland Dales
(a) Annual Average households aged under 45	6,238	3,557	1,817	244	355	265
(b) Percentage who can afford LQ market rent but are unable to purchase (@ 4.5x income / 32% annual income)	23.3%	9.2%	32.6%	24.5%	10.1%	40.1%
l Number of households who can afford LQ market rent but are unable to purchase (a * b)	1,447	325	590	59	36	106
(d) Supply (current shared ownership units)	254	167	74	2	5	6
l 'Pool' of potential demand (net) (c-d)	1,193	158	516	57	31	100
(f) Percentage of households living in PRS expecting to buy in the next year if affordable homes are available	11.65%					
Potential gross need for affordable housing to purchase, annual average (e * f). After year 1, the assessment reduces the 'pool' of households which are potential buyers to account for the fact that some are assumed to have moved into affordable homes for purchase the previous year.	55	8	24	3	1	5
Potential gross need for affordable housing to purchase, annual average (e * f), balanced	55	10	33	4	2	6

Source: Lichfields' analysis

- 7.118 If the income ratio decreases to 4x income and a 25% of annual income being spent on rent, then the level of intermediate housing need reduces, as the costs of buying a home increase at a lower rate than the rental costs. As a result, the potential gross annual need under this test would be 40, but again focussed on Appleby and Kirkby Stephen. Given the current supply, Penrith's need would effectively be zero.

Table 7.25: Estimate of existing and future demand for intermediate housing: Eden – 4x/25%

	Eden	Penrith	Appleby and Kirkby Stephen	Alston	NE Lakes	Westmorland Dales
(a) Annual Average households aged under 45	6,238	3,557	1,817	244	355	265
(b) Percentage who can afford LQ market rent but are unable to purchase (@ 4x income / 25% annual income)	18.1%	1.4%	27.3%	13.8%	4.0%	32.0%
l Number of households who can afford LQ market rent but are unable to purchase (a * b)	1,124	50	494	34	14	85
(d) Supply (current shared ownership units)	254	167	74	2	5	6
l 'Pool' of potential demand (net) (c-d)	870	-117	420	32	9	79
(f) Percentage of households living in PRS expecting to buy in the next year if affordable homes are available	11.65%					
Potential gross need for affordable housing to purchase, annual average (e * f).	40	-5	19	1	0	4
Potential gross need for affordable housing to purchase, annual average (e * f), balanced and excluding Penrith	40	0	31	2	1	6

Source: Lichfields' analysis.

- 7.119 As with the affordable rent calculation, the PPG notes that there will be a current supply of housing stock that can be used to accommodate households in affordable housing need as well as future supply. Assessing the total affordable housing supply requires identifying:
- the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need;
 - suitable surplus stock (vacant properties); and,
 - the committed supply of new net affordable homes at the point of the assessment (number and size).
- 7.120 As noted above, the current number of shared ownership units that could be occupied by households in need has already been netted off the need in the Table above. As regards vacant properties, the overall proportion of vacant dwellings in the overall social housing stock is very small in Eden, at just 1.5% and therefore given the demand for intermediate housing it is considered highly unlikely that there would be sufficient vacant intermediate housing (over 3% of the overall stock) to warrant a further adjustment to the requirement.
- 7.121 Regarding the committed supply of new affordable homes, data on committed supply of affordable housing has been provided by the Council (Table 7.26) and suggests that potentially, there are some shared ownership/first homes currently in the development pipeline, equal to around 65 across the former District of Eden as a whole, the vast majority of which are likely to come forward in Penrith (51).

Table 7.26: Total Supply of New Affordable Units to Rent

	Eden	Penrith	Appleby and Kirkby Stephen	Alston	NE Lakes	Westmorland Dales
Supply of New Affordable Housing to Rent (Committed Supply) 2025	65	51	0	0	14	0

Source: Local Authority Information provided by the Council, YDNP and LDNP Officers in 2025

- 7.122 Going forward, intermediate housing re-lets information has been calculated by applying the average number of social relets in 2023/24 as a proportion of the total stock (taken from LAHS data). The resultant District-wide percentage (4.58%) is then applied to the current stock of shared ownership properties in Eden (254). This equates to an annual churn figure of **12 shared ownership properties per annum**.
- 7.123 These shared ownership homes are likely to meet some of the need for entry-level homes suitable for newly forming households. Netting off the **65** existing affordable housing to buy supply in the immediate pipeline from the 2025 intermediate need, and assuming that there will be a churn of **12** intermediate dwellings per annum thereafter, the net requirement for intermediate housing equates to **+41 dpa**. This breaks down to +1 dpa in Penrith; 29 dpa in Appleby and Kirkby Stephen; 4 dpa in Alston; 1 dpa in the North Eastern Lakes; and 6 dpa in the Westmorland Dales⁸⁹.
- 7.124 If this supply is netted off in the lower income ratios test set out in Table 7.25, then the net requirement for intermediate housing decreases to **+26 dpa** due to the reduced gap between people's ability to afford private rent and market purchase. This breaks down to -10 dpa in Penrith; 28 dpa in Appleby and Kirkby Stephen; 2 dpa in Alston; 0 dpa in the North Eastern Lakes; and 6 dpa in the Westmorland Dales.

⁸⁹ For the intermediate re-sales, the 5 sub-area supply figures have been calculated on the basis on the supply of the existing social housing stock in each sub-area, based on 2021 Census data.

7.125 Table 7.27 sets out the overall calculation of Eden’s net annual affordable housing need, combining the need for social/affordable rented properties with affordable home ownership. Overall, it indicates that there is an affordable housing need in the order of **274 dpa** based on 4x / 25% income multipliers, falling to **225 dpa** based on 4.5x / 32% income multipliers. There is a higher level of need in Penrith despite the low requirement for new shared ownership properties, followed by Appleby and Kirkby Stephen.

Table 7.27 Eden’s Affordable Housing Need Calculation – To Rent and Purchase

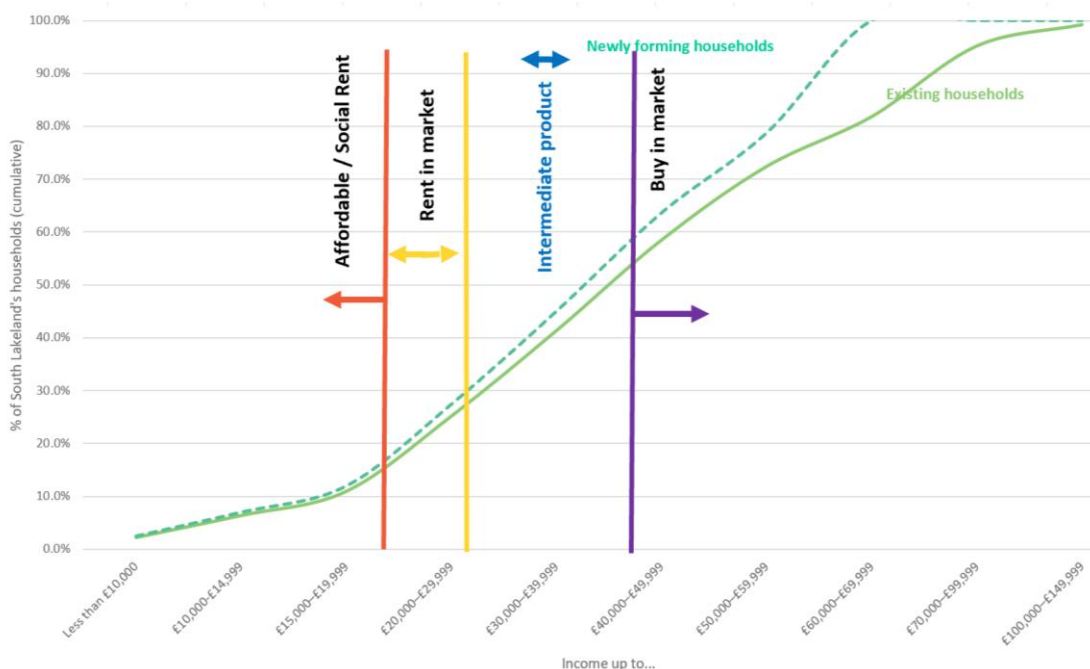
Stage and step in calculation	Eden		Penrith		Appleby and Kirkby Stephen		Alston		North Eastern Lakes		Westmorland Dales	
	25% income	32% income	25%	32%	25%	32%	25%	32%			25%	32%
Net Annual Affordable Housing Need for Rent	248	184	149	110	57	41	10	7	23	20	10	7
Net Annual Affordable Housing Need for Sale	26	41	-10	1	28	29	2	4	0	1	6	6
Overall Net Annual Affordable Housing Need	274	225	139	111	85	70	12	11	23	21	16	13

Source: the Council, Local Authority Live Tables, CORE Data and Lichfields analysis. Sums may not add due to rounding errors.

South Lakeland District

7.126 The income distribution for South Lakeland District is illustrated in Figure 7.4:

Figure 7.4 Income Distribution and Product Affordability in South Lakeland District



Source: © Experian 2025- All rights reserved. Figures are calculated on the basis of 4.5x income multiples for home ownership and 32% of gross annual earnings for rentals.

7.127 This indicates that, based on 4.5x income multiples for home ownership and 32% of gross annual earnings for rentals:

- 15.8% of newly forming households in South Lakeland have income levels below the threshold likely to afford affordable rent (and 12.0% cannot afford social rent);

- 24.1% of newly forming households in South Lakeland cannot afford to rent privately; and,
- 54.8% of newly forming South Lakeland households cannot afford to buy a property on the open market.

7.128 For this local area, the potential additional demand for intermediate housing is therefore very wide and ranges from households with an income of between £26,850 (the income needed to access lower quartile market rents @32%) and £43,982 (the income needed to buy at lower quartile prices @4.5x income multiplier). Any newly forming household earning in this range can afford to rent privately but cannot afford to buy in the open market (assuming a 15% deposit). This range would change to between £34,368 and £49,479 if the lower thresholds of 25% income threshold for renting and 4x income multiplier for purchase are applied for dual earners.

7.129 The households in this range represent the further potential demand for intermediate housing in South Lakeland. Based on this income distribution for single earners, an estimated 28% of all existing households in the local area can afford market rents but are unable to buy at 4.5/32%, rising to 31% for newly forming households, as shown in Table 7.28. This represents a substantial portion of the local population that are unable to purchase their own home. However, this actually falls if the lower income multiplier is used, down to 25% for existing and 28% for newly forming households.

Table 7.28: Percentage of households able to afford private rents but unable to buy in South Lakeland

	Income multiples	South Lakeland	Kendal	Cartmel Peninsula	Furness Peninsula	Central Lakes	Dales
All households	4x / 25%	25.4%	22.2%	19.1%	12.4%	51.2%	28.0%
	4.5x / 32%	27.5%	24.8%	25.3%	17.5%	51.7%	31.8%
Newly Forming Households	4x / 25%	27.9%	24.2%	20.0%	13.1%	53.4%	29.2%
	4.5x / 32%	30.7%	27.7%	26.8%	19.1%	57.2%	35.2%

Source: Lichfields analysis of Experian/VOA/ONS data

7.130 As indicated in the Table, the gap is particularly wide in the Central Lakes (which has very high LQ house prices in particular) and to a lesser extent the Dales, and much narrower in the Furness Peninsula.

7.131 This means that as with Eden District, affordable home ownership options are needed for private rented households which cited affordability as a main reason for them not expecting to buy (i.e. those who would expect to buy if they could afford to do so). This assessment should therefore be regarded as a minimum, because if any private renters who do expect to buy need (or expect that) an affordable home ownership option will be available when they plan to buy, the demand for affordable ownership products will be higher.

7.132 Having established the percentage of households falling in this 'gap', we need to understand how many households this is likely to represent over the course of the 20-year Plan period. For the purposes of this assessment, we have projected household growth using the SM3 housing need of 625 dpa as modelled in Section 7.0 in PopGroup.

7.133 The methodology mirrors that set out above for Eden. When applied to the household growth from the SM3 modelling, this could suggest that there will be an annual pool averaging **3,841 households over the period 2025-2045** who can afford to rent but

not buy privately (based on the 4.5x/32% income multipliers; falling to 3,491 households per annum if the lower multiples in Table 7.22 are applied).

- 7.134 The former District currently has some supply of shared ownership housing which is likely to be catering to the needs of some households which would otherwise be in PRS (and cannot afford to buy in the open market). The 2021 Census indicates that there were **281** shared ownership homes across South Lakeland, of which 144 were located in Kendal; 27 in the Cartmel Peninsula; 38 in the Furness Peninsula; 61 in the Central Lakes; and 11 in the Dales.
- 7.135 Considering that 281 households in the local area already live in shared ownership housing, the remaining households which can afford rents but unable to afford open market purchase (and are assumed to be currently living in private rented housing) reduces the annual pool from 3,841 households over 20 years, to **3,560** households.
- 7.136 Again, making the same assumption as with Eden that only 11.6% of households within PRS will need/want to move into home ownership each year, results in this calculation of need in Table 7.29. This analysis suggests an annualised demand for **166 affordable homes for purchase** from existing and future households in South Lakeland. Split by sub-area, this indicates that need is greatest in Kendal, followed by Central Lakes.

Table 7.29: Estimate of existing and future demand for intermediate housing: South Lakeland and Sub-Areas – 4.5x / 32%

	South Lakeland	Kendal	Cartmel Peninsula	Furness Peninsula	Central Lakes	Dales
(a) Annual Average households aged under 45	12,598	5,981	1,024	2,318	2,749	527
(b) Percentage who can afford LQ market rent but are unable to purchase (@ 4.5x income / 32% annual income)	30.7%	27.7%	26.8%	19.1%	57.2%	35.2%
(c) Number of households who can afford LQ market rent but are unable to purchase (a * b)	3,841	1,646	273	440	1,562	184
(d) Supply (current shared ownership units)	281	144	27	38	61	11
(e) 'Pool' of potential demand (net) (c-d)	3,560	1,502	246	402	1,501	173
(f) Percentage of households living in PRS expecting to buy in the next year if affordable homes are available	11.65%					
Potential gross need for affordable housing to purchase, annual average (e * f).	166	70	11	19	70	8
Potential gross need for affordable housing to purchase, annual average (e * f), balanced	166	65	11	17	65	8

Source: Lichfields' analysis

- 7.137 If the income ratio decreases to 4x income and a 25% of annual income being spent on rent, then the level of intermediate housing need reduces, as the costs of buying a home increase at a lower rate than the rental costs. As a result, the potential gross annual need under this test would be **150 dpa**, but again focussed on Kendal and Central Lakes.

Table 7.30: Estimate of existing and future demand for intermediate housing: South Lakeland – 4x/25%

	South Lakeland	Kendal	Cartmel Peninsula	Furness Peninsula	Central Lakes	Dales
(a) Annual Average households aged under 45	12,598	5,981	1,024	2,318	2,749	527
(b) Percentage who can afford LQ market rent but are unable to purchase (@ 4x income / 25% annual income)	27.9%	24.2%	20.0%	13.1%	53.4%	29.2%
(c) Number of households who can afford LQ market rent but are unable to purchase (a * b)	3,491	1,438	203	302	1,458	153
(d) Supply (current shared ownership units)	281	144	27	38	61	11
(e) 'Pool' of potential demand (net) (c-d)	3,210	1,294	176	264	1,397	142
(f) Percentage of households living in PRS expecting to buy in the next year if affordable homes are available	11.65%					
Potential gross need for affordable housing to purchase, annual average (e * f).	150	60	8	12	65	7
Potential gross need for affordable housing to purchase, annual average (e * f), balanced	150	59	8	12	64	6

Source: Lichfields' analysis.

- 7.138 As with the Eden calculation, we have made an adjustment for the current supply of housing stock that can be used to accommodate households in affordable housing need as well as future supply.
- 7.139 As noted above, the current number of shared ownership units that could be occupied by households in need has already been netted off the need in the Table above. As regards vacant properties, the overall proportion of vacant dwellings in the overall social housing stock is very small in South Lakeland, at just 1.4% and therefore given the demand for intermediate housing it is considered highly unlikely that there would be sufficient vacant intermediate housing (over 3% of the overall stock) to warrant a further adjustment to the requirement.
- 7.140 Regarding the committed supply of new affordable homes, data on committed supply of affordable housing has been provided by the Council (Table 7.26) and suggests that potentially, there are some shared ownership / first homes currently in the development pipeline, equal to around 160 across the former District of South Lakeland as a whole, the vast majority of which are likely to come forward in Kendal and the Furness Peninsula.

Table 7.31: Total Supply of New Affordable Units to Rent

	South Lakeland	Kendal	Cartmel Peninsula	Furness Peninsula	Central Lakes	Dales
Supply of New Affordable Housing to Rent (Committed Supply) 2025	160	58	27	75	0	0

Source: Local Authority Information provided by the Council, YDNP and LDNP Officers in 2025

- 7.141 Going forward, intermediate housing re-lets information has been calculated by applying the average number of social relets in 2023/24 as a proportion of the total stock (taken from LAHS data). The resultant District-wide percentage (4.58%) is then applied to the current stock of shared ownership properties in South Lakeland (281). This equates to an annual churn figure of **13 shared ownership properties per annum**.

- 7.142 These shared ownership homes are likely to meet some of the need for entry-level homes suitable for newly forming households. Netting off the **160** existing affordable housing to buy supply in the immediate pipeline from the 2025 intermediate need, and assuming that there will be a churn of **13** intermediate dwellings per annum thereafter, the net requirement for intermediate housing equates to **+146 dpa**. This breaks down to +56 dpa in Kendal; 8 dpa in the Cartmel Peninsula; 12 dpa in the Furness Peninsula; 62 dpa in the Central Lakes; and 7 dpa in the Dales.
- 7.143 If this supply is netted off in the lower income ratios test set out in Table 7.25, then the net requirement for intermediate housing decreases to **+130 dpa** due to the reduced gap between people's ability to afford private rent and market purchase.
- 7.144 Table 7.27 sets out the overall calculation of South Lakeland's net annual affordable housing need, combining the need for social/affordable rented properties with affordable home ownership. Overall, it indicates that there is an affordable housing need in the order of **738 dpa** based on 4x / 25% income multipliers, falling to **627 dpa** based on 4.5x / 32% income multipliers. Around half of this need arises in Kendal and its surroundings.

Table 7.32 South Lakeland's Affordable Housing Need Calculation – To Rent and Purchase

Stage and step in calculation	South Lakeland		Kendal		Cartmel Peninsula		Furness Peninsula		Central Lakes		Dales	
	25% income	32% income	25%	32%	25%	32%	25%	32%			25%	32%
Net Annual Affordable Housing Need for Rent	608	481	312	252	52	39	108	83	112	89	25	19
Net Annual Affordable Housing Need for Sale	130	146	50	56	6	8	7	12	61	62	6	7
Overall Net Annual Affordable Housing Need	738	627	362	308	58	47	115	95	173	151	31	26

Source: the Council, Local Authority Live Tables, CORE Data and Lichfields analysis. Sums may not add due to rounding errors.

Types of Affordable Housing Needed

- 7.145 The purpose of this section of the report is to establish the relative need between social rent, affordable rent and forms of affordable home ownership as set out in the NPPF within the overall affordable housing need figure. This exercise has examined the interaction between housing costs and household income.
- 7.146 The income required for each of the alternative tenure options, and the assumptions underpinning these figures, is set out in Table 7.33 and discussed in further detail below.

Table 7.33: Annual Rents and Costs: Barrow

BARROW	Cost Assumption	Price Assumptions	Affordability Requirements	Income Required
LQ Private Purchase	£99,790	HMLR Existing LQ Price Paid 15% deposit on sales value	4-times income / 4.5-times income	£21,205 / £18,849
Lower Quartile Rental	£6,804 per annum	LQ Market Price 2025	25% / 32% of Income	£27,216 / £21,263
Social Rent	£4,988 per annum	CORE data 2024/25, using Accent's median weekly Social Rent as a proxy for the former Barrow Borough	25% / 32% of Income	£19,953 / £15,589
Affordable Rent	£5,443 per annum	80% of LQ rent	25% / 32% of Income	£21,773 / £17,010
Shared ownership (25% Share)	£106,000 (based on 2 bed property available in Barrow)	LQ Shared ownership properties currently on the market in the vicinity of Barrow (as of Feb 2026). Deposit 25% of the share value. Monthly mortgage costs @ 4.78% over 25 years. Rental Costs per Month @2.75% of retained equity. Service Charge @£73 per month.	4-times income / 4.5-times income for equity. 25% / 32% of Income for rent	£18,212 / £14,870
Shared ownership (50% Share)				£21,259 / £17,892

Source: CORE 2024/25, VOA and Lichfields' analysis

Table 7.34: Annual Rents and Costs: Eden

EDEN	Cost Assumption	Price Assumptions	Affordability Requirements	Income Required
LQ Private Purchase	£187,245	HMLR Existing LQ Price Paid 15% deposit on sales value	4-times income / 4.5-times income	£39,790/ £35,369
Lower Quartile Rental	£7,560 per annum	LQ Market Price 2025	25% / 32% of Income	£30,240 / £23,625
Social Rent	£6,573 per annum	CORE data 2024/25, using Eden HA's median weekly Social Rent as a proxy for the former Eden District	25% / 32% of Income	£26,293 / £20,542
Affordable Rent	£6,048 per annum	80% of LQ rent	25% / 32% of Income	£24,192 / £18,900
Shared ownership (25% Share)	£185,000 (based on 2 bed property available in Appleby)	LQ 2-bed Shared ownership properties currently on the market in Eden (as of Feb 2026). Deposit 10% of the share value. Monthly mortgage costs @ 4.78% over 25 years. Rental Costs per Month @2.75% of retained equity. Service Charge @£57 per month.	4-times income / 4.5-times income for equity. 25% / 32% of Income for rent	£28,405 / £23,311
Shared ownership (50% Share)				£33,724 / £28,587

Source: CORE 2024/25, VOA and Lichfields' analysis

Table 7.35: Annual Rents and Costs: South Lakeland

SOUTH LAKELAND	Cost Assumption	Price Assumptions	Affordability Requirements	Income Required
LQ Private Purchase	£232,844	HMLR Existing LQ Price Paid 15% deposit on sales value	4-times income / 4.5-times income	£49,479/ £43,982
Lower Quartile Rental	£8,592 per annum	LQ Market Price 2025	25% / 32% of Income	£34,368 / £26,850
Social Rent	£6,097per annum	CORE data 2024/25, using South Lakes HA median weekly Social Rent as a proxy for the former South Lakeland District	25% / 32% of Income	£24,388 / £19,053
Affordable Rent	£6,874 per annum	80% of LQ rent	25% / 32% of Income	£27,494 / £21,480
Shared ownership (25% Share)	£195,000 (based on the most expensive 2 bed property available in Eden, given no shared ownership properties currently available in South Lakeland)	LQ 2-bed Shared ownership properties currently on the market in the vicinity of South Lakeland (as of Feb 2026). Deposit 10% of the share value. Monthly mortgage costs @ 4.78% over 25 years. Rental Costs per Month @2.75% of retained equity. Service Charge @£57 per month.	4-times income / 4.5-times income for equity. 25% / 32% of Income for rent	£29,792 / £24,456
Shared ownership (50% Share)				£35,399 / £30,016

Source: CORE 2024/25, VOA and Lichfields' analysis

Social and Affordable Rent Housing

7.147 The NPPF has moved away from requiring a minimum of 25% of affordable housing as First Homes and has instead refocused housing provision on social rented properties. The NPPF requires LPAs to consider the particular needs of those households requiring social rented accommodation and specifically requires planning policies to specify the type of affordable housing required including the minimum proportion of Social Rent homes required [paragraph 64]. Indeed, the Government has re-emphasised the importance of social rent by defining it separately in the Annex 2 Glossary to the NPPF:

“Social Rent: meets all of the following conditions: (a) the rent is set in accordance with the Government’s rent policy for Social Rent; (b) the landlord is a registered provider; and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision.”

7.148 Affordable rent is included separately in the definition of affordable housing in Annex 2, within the “Other affordable housing for rent” category.

7.149 This is also set within the context that the Government is considering introducing a nationally set requirement for the percentage of social rental properties on major sites. As stated in the Government’s recent consultation document “The NPPF: proposed reforms and other changes to the planning system” (updated February 2026):

“Building on our changes in the December 2024 revisions to the Framework which made clear that local planning authorities should consider the particular needs of those who require social rent, we are also seeking views on whether to specify a minimum proportion of social rent housing, such as 10%, that would be required of major development unless otherwise specified in development plans.”

7.150 On this basis, the key modelling assumptions were as follows:

- 1 **Social Rent** – CORE Social Housing lettings (PRP owned) – Rents and charges 2024/25. Median weekly social rent by dwelling in Westmorland & Furness is £110.53, including service charges, or **£5,747.56 per annum**. The predominant RP in Barrow (Accent Housing) charges a weekly median social rent of £95.93, or £4,988 per annum.; for Eden District, Eden Housing Association Ltd has a weekly median social rent of £126.41, or £6,573 per annum, whilst for South Lakeland District, South Lakes Housing charges a weekly median social rent of £117.25, or £6,097 per annum.
- 2 **Affordable Housing for Rent** – This is defined in the NPPF Annex 2 as *“the rent is set in accordance with the Government’s rent policy for Affordable Rent, or is at least 20% below local market rents (including service charges where applicable)”*:
 - a Average LQ market rents in **Barrow** are estimated at £567 per month, or £6,804 per annum; 80% of this means affordable rent can be no more than **£5,443 per annum**;
 - b The equivalent figures for **Eden** are £630 per month, or £7,560 per annum, with affordable rents at **£6,048 per annum**; and,
 - c For **South Lakeland**, LQ private rents are £716 per month, or £8,592 per annum, with affordable rents at **£6,874 per annum**.

7.151 Based on these assumptions, and as summarised in Table 7.36, we have re-run the affordable housing needs modelling exercise set out above, but rather than applying private rent / purchases, we have constrained it to the current median weekly affordable rental charges for each of the three districts as summarised above, as any households with incomes below this level would require social rented accommodation. As can be seen in the Table, the results suggest that the bulk of affordable housing need is for social rented properties, particularly in Barrow, where it comprises between 92% and 100% of need.

Table 7.36 Westmorland & Furness Affordable Housing Need Calculation – To Rent and Purchase, Indicative figures

	Stage and step in calculation	25% / 4x Single Earner Income multiplier		32% / 4.5 Dual Income multiplier	
		N	%	N	%
Barrow	Net Annual Affordable Housing Need for Social Rent	434	100%	355	92%
	Net Annual Affordable Housing Need for Affordable Rent	0	0%	32	8%
	Net Annual Affordable Housing Need for Sale	0	0%	0	0%
	Overall Net Annual Affordable Housing Need	434	100%	387	100%
Eden	Net Annual Affordable Housing Need for Social Rent	165	66%	111	56%
	Net Annual Affordable Housing Need for Affordable Rent	59	24%	48	24%
	Net Annual Affordable Housing Need for Sale	26	10%	41	21%
	Overall Net Annual Affordable Housing Need	250	100%	200	100%
South Lakeland	Net Annual Affordable Housing Need for Social Rent	426	63%	336	60%
	Net Annual Affordable Housing Need for Affordable Rent	117	17%	81	14%
	Net Annual Affordable Housing Need for Sale	130	19%	146	26%
	Overall Net Annual Affordable Housing Need	673	100%	563	100%

Source: Local Authority Live Tables, CORE Data and Lichfields analysis. Sums may not add due to rounding errors.

Rent to Buy

- 7.152 Rent to Buy is a government-designed scheme that allows working households to rent a home at Intermediate Rent (usually with a 20% discount on market rents) with the intention of providing them with the opportunity to save for a deposit over time to purchase their first home. To be eligible for Rent to Buy tenants must be first time buyers having not previously owned their own home. An exception to this is where an applicant is looking to return to home ownership following a relationship breakdown. There are no local or other prioritisation criteria to be applied to the Rent to Buy product, other than on rural exception site.
- 7.153 Ordinarily, the homes will be let at an Intermediate Rent for a minimum of five years during which it is expected that tenants will save for the deposit to purchase their home. After the initial five-year letting period, the Registered Provider may continue offering the property as Rent to Buy; sell the home on an outright basis with the tenant being given the right of first refusal; or retain and convert the home as rented housing on either an affordable or market rent basis. A tenant can also purchase their property within the five years rental period but at the discretion of the provider. A purchase under Shared Ownership is permitted as it remains as affordable housing. Tenants must meet all the shared ownership eligibility, affordability and sustainability requirements.⁹⁰
- 7.154 The initial affordability of the product is therefore akin to affordable rent, although after the 5-year rental period there is clear cross-over with the shared ownership product assessed below.

⁹⁰ [2. Rent to Buy - Capital Funding Guide - Guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/rent-to-buy-capital-funding-guide)

Shared Ownership and Other Intermediate Housing

- 7.155 Intermediate housing and shared ownership are included in the definition of ‘Other affordable routes to home ownership’ in Annex 2 of the December 2024 version of the NPPF as follows:
- “Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent).”**
- 7.156 It therefore includes shared ownership, relevant equity loans, other low-cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). This is less detailed than the original definition of Intermediate housing in the 2012 version of the NPPF, which defined it as follows:
- “Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low-cost homes for sale and intermediate rent, but not affordable rented housing.”**
- 7.157 On the basis of the earlier definition, this type of housing must be more expensive than social rent (established to be £5,748 per annum for Westmorland & Furness as a whole) and not include affordable rent. Based upon the above affordable needs calculation, the average LQ market rent is £6,804 per annum in Barrow; £7,560 in Eden and £8,592 in South Lakeland. Any household that cannot afford this is in housing need. Although it is plausible that some people in affordable housing need could afford both affordable rent and intermediate housing, there is a clear gap between housing costing more than £5,748 and £6,804-£8,592 which could be filled by more intermediate properties.
- 7.158 We have cross checked this against the cost of share-to-buy properties currently available in and around the District. To understand the current average cost of shared ownership properties in the area, the listings from www.shareto-buy.com has been obtained. At the time of writing (February 2026) there are 22 properties available for shared ownership in Westmorland & Furness, spread across three development sites, with one at Lapwing Close in Dalton in Furness (Outer Barrow sub-region); 15 at Carleton Chase in Penrith; and 6 at The Orchards in Appleby in Westmorland. Prices range from £106,000 for a 2-bedroom house in Lapwing Close in Dalton in Furness, to £254,000 for a 3-bed house in Carleton Chase, Penrith.

Table 7.37: Properties advertised within Westmorland & Furness

Address	Size	Description	Full Price	Share Percentage	Deposit	Website’s Monthly cost calculator
6 Lapwing Close, Dalton in Furness, LA15 8QF OUTER BARROW	2 bedroom house	Shared ownership (New Build)	£106,000	25%	At least 10% of share value (£2,650)	@25%, purchase price £106,000, £2,650 Min Deposit. Mortgage calculated using a rate of 6.49% over 25 years (£131). Rent = £547. Service charge = £73. Total Monthly cost = £751
Carleton Chase Carleton Avenue, Off Carleton Road,	3 bedroom house	Shared ownership (New Build)	£250,000	25%	At least £3,125	@25%, purchase price £250,000, £3,125 Min Deposit. Mortgage calculated using a rate of 4.78% over 25 years (£340).

Address	Size	Description	Full Price	Share Percentage	Deposit	Website's Monthly cost calculator
CA11 8TP PENRITH						Rent = 2.75% of remaining equity (£430). Service charge = £56. Total Monthly cost = £826
Carleton Chase Carleton Avenue, Off Carleton Road, CA11 8TP PENRITH	3 bedroom house	Shared ownership (New Build)	£250,000	50%	At least £6,250	@50%, purchase price £250,000, £6,250 Min Deposit. Mortgage calculated using a rate of 4.78% over 25 years (£679). Rent = 2.75% of remaining equity (£286). Service charge = £56. Total Monthly cost = £1,021
Carleton Chase Carleton Avenue, Off Carleton Road, CA11 8TP PENRITH	3 bedroom house	Shared ownership (New Build)	£250,000	75%	At least £9,375	@75%, purchase price £250,000, £9,375 Min Deposit. Mortgage calculated using a rate of 4.78% over 25 years (£1,019). Rent = 2.75% of remaining equity (£143). Service charge = £56. Total Monthly cost = £1,218
Carleton Chase Carleton Avenue, Off Carleton Road, CA11 8TP PENRITH	3 bedroom house	Shared ownership (New Build)	£250,000	25%	At least £3,125	@25%, purchase price £250,000, £3,125 Min Deposit. Mortgage calculated using a rate of 4.78% over 25 years (£340). Rent = 2.75% of remaining equity (£430). Service charge = £63. Total Monthly cost = £833
Carleton Chase Carleton Avenue, Off Carleton Road, CA11 8TP PENRITH	3 bedroom house	Shared ownership (New Build)	£254,000	25%	At least £3,175	@25%, purchase price £254,000, £3,175 Min Deposit. Mortgage calculated using a rate of 4.78% over 25 years (£345). Rent = 2.75% of remaining equity (£345). Service charge = £63. Total Monthly cost = £845
Carleton Chase Carleton Avenue, Off Carleton Road, CA11 8TP PENRITH	3 bedroom house	Shared ownership (New Build)	£254,000	75%	At least £9,525	@25%, purchase price £254,000, £9,525 Min Deposit. Mortgage calculated using a rate of 4.78% over 25 years (£1,035). Rent = 2.75% of remaining equity (£146). Service charge = £63. Total Monthly cost = £1,244
Carleton Chase Carleton Avenue, Off Carleton Road, CA11 8TP PENRITH	1 bedroom bungalow	Shared ownership (New Build)	£220,000	25%	At least £2,750	@25%, purchase price £220,000, £2,750 Min Deposit. Mortgage calculated using a rate of 4.78% over 25 years (£299). Rent = 2.75% of remaining equity (£378). Service charge = £60. Total Monthly cost = £737
Carleton Chase Carleton Avenue, Off Carleton Road, CA11 8TP PENRITH	1 bedroom bungalow	Shared ownership (New Build)	£220,000	50%	At least £5,500	@50%, purchase price £220,000, £5,500 Min Deposit. Mortgage calculated using a rate of 4.78% over 25 years (£598). Rent = 2.75% of remaining equity (£252). Service charge = £60. Total Monthly cost = £910
Carleton Chase Carleton Avenue, Off Carleton Road, CA11 8TP PENRITH	1 bedroom bungalow	Shared ownership (New Build)	£220,000	75%	At least £8,250	@75%, purchase price £220,000, £8,250 Min Deposit. Mortgage calculated using a rate of 4.78% over 25 years (£896). Rent = 2.75% of remaining equity (£126). Service charge = £60. Total Monthly cost = £1,082
Carleton Chase Carleton Avenue, Off Carleton Road, PENRITH	3 bedroom house	Shared ownership (New Build)	£250,000	50%	At least £6,250	@50%, purchase price £250,000, £6,250 Min Deposit. Mortgage calculated using a rate of 4.78% over 25 years (£679).

Address	Size	Description	Full Price	Share Percentage	Deposit	Website's Monthly cost calculator
CA11 8TP PENRITH						Rent = 2.75% of remaining equity (£286). Service charge = £63. Total Monthly cost = £1,028
Carleton Chase Carleton Avenue, Off Carleton Road, CA11 8TP PENRITH	3 bedroom house	Shared ownership (New Build)	£250,000	75%	At least £9,375	@75%, purchase price £250,000, £9,375 Min Deposit. Mortgage calculated using a rate of 4.78% over 25 years (£1,019). Rent = 2.75% of remaining equity (£143). Service charge = £63. Total Monthly cost = £1,225
Carleton Chase Carleton Avenue, Off Carleton Road, CA11 8TP PENRITH	3 bedroom house	Shared ownership (New Build)	£254,000	50%	At least £6,350	@50%, purchase price £254,000, £6,350 Min Deposit. Mortgage calculated using a rate of 4.78% over 25 years (£690). Rent = 2.75% of remaining equity (£291). Service charge = £63. Total Monthly cost = £1,044
Carleton Chase Carleton Avenue, Off Carleton Road, CA11 8TP PENRITH	3 bedroom house	Shared ownership (New Build)	£254,000	75%	At least £9,525	@75%, purchase price £254,000, £9,525 Min Deposit. Mortgage calculated using a rate of 4.78% over 25 years (£1,035). Rent = 2.75% of remaining equity (£146). Service charge = £63. Total Monthly cost = £1,244
Carleton Chase Carleton Avenue, Off Carleton Road, CA11 8TP PENRITH	3 bedroom house	Shared ownership (New Build)	£254,000	50%	At least £6,350	@50%, purchase price £254,000, £6,350 Min Deposit. Mortgage calculated using a rate of 4.78% over 25 years (£690). Rent = 2.75% of remaining equity (£291). Service charge = £63. Total Monthly cost = £1,044
Carleton Chase Carleton Avenue, Off Carleton Road, CA11 8TP PENRITH	3 bedroom house	Shared ownership (New Build)	£254,000	25%	At least £3,175	@25%, purchase price £254,000, £3,175 Min Deposit. Mortgage calculated using a rate of 4.78% over 25 years (£345). Rent = 2.75% of remaining equity (£345). Service charge = £63. Total Monthly cost = £845
The Orchards Westmorland Road, CA16 6SE APPLEBY	2 bedroom house	Shared ownership (New Build)	£185,000	25%	At least £2,313	@25%, purchase price £185,000, £2,313 Min Deposit. Mortgage calculated using a rate of 4.78% over 25 years (£251). Rent = 2.75% of remaining equity (£318). Service charge = £57. Total Monthly cost = £626
The Orchards Westmorland Road, CA16 6SE APPLEBY	2 bedroom house	Shared ownership (New Build)	£195,000	25%	At least £2,438	@25%, purchase price £195,000, £2,438 Min Deposit. Mortgage calculated using a rate of 4.78% over 25 years (£265). Rent = 2.75% of remaining equity (£335). Service charge = £57. Total Monthly cost = £657
The Orchards Westmorland Road, CA16 6SE APPLEBY	2 bedroom house	Shared ownership (New Build)	£185,000	50%	At least £2,438	@50%, purchase price £185,000, £4,625 Min Deposit. Mortgage calculated using a rate of 4.78% over 25 years (£503). Rent = 2.75% of remaining equity (£212). Service charge = £57. Total Monthly cost = £772
The Orchards Westmorland Road, CA16 6SE	2 bedroom house	Shared ownership (New Build)	£185,000	75%	At least £6,938	@75%, purchase price £185,000, £6,938 Min Deposit. Mortgage calculated using a rate of 4.78% over 25 years (£754).

Address	Size	Description	Full Price	Share Percentage	Deposit	Website's Monthly cost calculator
APPLEBY						Rent = 2.75% of remaining equity (£106). Service charge = £57. Total Monthly cost = £917
The Orchards Westmorland Road, CA16 6SE APPLEBY	2 bedroom house	Shared ownership (New Build)	£195,000	50%	At least £4,875	@50%, purchase price £195,000, £4,875 Min Deposit. Mortgage calculated using a rate of 4.78% over 25 years (£530). Rent = 2.75% of remaining equity (£223). Service charge = £57. Total Monthly cost = £810
The Orchards Westmorland Road, CA16 6SE APPLEBY	2 bedroom house	Shared ownership (New Build)	£195,000	75%	At least £7,313	@75%, purchase price £195,000, £7,313 Min Deposit. Mortgage calculated using a rate of 4.78% over 25 years (£795). Rent = 2.75% of remaining equity (£112). Service charge = £57. Total Monthly cost = £964

Source: www.sharetoobuy.com/properties (February 2026)

- 7.159 The most affordable of the options involves a 25% share of the 2-bed property at the Orchards, Appleby, which is currently available at a monthly cost of £626, or £7,512 annually.
- 7.160 This contrasts with monthly mortgage repayment costs (based on LQ house prices, and assuming a 25% repayment period, a 15% deposit and 4.78% interest rate) of £485 for Barrow; £910 for Eden; and as much as £1,132 for South Lakeland District.
- 7.161 A further analysis of shared ownership affordability for Eden (as this is where almost all of the shared ownership properties for sale are located, with the single exception at Dalton-in-Furness), suggests that whilst at either a 50% or particularly a 75% share price, intermediate housing would be less affordable than the LQ market purchase of a home, this would not necessarily be the case when the equity share is reduced to 25%. The monthly payment for such properties in Table 7.37 ranges between £626-£845 (so between £7,512 and £10,140 annually). This sits above the social/affordable rent (£6,048) and around the LQ rental prices (£7,560) at the very bottom end, but below the LQ market purchase of an existing home (£10,920), which suggests that it is reasonable that smaller shared ownership properties could meet the needs of some who fall between affordable rent and average LQ market sales, albeit there may be some overlap between those who can afford affordable rent and a cheaper shared ownership property.
- 7.162 **Table 7.36 identified that across Westmorland & Furness as a whole, between 11% and 16% of the overall affordable housing need was for intermediate housing for sale (although this was predominantly in South Lakeland and to a lesser extent, Eden).** This was despite the fact that the costs of purchasing a shared ownership property, even with a 25% share rather than 50% share, required an income of at least £23,475 based on a 32% income multiplier, which is high but below the £23,625 annual household income (again based on the 32% income multiplier) that it was estimated to be required to rent privately in Eden and £21,625 in Barrow (albeit below the £26,850 required to rent privately in South Lakeland).
- 7.163 However, intermediate housing is not only a way of helping to meet affordable housing needs; it can be an effective way of helping households who are able to afford rents but are not able to buy move out of PRS and onto the housing ladder (for example, where shared ownership schemes offer 'staircasing' whereby households can progressively purchase more

and more shares in their home, up to 100%). This aligns with the PPG's requirement that affordable housing need assessments should include an estimate of those households that cannot afford their own home to rent or to own their home '*where that is their aspiration*'.

Barrow

7.164 The gap between the cost of renting and buying in Barrow is actually reversed, with house prices sufficiently low as to make it more affordable to buy than rent in the District. To afford entry level market rents using 25% of income, a household income of £27,216 is required (as previously established, falling to £21,263 if a higher proportion of income - 32% - is allowed for). However, to afford to buy an existing entry level home (lower-quartile), at £99,790 (assuming a 15% deposit and that a household can borrow up to 4 x its income) requires a housing income of £21,205 (as shown in Table 7.38, falling to £18,849 if a 4.5x income multiple is used).

Table 7.38 Gap between cost of renting and buying in the market: Barrow

Measure	Cost	Income required @ 4 x income / 25%	Income required @ 4.5 x income / 32%
Lower Quartile Market Rent	£6,804 (p.a.)	£27,216	£21,263
Shared ownership (25% Share)	£106,000 (based on typical availability in Barrow) (£2,650 deposit @10% of share value, £23,850 mortgage, rental costs of £182 per month plus £73 monthly service charge)	£18,212	£14,870
Shared ownership (50% Share)	£106,000 (£5,300 deposit @10%, £47,700 mortgage, rental costs of £121 per month plus £73 monthly service charge)	£21,259	£17,892
Lower Quartile House Price (Existing)	£99,790 (£14,969 (15%) deposit, £84,822 mortgage over 25 years)	£21,205	£18,849
Lower Quartile House Price (New, Semi-Detached)	£121,600 (based on ONS Table 2c (LQ price paid (new dwelling) for semi-detached houses by local authority, March 2025 for Westmorland & Furness, adjusted for Barrow based on latest Price Paid data) (£18,240 (15%) deposit, £103,358 mortgage)	£25,839	£22,968

Source: Lichfields based on VOA/ONS

7.165 This potentially means that there is a very limited role for intermediate housing in Barrow.

Eden District

7.166 The gap between the cost of renting and buying in Eden is much more pronounced than in Barrow, but still significant for low earners. To afford entry level market rents using 25% of income, a household income of £30,240 is required (as previously established, falling to £23,625 if a higher proportion of income - 32% - is allowed for). However, to afford to buy an existing entry level home (LQ), at £187,245 (assuming a 15% deposit and that a

household can borrow up to 4 x its income) requires a housing income of £39,790 (as shown in Table 7.39, falling to £35,369 if a 4.5x income multiple is used).

Table 7.39 Gap between cost of renting and buying in the market: Eden

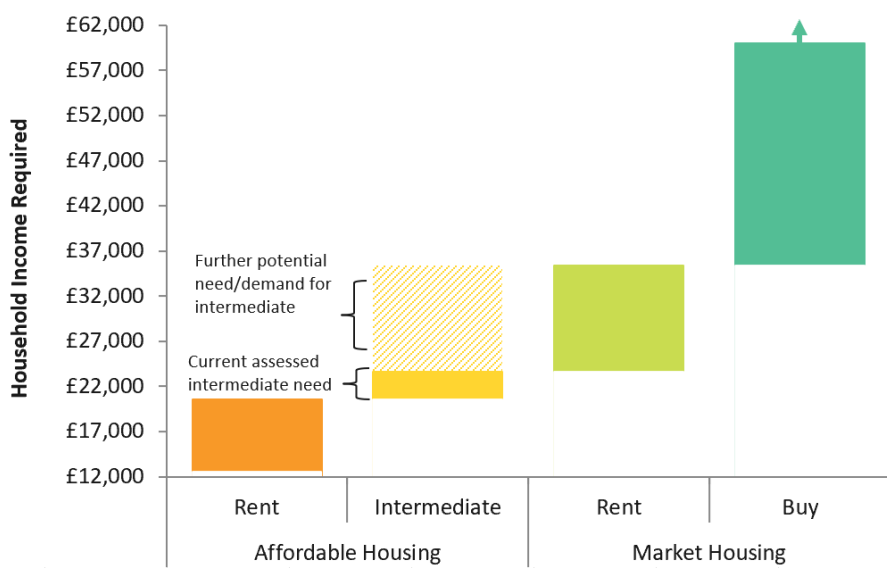
Measure	Cost	Income required @ 4 x income / 25%	Income required @ 4.5 x income / 32%
Lower Quartile Market Rent	£7,560 (p.a.)	£30,240	£23,625
Shared ownership (25% Share)	£185,000 (based on typical availability in Eden) (£4,625 deposit @10% of share value, £41,625 mortgage, rental costs of £318 per month plus £57 monthly service charge)	£28,405	£23,311
Shared ownership (50% Share)	£185,000 (£9,250 deposit @10%, £83,250 mortgage, rental costs of £212 per month plus £57 monthly service charge)	£33,724	£28,587
Lower Quartile House Price (Existing)	£187,245 (£28,087 (15%) deposit, £159,159 mortgage over 25 years)	£39,790	£35,369
Lower Quartile House Price (New, Semi-Detached)	£229,000 (based on ONS Table 2c (LQ price paid (new dwelling) for semi-detached houses by local authority, March 2025 for Westmorland & Furness, adjusted for Eden based on latest Price Paid data) (£34,350 (15%) deposit, £194,650 mortgage)	£48,664	£43,257

Source: Lichfields based on VOA/ONS

7.167 This means any household with an income between £23,625 and £35,369 is theoretically ineligible for affordable housing to rent but is unable to buy, meaning the only options for these households is renting in the market, or some form of intermediate home ownership product.

7.168 In this context intermediate housing could be a way of addressing demand from renters who do not want to remain in PRS (but are not able to obtain either affordable rented or market housing) or those who cannot appropriately meet their need in PRS (e.g. for family housing) but may be able to do so in intermediate housing. These households are indicated in Figure 7.5 for dual income households using the higher multiples of 32% annual income for rent and 4.5x annual income to buy.

Figure 7.5: Household income and tenure – potential further need for intermediate housing in Eden for Dual Income Households: @32% / 4.5x income multipliers



Source: Lichfields based on ONS/VOA

South Lakeland

7.169

The gap between the cost of renting and buying in South Lakeland is very large, and therefore significant for low earners. To afford entry level market rents using 25% of income, a household income of £34,368 is required (as previously established, falling to £26,850 if a higher proportion of income (32%) is allowed for). However, to afford to buy an existing lower-quartile home, at £285,750 (assuming a 15% deposit and that a household can borrow up to 4 x its income) requires a housing income of £49,479 (as shown in Table 7.38, falling to £43,982 if a 4.5x income multiple is used).

Table 7.40 Gap between cost of renting and buying in the market: South Lakeland

Measure	Cost	Income required @ 4 x income / 25%	Income required @ 4.5 x income / 32%
Lower Quartile Market Rent	£8,592 (p.a.)	£34,368	£26,850
Shared ownership (25% Share)	£195,000 (based on typical availability) (£4,875 deposit @10% of share value, £43,875 mortgage, rental costs of £335 per month plus £57 monthly service charge)	£29,792	£24,456
Shared ownership (50% Share)	£195,000 (£9,750 deposit @10%, £87,750 mortgage, rental costs of £223 per month plus £57 monthly service charge)	£35,399	£30,016

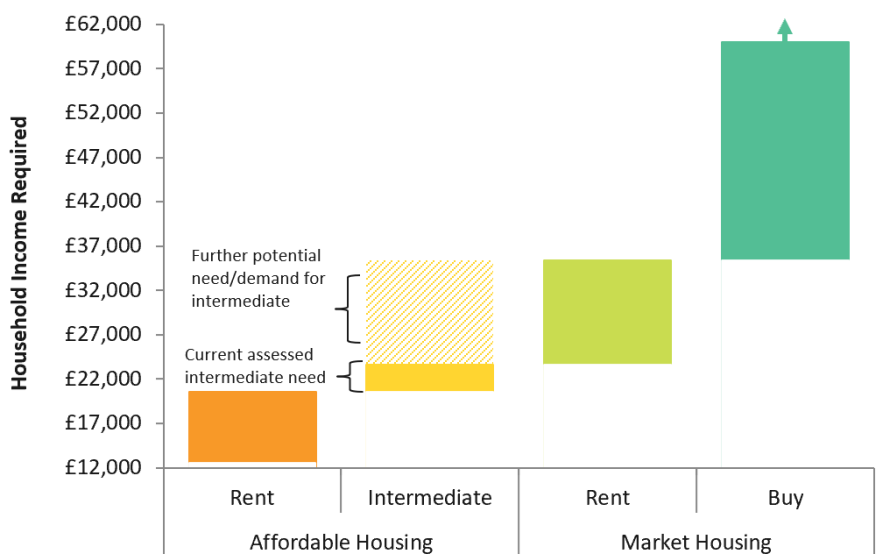
Measure	Cost	Income required @ 4 x income / 25%	Income required @ 4.5 x income / 32%
Lower Quartile House Price (Existing)	£232,844 (£34,297 (15%) deposit, £197,918 mortgage over 25 years)	£49,479	£43,982
Lower Quartile House Price (New, Semi-Detached)	£285,750 (based on ONS Table 2c (LQ price paid (new dwelling) for semi-detached houses by local authority, March 2025 for Westmorland & Furness, adjusted for South Lakeland based on latest Price Paid data) (£42,863 (15%) deposit, £242,890 mortgage)	£60,722	£53,976

Source: Lichfields based on VOA/ONS

7.170 This means any household with an income between £26,850 and £43,982 is theoretically ineligible for affordable housing to rent, but is unable to buy, meaning the only options for these households is renting in the market, or some form of intermediate home ownership product.

7.171 In this context, and as with Eden, intermediate housing could be a way of addressing demand from renters who do not want to remain in PRS (but are not able to obtain either affordable rented or market housing) or those who cannot appropriately meet their need in PRS (e.g. for family housing) but may be able to do so in intermediate housing. These households are indicated in Figure 7.6 for dual income households using the higher multiples of 32% annual income for rent and 4.5x annual income to buy, as the shared ownership figures are above both the LQ rental and LQ house prices under the lower multipliers.

Figure 7.6: Household income and tenure – potential further need for intermediate housing in South Lakeland for Dual Income Households: @32% / 4.5x income multipliers



Source: Lichfields based on ONS/VOA

Discounted Market Housing

- 7.172 Under the previous Conservative Government, First Homes were the preferred discounted market tenure and were intended to account for at least 25% of all affordable housing units delivered by developers through planning obligations. However, as set out above, the advent of the new Labour Government and the NPPF has reduced the prominence of First Homes as an affordable tenure. Footnote 31 of the NPPF states that the requirement to deliver a minimum of 25% of affordable housing as First Homes, as set out in 'Affordable Homes Update' Written Ministerial Statement dated 24th May 2021, no longer applies. The NPPF does state that the delivery of First Homes can, however, continue where LPAs judge that they meet local need.
- 7.173 Until recently, both Eden District Council and SLDC had “*First Homes Position Statements*”. These set out the key information relating to First Homes and how it will affect the implementation of *Policy HS1: Affordable Housing* in the adopted Eden Local Plan 2014- 2032 and *Policy CS6.3* of the SLDC Core Strategy and *Policy ASO3* of the Arnsdale and Silverdale AONB Local Plan. However, at a Meeting on 15th July 2025 Cabinet Members resolved to repeal the Eden and South Lakeland First Homes Statements. This was on the grounds that the NPPF (December 2024) had removed the obligation for local authorities to require First Homes on major development sites.
- 7.174 Minutes of the Meeting state that the **existing Discounted Sale scheme** in Westmorland and Furness better met local affordable housing needs by being accessible to all residents in affordable need, not just first-time buyers.
- 7.175 As a consequence, this stage of the analysis focuses on discounted market sale housing. The NPPF considers that discounted housing can be included as one of the forms of affordable housing as defined in Annex 2. The definition states that discounted market sales housing comprises homes sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices, and provisions should be in place to ensure housing remains at a discount for future eligible households. It is similar to the Government’s First Homes product, albeit without the requirement for the occupant to be a first time buyer or some of the other eligibility criteria (including the minimum 30% reduction against market value, household income thresholds and the cap on the first sale of £250,000 / £450,000 in Greater London).
- 7.176 Aspects of this SHENA’s evidence could be used in the future to consider the applicability of the appropriate discount to be provided, including the scale of discount (between 20% and 50%) and the sales price cap, as well as other matters such as local occupancy criteria. This is considered further below.
- 7.177 The calculation is complicated by the very low level of newly built market housing in parts of the District, and particularly the National Park areas. Similarly, the latest median ‘Price Paid’ data for newly built properties relates only to Westmorland and Furness as a whole and does not break this down by the three former districts. Table 7.41 indicates that median prices paid for all new dwellings sold in the District for the y/e September 2025 comprised £369,750, ranging from £138,000 for new terraced properties and £225,000 for flats, all the way up to £440,000 for a detached house.

Table 7.41 Median Price Paid – Newly built Dwellings (September 2025), Westmorland and Furness District

Median Price Paid y/e September 2025	W&F
All Dwellings	£369,750
Detached	£440,000
Semi-Detached	£268,950
Terraced	£138,000
Flats/Maisonettes	£225,000

Source: ONS (2026): Median house prices for administrative geographies (newly built dwellings) data (formally HPSSA dataset 10).

7.178 Lichfields analysis of all property sales in the calendar year 2024 (discussed above) indicated that price paid for dwellings diverged very significantly depending on the sub-area. In general, the median house price of dwellings in 2024 in South Lakeland was 28% above the Westmorland and Furness-wide average; Eden's was 6% higher and Barrow in Furness saw median house prices 38% below the District-wide average.

7.179 On the presumption that new house prices follow these trends (i.e. that a new build detached property sells for around 28% above the District-wide average in South Lakeland and 38% below in Barrow), then the following breakdown can be assumed of median house prices for new build properties by sub-area:

Table 7.42 Median Price Paid – Newly built Dwellings (September 2025), Westmorland and Furness District

Median Price Paid y/e September 2025	W&F	Barrow	Eden	South Lakeland
All Dwellings	£369,750	£227,785	£393,010	£473,216
Detached	£440,000	£271,063	£467,679	£563,124
Semi-Detached	£268,950	£165,687	£285,869	£344,209
Terraced	£138,000	£85,015	£146,681	£176,616
Flats/Maisonettes	£225,000	£138,612	£239,154	£287,961

Source: ONS (2026): Median house prices for administrative geographies (newly built dwellings) data (formally HPSSA dataset 10) / Lichfields analysis

Discounted Market Housing in Barrow

7.180 Lichfields has undertaken an analysis of the potential ability of newly forming households who may be able to purchase a discounted new property in Barrow in Furness. This process is summarised in Table 7.43 for the former Borough of Barrow in Furness, with sensitivities applied with a 20%, 30% and 40% discount. The analysis is based on median new build property prices for a typical semi-detached property in Barrow in 2025, and assuming a 15% deposit is able to be raised by the purchaser and a 4.5x income multiplier.

7.181 The analysis is distorted by the fact that unlike elsewhere in Westmorland and Furness, it is generally more affordable to purchase a house on the open market than to rent privately in Barrow in Furness, due to the very low property prices in the area. As can be seen in the Table, clearly the price of a median new build property is in excess of an existing LQ house in the sub-region for all scenarios **with the exception of the 40% discount scenario**.

7.182 This suggests that discounted market housing may have a more limited role to play in meeting local household’s housing needs than other forms of affordable tenure.

7.183 As such, the Council will need to monitor the situation and prepare suitable policy responses, based on viability assessments, to ensure that any demand can be met without harming the wider property market (for either market or social rented properties).

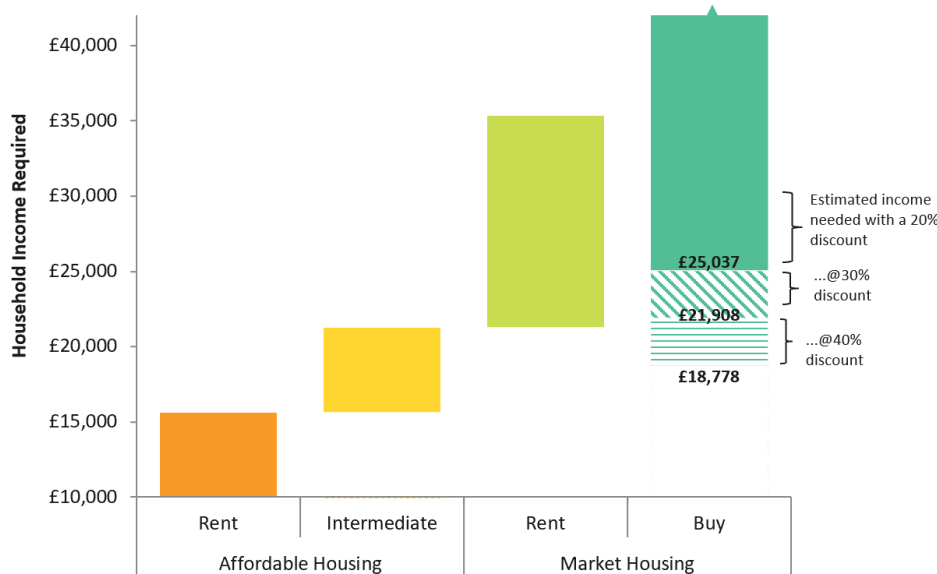
Table 7.43 Indicative Income levels required to purchase a newly-built house in Barrow assuming a 15% deposit (2025)

Barrow in Furness	4 x Income Multiple	% New Households unable to afford	4.5 x Income Multiple	% New Households unable to afford
Income required to rent privately	£27,216	48.9%	£21,263	33.7%
Income required for an LQ existing property	£21,205	33.6%	£18,849	27.6%
Income required to purchase a newly built median-priced semi-detached house (@£165,687), with a 15% deposit:				
Income required at 20% discount	£28,167	51.0%	£25,037	43.3%
Income required at 30% discount	£24,646	42.3%	£21,908	35.4%
Income required at 40% discount	£21,125	33.4%	£18,778	27.4%

Source: ONS House Price Statistics for Median new build Dwellings (2026) and Lichfields analysis.

7.184 It is likely that the demand for discounted homes will primarily come from households who are either able to afford market or shared ownership properties, rather than affordable rented/social rented housing. It is almost certain therefore that there will be a considerable overlap between the demand for intermediate (and particularly shared ownership) properties to buy and discounted homes.

Figure 7.7: Estimated household income needed to afford Discounted housing in Barrow with a 4.5x income multiple



Source: Lichfields based on VOA/ONS

7.185 As shown in Figure 7.7, Our analysis shows that there is limited potential to bring new households into home ownership for unless a 40% or more discount were to be applied.

7.186 However, there is likely to be considerable cross over with shared ownership products, depending on the value of discounted homes coming onto the market over the coming years.

7.187 In our view, and given the very low existing house prices already in Barrow in Furness, there is a limited role for discounted housing in the sub-area with the bulk of need likely to remain for affordable rent, and particularly social rented properties.

Discounted Market Housing in Eden District

7.188 Lichfields has undertaken a similar analysis of the potential ability of newly forming households who may be able to purchase a discounted new property in the former District of Eden. This process is summarised in Table 7.44. The analysis is based on median new build property prices for a typical semi-detached property in Eden in 2025, and assumes a 15% deposit is able to be raised by the purchaser using a 4.5x income multiplier.

7.189 The data in the Table indicates that to bring the affordability down to below the cost of an existing LQ property, **the discount would need to be at least 40%**, and even then it would still be more expensive than renting.

Table 7.44 Indicative Income levels required to purchase a newly-built house in Eden assuming a 15% deposit (2025)

Eden	4 x Income Multiple	% New Households unable to afford	4.5 x Income Multiple	% New Households unable to afford
Income required to rent privately	£30,240	41.0%	£23,625	27.4%
Income required for an LQ existing property	£39,790	59.1%	£35,369	50.7%
Income required to purchase a newly built median-priced semi-detached house (@£285,869), with a 15% deposit:				
Income required at 20% discount	£48,598	73.7%	£43,198	65.3%
Income required at 30% discount	£42,523	64.0%	£37,798	55.3%
Income required at 40% discount	£36,448	52.7%	£32,398	45.1%

Source: ONS House Price Statistics for Median new build Dwellings (2026) and Lichfields analysis.

7.190 It is likely that the demand for discounted homes will primarily come from households who are either able to afford market or shared ownership properties, rather than affordable rented/social rented housing. Again, it is almost certain therefore that there will be a considerable overlap between the demand for intermediate (and particularly shared ownership) properties to buy and discounted homes.

Figure 7.8: Estimated household income needed to afford Discounted housing in Eden with a 4.5x income multiple



Source: Lichfields based on VOA/ONS

7.191 As shown in Figure 7.7, Our analysis shows that there is limited potential to bring new households into home ownership **unless a 40% or more discount were to be applied**. At such a level there would be considerable cross over with shared ownership products, depending on the value of discounted homes coming onto the market over the coming years.

7.192 **In conclusion, there is likely to be a limited role for discounted housing in Eden unless a 40%+ discount is applied to new market homes.**

7.193 .

Discounted Market Housing in South Lakeland District

7.194 Lichfields has revisited the above analyses in the context of the former District of South Lakeland. The results are summarised in Table 7.45. The analysis is based on median new build property prices for a typical semi-detached property in South Lakeland in 2025, and again assumes a 15% deposit is able to be raised by the purchaser using a 4.5x income multiplier.

7.195 The data in the Table indicates that as with Eden, to bring the affordability down to below the cost of an existing LQ property, the discount would need to be at least 40%, and even then it would still be more expensive than renting.

Table 7.45 Indicative Income levels required to purchase a newly-built house in South Lakeland assuming a 15% deposit (2025)

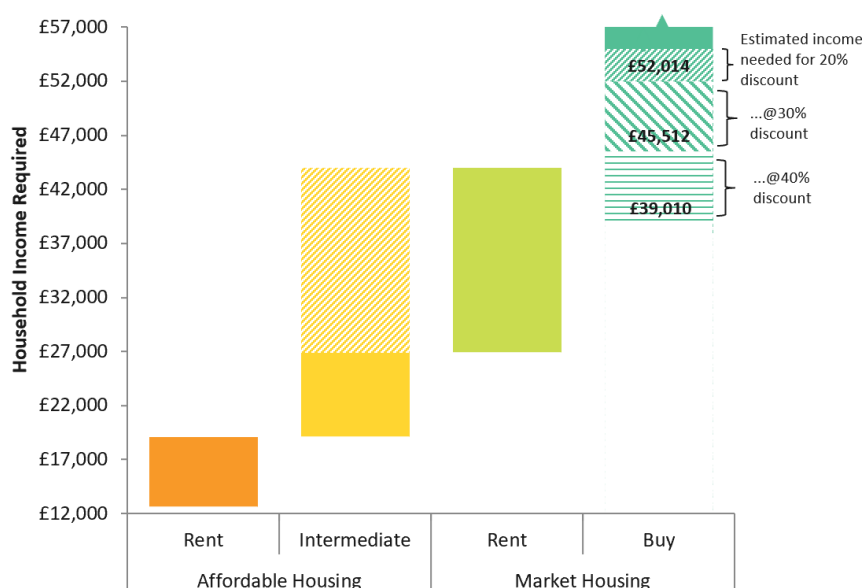
Eden	4 x Income Multiple	% New Households unable to afford	4.5 x Income Multiple	% New Households unable to afford
Income required to rent privately	£34,368	37.1%	£26,850	24.1%
Income required for an LQ existing property	£49,479	65.0%	£43,982	54.8%
Income required to purchase a newly built median-priced semi-detached house (@£344,209), with a 15% deposit:				
Income required at 20% discount	£58,516	75.8%	£52,014	67.6%
Income required at 30% discount	£51,201	66.4%	£45,512	57.6%
Income required at 40% discount	£43,887	54.6%	£39,010	45.5%

Source: ONS House Price Statistics for Median new build Dwellings (2026) and Lichfields analysis.

7.196

It is likely that the demand for discounted homes will primarily come from households who are either able to afford market or shared ownership properties, rather than affordable rented/social rented housing. Again, it is almost certain that there will be a considerable overlap between the demand for intermediate (and particularly shared ownership) properties to buy and discounted homes.

Figure 7.9: Estimated household income needed to afford Discounted housing in South Lakeland with a 4.5x income multiple



Source: Lichfields based on VOA/ONS

7.197

As shown in Figure 7.7, our analysis shows that as with Eden there is limited potential to bring new households into home ownership unless a 40% or more discount were to be applied. At such a level there would be considerable cross over with shared ownership products, depending on the value of discounted homes coming onto the market over the coming years.

7.198

In conclusion, there is likely to be a limited role for discounted housing in South Lakeland unless a 40%+ discount is applied to new market homes.

- 7.199 As such, the Council will need to monitor the situation and prepare suitable policy responses, based on viability assessments, to ensure that any demand can be met without harming the wider property market (for either market or social rented properties) and whether a further increase in the discount is appropriate and, most importantly, viable in both Eden and South Lakeland.

Suggested Affordable Housing Split

- 7.200 The NPPF states that where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, applying the definitions of affordable housing set out in Annex 2 [paragraph 64]. In this regard, the latest iteration of the NPPF is slightly out of step with the PPG, as the latter makes no reference to ‘First Homes’, and instead focuses on ‘affordable home ownership’:

“Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the total number of homes to be available for affordable home ownership, unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups.”

- 7.201 As noted above the Government has now made clear that more needs to be done to delivery additional homes for social rent, removing the 25% requirement on First Homes from the NPPF and clearly stipulating that LPAs should consider the particular needs of those who require Social Rent when undertaking needs assessments and setting policies on affordable housing requirements.
- 7.202 There is therefore a clear expectation from Government that the delivery of social rented properties ought to be prioritised, although the delivery of First Homes can continue where LPAs judge that they meet local need [NPPF, footnote 31].
- 7.203 In summary therefore, our recommended split of affordable housing to rent/buy is summarised in Table 7.46. The Table reflects the fact that affordable and social rent are more affordable than intermediate homes in Barrow (although not in Eden and South Lakeland) and that due to low house prices, there is a significantly greater need for social/affordable rented properties than shared ownership and to an even lesser extent, discounted housing (of 40% and above) in Westmorland & Furness.
- 7.204 Given the Government’s changing policy parameters and guidelines that seek to promote the delivery of social rented property, and the limited affordability of shared ownership properties more generally, it is considered that social rented properties should be prioritised in policies, particularly in Barrow.
- 7.205 Clearly the situation is considerably more complicated than this; with some social products falling between different income thresholds if they deviate from the average. In practice however, there is very limited difference between affordable rented and social rented properties and in any case recent structural changes at a national level – including the curtailing of capital/grant funding for social housing, with a move to revenue funding of affordable rent products through housing benefit – means there has been a move away from social rented towards affordable rented tenure provision in recent years. However, noting the Government’s recent changes to the NPPF, the tide appears to have turned to facilitate the provision of social rented properties at the expense of other forms of affordable dwellings and this has informed the indicative policy split as a consequence.

Table 7.46 Suggested Social/Affordable Rent and Intermediate Indicative Split

		Measure	Annual Housing Need (net)		Split of households in need (rounded)	Indicative Policy Split (%)
			25% / 4x income	32% / 4.5x income		
Barrow	Affordable Homes to Rent	Social Rent	434	355	96%	95%
		Affordable Rent	0	32	4%	5%
	Affordable Homes to Purchase	Discounted Housing	0	0	0%	0%
		Shared Ownership				
ALL			434	387	100%	100%
Eden	Affordable Homes to Rent	Social Rent	165	111	61%	60%
		Affordable Rent	59	48	24%	25%
	Affordable Homes to Purchase	Discounted Housing	26	41	15%	15%
		Shared Ownership				
ALL			250	200	100%	100%
South Lakeland	Affordable Homes to Rent	Social Rent	426	336	62%	60%
		Affordable Rent	117	80	16%	15%
	Affordable Homes to Purchase	Discounted Housing	130	146	23%	25%
		Shared Ownership				
ALL			673	563	100%	100%

Source: Lichfields' analysis

- 7.206 In essence, the latest iteration of the NPPF has removed the previous national requirements relating to affordable home ownership, giving greater control to local areas by the Council. This means that the requirement to deliver at least 10% of the total number of homes on major sites as affordable home ownership, as well as the requirement that 25% of affordable housing units delivered through section 106 planning obligations should be First Homes, both no longer apply. Local policy can reflect the affordable tenure need that is most pressing, e.g., affordable home ownership or in the case of Westmorland & Furness, social rented accommodation.
- 7.207 In terms of the overall levels of affordable housing that should be sought as a percentage of the overall housing delivery on a site, the figures in Table 7.46 are indicative. The Council may wish to seek a higher proportion of affordable housing on more viable sites. This should be tested through detailed viability assessments working in concert with local house builders to ensure that housing remains deliverable in Westmorland & Furness (particularly in more challenging housing market areas, notably Inner Barrow).
- 7.208 Discussions with the Council indicated that viability assessments must also consider mandatory Biodiversity Net-Gain [BNG] requirements, building regulations as well as the addition of various community contributions. This may well make it difficult for the Council to raise affordable contributions in the near future.
- 7.209 It is noted that whilst this split is considered generally appropriate across the three former districts as a whole, there will clearly be nuances in certain sub-areas, most notably the higher value National Park areas, where an alternative approach favouring more shared ownership / Discounted housing provision may be more appropriate with local occupancy conditions.

Affordable Housing Needs – Influence on Housing Requirement

- 7.210 The NPPF states that where major development involving the provision of housing is proposed, planning policies and decisions should expect that the mix of affordable housing required meets identified local needs, across Social Rent, other affordable housing for rent and affordable home ownership tenures.
- 7.211 Across Westmorland & Furness overall, total affordable needs are in the range between 963 and 1,201 affordable homes per annum between 2025 to 2045 (based on delivering the unmet need in full over 5 years rather than 20). This is between 72% and 90% of the LHN based on the standard method (1,330 dpa). However, the proportion is much higher in Barrow (161%-181%) than it is in South Lakeland (55%-71%) and particularly Eden (49%-68%).
- 7.212 Delivering this amount of affordable housing is clearly going to be unrealistic in the Westmorland & Furness context. For example, it is noted that:
- For **Barrow**, the affordable housing target is 10% per year on major development sites as set out in Policy H14 of its adopted Local Plan. Over the past five years, just 13 affordable dwellings per annum have been delivered on average.
 - For **Eden**, the affordable housing target is 30% per year on larger schemes of over ten dwellings. Over the past five years, 70 affordable dwellings per annum have been delivered on average (including the National Park areas within Eden).
 - For **South Lakeland**, its affordable housing target is 35% on schemes of 9 or more dwellings in Principal Service Centres / Key Service Centres and of 3 or more elsewhere. Like Eden, 70 affordable dpa have been delivered in the former District over the past 5 years (including the National Park areas within South Lakeland).
- 7.213 The PPG remains clear that the total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, considering the probable percentage of affordable housing to be delivered by eligible market housing led developments. In the more viable areas of Westmorland & Furness the likely delivery is a maximum of 35% on major development sites, which is considerably lower than being able to meet affordable needs.
- 7.214 Given that just 153 affordable dpa have been delivered over the past 5 years, it is not realistic to suggest that the target can be increased tenfold in the years to come, even with a step change in the overall housing targets for the three areas. Due to viability constraints, Barrow in particular is likely to struggle to deliver its affordable housing needs.
- 7.215 The PPG⁹¹ suggests an increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes.
- 7.216 In line with the approach envisaged by the NPPF, the affordable housing needs are an important component of the overall need for housing, and the Council should seek to use its planning policy to maximise delivery of affordable housing given the scale of need identified.
- 7.217 An additional uplift would go some way towards meeting the high level of affordable housing need identified for Westmorland & Furness, although it is noted that the recommended housing need figure of 1,330 dpa is already considerably greater than the 761 dpa in the three adopted Local Plans.

⁹¹ 2a-024-20190220

7.218 It is for the Council to consider the evidence contained in this SHENA when identifying the housing requirement which would support the strategy underpinning the emerging plan and whether an uplift beyond the standard method is appropriate:

“Where a strategic policy-making authority can show that an alternative approach identifies a need higher than using the standard method, and that it adequately reflects current and future demographic trends and market signals, the approach can be considered sound as it will have exceeded the minimum starting point”⁹².

⁹² 2a-015-20190220

8.0 **Type, Tenure and Size of Housing Required**

- 8.1 This section sets out an appropriate mix in terms of size (number of bedrooms) and tenure (affordable rent or intermediate), as well as how this might vary between the various sub-areas within the District.
- 8.2 In addition to establishing the overall scale of housing needed, the NPPF requires and encourages plan-makers to also consider the need and demand for different types of housing.

Housing Size and Type

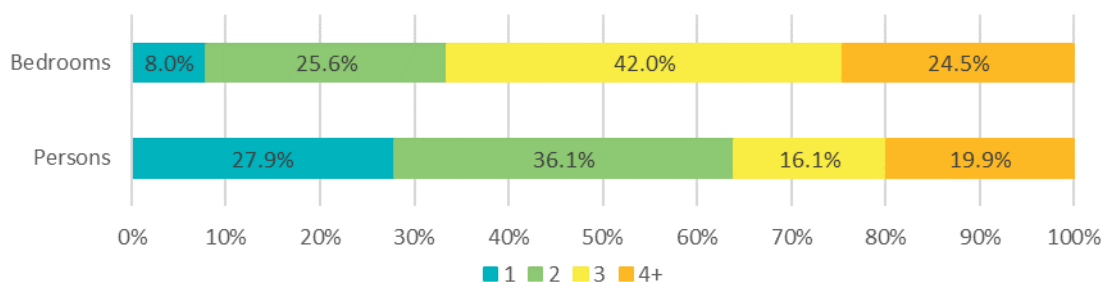
- 8.3 This section provides further context on how Westmorland & Furness's housing market operates. It demonstrates that:
- 1 Locally and nationally, households tend to occupy housing which they can afford, rather than 'need', resulting in a high-level of under-occupation, particularly amongst older households;
 - 2 Older households are likely to remain in larger, family homes and less likely to move as they age, resulting significant under-occupation; and,
 - 3 Although the dominant trend is one of under-occupation, a number of households (including families with children) are living in overcrowded conditions in Westmorland & Furness because they are unable to access the larger properties that they need.

Current occupancy patterns

- 8.4 In the open market, households typically do not strictly occupy housing in line with their 'needs', or their household size. This is because households are free (within their financial means), to buy or rent property in line with what they want, rather than what they might be considered to 'need'. Households may wish to have additional space generally or for a specific purpose, e.g., for working from home. Growing families may also live in housing with a view to having more children, or older couples may live in the family home even once adult children have left (often referred to as 'empty nesting')⁹³.
- 8.5 Using the 2021 Census assessment of overcrowding and under-occupancy, we can understand the relationship between the size of a household and the number of bedrooms available (albeit that this does not consider the relationships between household members).
- 8.6 Figure 8.1 compares the profile of England's dwelling stock and household structure. It demonstrates that whilst 64% of households in England comprise of just 1 or 2 persons, just 33.5% of dwellings have 1 or 2 bedrooms. By contrast, 36% of dwellings house 3 or more people, compared to 66.5% of households with 3 or more bedrooms.

⁹³ For the purposes of this analysis, 'need' is taken to be the number of bedrooms a household would need according to ONS' definition. This takes into account the ages of the household members and their relationships to each other are used to derive the number of rooms/bedrooms they require, based on a standard formula

Figure 8.1 Comparison of dwelling mix (number of bedrooms) and household size (number of persons) in England



Source: Census 2021 (excludes social rented households)

- 8.7 Table 9.1 shows the occupancy patterns (in terms of household-dwelling type) of all private sector households in England. It shows that 2-person households in 3-bedroom dwellings form the largest group of household-dwelling type, with 15.6% of households falling within this group. This broadly aligns with the findings of the 2021 Census occupancy ratings, which shows that ‘couples without children’ make up the largest group of under-occupying households.
- 8.8 Contrary to what might be expected, most single person households actually occupy 2 and 3-bedroom dwellings, with relatively few living in 1-bedroom dwellings. Within larger dwellings, there is no clear trend for larger households being more likely to occupy larger housing, with more 2 person households occupying 4+ bed dwellings than 3-person households for example (no doubt reflecting the empty-nesters phenomenon whereby parents remain in their large family house even once their children have moved out).

Table 8.1 Household size by number of bedrooms in England

		Number of Bedrooms			
		1	2	3	4+
Number of People	1	5.4%	10.2%	9.6%	2.7%
	2	2.1%	10.5%	15.6%	7.9%
	3	0.3%	3.2%	8.1%	4.6%
	4+	0.1%	1.7%	8.7%	9.3%

Under-occupied	42.8%
Standard	33.2%
Over-occupied	16.1%

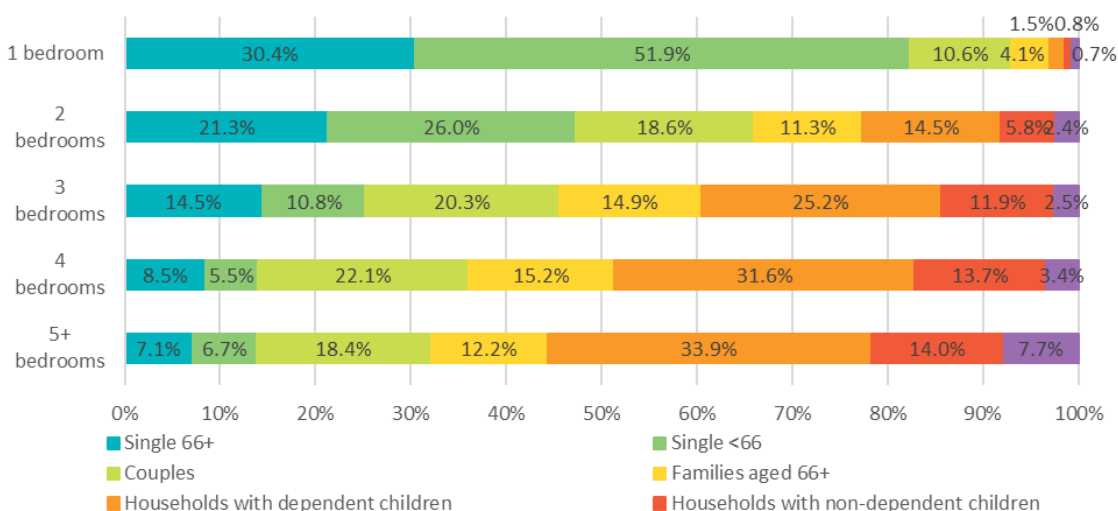
Source: Census 2021

- 8.9 Figure 8.2 shows how different household types in Westmorland & Furness occupy housing according to Census 2021 data. It shows that 1-bedroom properties are most likely to be occupied by single people, with single people aged under 66 occupying 30.4% of these properties, whilst single people aged 66 and above occupy a further 51.9%.
- 8.10 2-bedroom properties are also most likely to be single occupancy – 26.0% under 66 and 21.3% aged 66 or above. 18.6% of 2-bedroom properties are occupied by couples and 14.5% by families with children.
- 8.11 3-bedroom properties are the most varied in terms of occupation, with 25.2% occupied by households with dependent children, 20.3% by couples, 14.9% by families all aged above 66, 14.5% by single people aged over 66, and 11.9% by households with non-dependent children.

8.12 Larger properties are generally occupied by households with children, who occupy 31.6% of 4-bedroom homes and 33.9% of 5+ bedroom homes. However, a significant proportion of these larger properties are also occupied by couples, at 22.1% of 4-bedroom homes and 18.4% of 5+ bedroom homes.

8.13 Collectively, 49.7%, 45.8% and 37.6% of 3-,4- and 5+ bedroom homes are occupied by couples or households with all residents over the age of 66. This suggests under occupation of dwellings by older individuals and couples may be an indication of empty nesting.

Figure 8.2 Household Type by Number of Bedrooms in Westmorland & Furness (All Households)



Source: Census (2021): TS003 – Household Composition; TS050 – Number of Bedrooms

8.14 In a perfectly functioning ‘ideal’ market, the housing stock would be used more efficiently to ensure that households which under-occupy housing do not block larger households from accessing larger homes, leading to over-crowding. At present, Westmorland & Furness experiences similar patterns as seen nationally, with the co-existence of small households living in large homes, and large families living in small homes. This demonstrates why net growth in the number of smaller households (i.e. single and couple households) does not necessarily translate into a need for smaller housing units, unless (for example) there are specific measures targeted at encouraging downsizing and movement within the market.

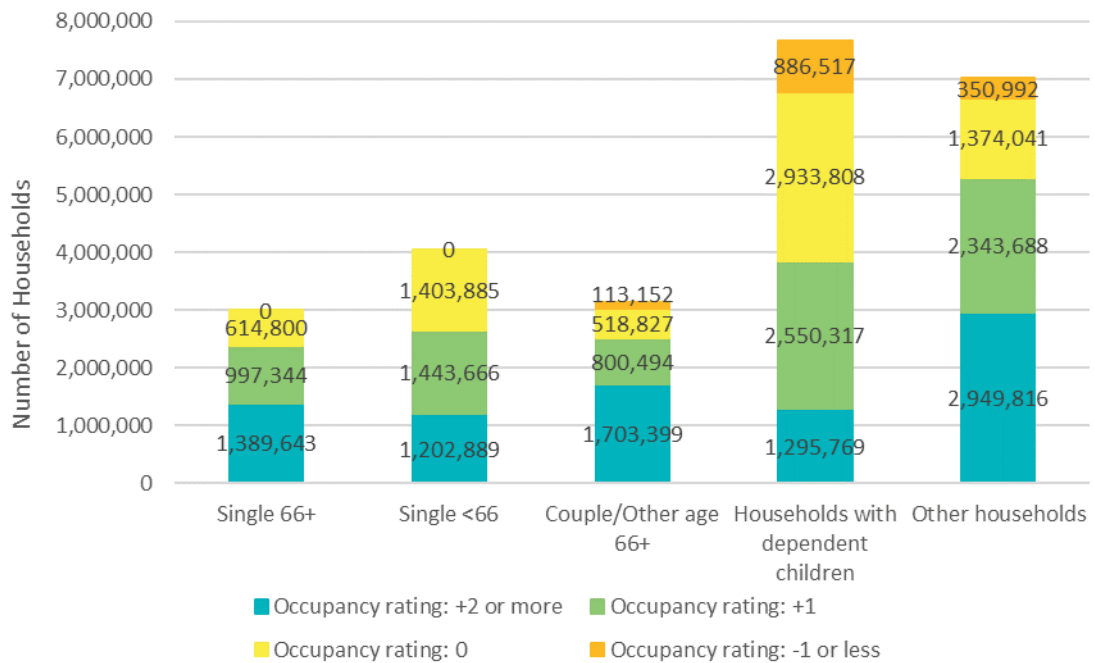
House Moves

8.15 Having assessed how households occupy housing in the open market, it is useful to benchmark these findings against the characteristics of moving households to assess the role that different households’ play in ‘freeing up’ dwelling stock. In an arguably ‘perfect’ market, older households which under-occupy housing would downsize once they no longer require their family homes (meaning growth in the number of small, older households generates a need for smaller dwellings). This would subsequently allow larger families to optimally utilise the larger housing stock available.

8.16 However, as shown in Figure 8.3, the 2021 Census indicates that this is often not the case, with 1.4 million or 46.3% of households aged over 66 nationally having at least two spare bedrooms, and just 615,000 (20.5%) occupying housing in line with their ‘needs’. This might relate to a lack of sufficient supply of housing products perceived to be attractive to

those downsizing, but equally research suggests there is simply a strong preference from many people to remain in their existing homes.

Figure 8.3 Occupational patterns in England by household type

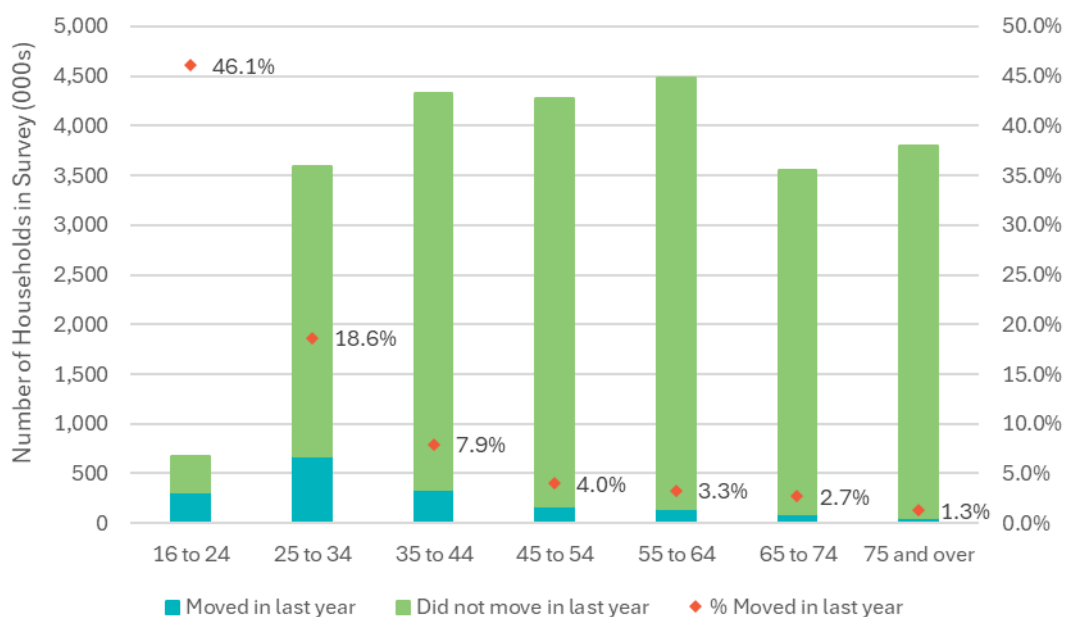


Source: Census 2021

- 8.17 Research⁹⁴ by the University of York (on behalf of the Government) found that the majority of older households were happy with their home, regardless of the type of property, having invested time and resources into their home, and that any potential issues arising with size or accessibility were not too great to be overcome through adaptation. Some also felt that moving would be stressful and overwhelming and potentially result in the (unwanted) disposal of possessions. Even so, when older households considered the type of housing which would be seen as ‘ideal’, a minimum of two-bedrooms was seen as essential, as well as sufficient living space e.g. for eating and recreation. Depending on the layout of individual properties, this might therefore necessitate a minimum of three-bedrooms. In addition, research by the Joseph Rowntree Foundation [JRF]⁹⁵ showed that 85% of larger housing released by older people is released due to death, as opposed to choosing to downsize.
- 8.18 The 2023/24 EHS further supports these findings by showing that older households are the least likely to move, with just 2.7% of households aged between 65 and 74 and 1.3% of households over the age of 75 moving in the previous 12 months. This pattern has been stable at c.2% over recent years, with no indication of changes in the tendency for older people to choose to remain in their homes. By comparison, younger households have a much higher propensity to migrate, with almost half of households aged 16-24 and almost 19% of households age 25-34 moving each year.

⁹⁴Communities and Local Government (February 2008): Housing Choices and Aspirations of Older People, Research from the New Horizons Programme
⁹⁵ Supported housing for older people in the UK: An Evidence Review (December 2012)

Figure 8.4 Demographic characteristics of moving households



Source: 2023/24 English Housing Survey, Table FA4121

- 8.19 These patterns are reflected in the EHS data on household moves by employment status: only 1.7% of retired households moved in the 12 months prior to the 2023/24 Survey, compared to 15.6% of households where the household reference person was employed in full or part time work.
- 8.20 In addition to the factors identified above, these patterns of households moving are also likely to reflect different households' satisfaction with their housing. The 2022/23 EHS⁹⁶ also shows that households which are most satisfied with their housing are those which are:
- 1 Aged 75 and over (94.9% are satisfied or very satisfied with their housing);
 - 2 Own outright or are buying with a mortgage (93.8%)
 - 3 Retired (93.8%);
 - 4 Have no dependent children (92.7%); and,
 - 5 Under-occupy housing (92.2%).
- 8.21 It is evident from this analysis that older households are the most likely to:
- 1 Under-occupy housing;
 - 2 Be the most satisfied with their housing; and as a result; and,
 - 3 Be relatively inactive within the housing market.
- 8.22 This highlights that older households cannot necessarily be relied upon to free up larger dwellings to the degree needed to meet the needs of future families.
- 8.23 As set out above, however, personal preference may not be the only reason why older households do not seek to downsize or rightsize. Separate research by JRF⁹⁷ also highlighted the potentially misleading nature of any discussion which assumes that older

⁹⁶ Table FA5401

⁹⁷ Older People's Housing: Choice, Quality of Life and Under-occupation (May 2012)

people are holding onto housing and stated that this narrative “*ignores both the lack of housing choice, as well as older people’s psychological and social reasons for staying put*” (page 4). Indeed, the 2016 ‘*Future of an Ageing Population Report*’, which was prepared by the Government Office for Science, noted that that 58% of people over 60 were interested in moving but could not find suitable properties. This conclusion is supported by the Right-Size Report⁹⁸ which undertook analysis of the delivery of older person’s accommodation nationally. It found that since 2000, on average, as few as 5,500 retirement housing units have been built each year, despite the prominence of the ageing population.

- 8.24 There is, generally, a distinct lack of data, evidence and research on the preferences and needs of elderly households. This makes it difficult to determine how best to meet the needs of an ageing population. However, although some older households may choose to downsize, evidence and research overwhelmingly indicates that most older households are unlikely to move and (for a multitude of reasons) intend to remain in the family home. Even those that do look to move to a new house would not necessarily seek a very small property, they move to properties that are more accessible or with care facilities. Small, high rise apartment schemes generally do not align with these aspirations. Ultimately, the research suggests that the lack of choice for older households is a product of supply and demand.

The Shift Towards Homeworking

- 8.25 Another factor that will influence the current and future demand for larger homes is the trend towards home working. The Covid pandemic had a profound impact on working practices and particularly the shift to homeworking. Whilst the highest rates of home working experienced during the peak of lockdown have not been sustained, the working practices that were forced upon many people have nevertheless led to a structural shift, with fewer people working from offices full time and more choosing to work from home on a part time, if not full time, basis.
- 8.26 The ONS Labour Force Survey shows that there has been a steady rise in the proportion of people in employment that work from home over time. This has been accelerated by the Covid pandemic which resulted in a shift towards more flexible patterns of working in many sectors, with a hybrid approach, incorporating some homeworking, now common amongst many office-based workers. Homeworking typically increases with age, (increasing from 6% of those age 16-24 exclusively working from home compared to 24% of those aged 65 and over)⁹⁹.
- 8.27 Of those who have the choice between working remotely and not, the ONS Opinions and Lifestyle Survey shows a lower proportion of the younger group choose to work from home (14% compared to 8-11% of all older working age groups). Older workers are more likely to live in a home suitable for homeworking and have caring responsibilities which cause them to benefit more from the ability to work flexibly. Therefore, an aging population is likely to lead to further increases in homeworking over time, and a higher proportion of working age people will expect to live in a home which supports this. Furthermore, changes in the state retirement age are resulting in a greater number of older people still in employment.

⁹⁸ Mapping the supply and demand of Britain's retirement housing in 2017 and beyond

⁹⁹ Characteristics of homeworkers, Great Britain: September 2022 to January 2023 (February 2023) ONS

- 8.28 Changes in working patterns and the rate of people that regularly work from home will have an impact on the demand for different types of housing by driving demand for suitable (larger) homes that offer appropriate space and facilities to work effectively from home. We are aware that housebuilders are starting to consider the implications of this key trend on the design and layout of their products.
- 8.29 Research by London School of Economics / ACAS¹⁰⁰ found that the majority of homeworkers surveyed use a separate room/office that is only used for work, with this being a key aspect of separating work and home life. Of those who did not have the space for a separate working area, this was described as being “*far from ideal*”, highlighting the importance of sufficient space for homeworkers.
- 8.30 Research undertaken by property search engine Zoopla found that 22% of 2,000 home hunters surveyed considered that having an office area has become more of a priority. The ONS’ public opinion and social trends series on working arrangements shows that in the year to June 2025, around 16% of workers had worked exclusively from home whilst around 25% had worked both from home and from their place of work in any one month, meaning around 41% of workers had regularly worked from home over this period¹⁰¹. This has fallen from a peak of around 47% in January 2021 during the Covid lockdown period.
- 8.31 Although there are clear differences in the scale of the likely increase in home working, it is widely agreed one-long term effect of the Covid pandemic will be that it will increase substantially. This is expected to have a direct impact on the demand for housing as people seek to ensure that they have appropriate space and facilities to work effectively from home.
- 8.32 Further evidence that this shift towards home working is a sustained, long-term change is the Government support for such measures. New Flexible Working regulations give employees the right to request changes to several factors in their job, including the location from which they work. This came into force on 6th April 2024 and highlights the growing mainstream recognition that working patterns have changed, and that measures protecting flexibility benefit the workforce, and subsequently the economy.

Future Needs

- 8.33 In assessing future household growth by type, the most recent 2022-based SNHP for each of the Westmorland & Furness’s former districts have been used, alongside the 2022-based SNPP / SNHP. The Stage 2 projections provide a breakdown of the projected change by age and type of household. This can be compared with the Census information to show, if current occupancy patterns were to continue, what the need for different sized housing would be.
- 8.34 Given the distinctiveness of the housing markets in each constituent former district, the data is shown for the districts individually incorporating the SM3 scenario as modelled in PopGroup. These figures do not include an allowance for dwelling vacancies and refer only to households. For the purposes of this assessment, we have assumed that the profile of need will remain the same (i.e. pro-rata’d) even if the overall housing provision is different to that shown in the projections.

¹⁰⁰ Home is where the work is: A new study of homeworking in Acas –and beyond (2013). London School of Economics

¹⁰¹<https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/datasets/publicopinionsandsocialtrendsgreatbritainworkingsarrangements>

Barrow

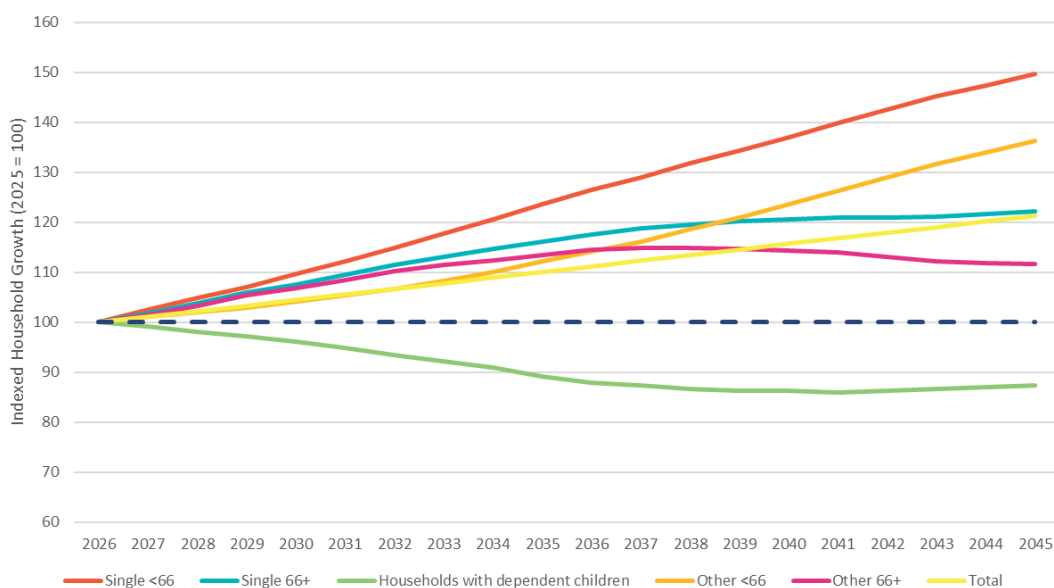
8.35 All household types are expected to increase in Barrow up to 2045 except for households with dependent children. The greatest increase is likely to be seen in single person households under the age of 65, which is projected to increase by 3,452 or 52.7%, followed by other households under the age of 65 which increase by 2,726 or 37.7%. Single person aged 65+ households are expected to increase by 1,260 (+24.2%) and couple/other households aged 65+ by 660 (+13.1%), whilst the number of households with dependent children are expected to fall by 939 (-12.6%).

Table 8.2 Household Change associated with the SM3 Scenario by Type for Barrow

	2025	2045	Net Change
Single <66	6,548	10,000	+3,452 (52.7%)
Single 66+	5,212	6,472	+1,260 (24.2%)
Households with dependent children	7,478	6,539	-939 (-12.6%)
Other <66	7,238	9,963	+2,726 (37.7%)
Other 66+	5,045	5,704	+660 (13.1%)
Total	31,521	38,680	+7,159 (22.7%)

Source: 2022-based SNHP / 2022-based SNPP / MYPE / PopGroup

Figure 8.5 Indexed Household Growth by Type – Barrow



Source: Lichfields PopGroup modelling

8.36 Household occupancy patterns by type in Barrow are shown in Table 8.7.

Table 8.3 Occupancy by Household Composition in Barrow

	Number of bedrooms			
	1	2	3	4+
Single <66	100.0%	21.1%	47.5%	26.9%
Single 66+	100.0%	14.1%	41.9%	38.6%
Households with dependent children	100.0%	0.5%	24.8%	52.7%
Other <66	100.0%	2.2%	28.6%	53.4%
Other 66+	100.0%	2.7%	29.8%	53.6%

Source: Census 2021

- 8.37 The household occupancy patterns in Barrow (Table 8.3) are applied to the projected household growth by type (Table 8.2) to establish the required housing by number of bedrooms (Table 8.4).

Table 8.4 Barrow Projected Household Growth by bedroom size – net change 2025-2045

	1	2	3	4+	Total
Single <65	727	1,641	927	157	3,452
Single 65+	177	528	486	68	1,260
Couple/Other Households	-5	-233	-495	-206	-939
Households with dependent children	61	779	1,456	430	2,726
Other Households	17	197	353	92	660
Total	978	2,912	2,728	540	7,159
%	13.7%	40.7%	38.1%	7.5%	100.0%

Source: Lichfields using MHCLG/Census 2021

- 8.38 The results indicate that the projected household growth in Barrow is likely to be predominantly in cohorts requiring 2 and to a lesser extent, 3-bed properties. However, this figure combines social with market housing. The former generally has a much higher incidence of smaller properties due (in part) to the under-occupancy penalty. The 2021 Census indicates that although just 11.2% of Barrow's households live in social housing, more than half (61.5%) of all 1-bedroom properties comprise social accommodation, compared to just 2.9% of all 4+ bed properties in the former district (with the remaining 97.1% in private ownership / rented privately) (Table 8.5).

Table 8.5 Barrow Tenure by household size by number of bedrooms (2021)

	All	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
All Tenures	31,222	2,373	10,562	14,167	4,120
Owned or shared ownership: Total	22,497	305	6,744	11,752	3,696
Owned outright	12,248	231	4,136	6,288	1,593
Owned with a mortgage or loan or shared ownership*	10,249	74	2,608	5,464	2,103
Rented: Total	8,725	2,068	3,818	2,415	424
Social Rented	3,436	1,455	953	917	111
Private rented or living rent free	5,289	613	2,865	1,498	313
% Living in Market Housing	88.8%	38.5%	90.8%	93.4%	97.1%
% Living in Social Housing	11.2%	61.5%	9.2%	6.6%	2.9%

Source: Lichfields using Census 2021

*Note – to calculate the social/market housing split, the 52 households living in shared ownership properties in Westmorland & Furness have been disaggregated from the owned or shared ownership total in the 2021 Census.

- 8.39 These ratios are applied to the projected household growth by bedroom size as set out in Table 8.4.
- 8.40 However, based on the factors and the qualitative analysis set out above, there is a strong argument to justify a further shift in the housing mix to consider the shift towards homeworking and the need for larger properties to accommodate this.
- 8.41 An adjustment has been applied to take account of Zoopla research which suggests a 22% uplift to 2- and 3-bed properties to also include an additional bedroom to be used as a home office. A secondary, higher adjustment is also made which applies a 40% uplift based on the share of regular homeworkers according to ONS public opinion and social trends data. This is applied in Table 8.6.
- 8.42 This relates to the broad overall need and does not relate to any specific tenure, area, or site typology. It also does not attempt to take into account how future policy changes (for example, to encourage downsizing), social changes or economic changes might affect how households occupy housing. In this context, a recommended range has been set around these percentages.
- 8.43 The results indicate that once the market profile adjustment for recent homeworking trends is applied to the housing mix above, the projected household growth in Barrow will be predominantly larger properties (3+ bedrooms) on the open market (55-65%), whilst for social housing the need is likely to be reversed, with a much greater need for smaller 1 and 2-bedroom properties (70-80%) than larger 3 and 4-bed properties (20-30%).

Table 8.6 Sizemix for Barrow

		1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market Housing	Mix prior to market adjustment	6%	43%	42%	9%
	Low Adjustment (22%)	6%	34%	42%	18%
	High Adjustment (40%)	6%	26%	42%	25%
Social Housing	Mix prior to market adjustment	56%	25%	17%	1%
	Low Adjustment (22%)	56%	20%	19%	5%
	High Adjustment (40%)	56%	15%	20%	8%

Source: Lichfields Analysis using MHCLG/Census 2021 Data. Note: rounding errors mean sums may not add.

- 8.44 It is stressed that much of this assessment of house type need is based on the historical relationship between demographics and housing supply using the existing household projections. If the SM3 figure successfully delivered over time, then this may result in an influx of inward migrants who are more likely to comprise working families. This could point to a requirement for an even higher proportion of 3 and 4 bedroomed properties than is summarised in the Table above.

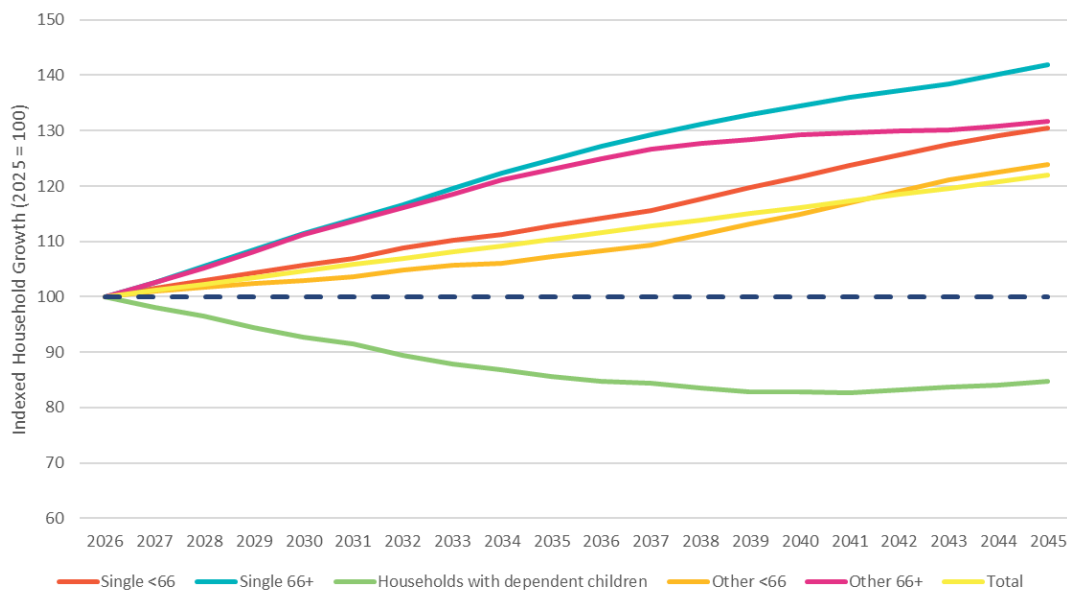
Eden

- 8.45 As with Barrow, the number of all household types other than those with dependent children are expected to grow in Eden to 2045. In contrast however, the largest projected growth is in older households – 2,038 single households aged 65+ (+45.2%) and 2,031 couple and other households aged 65+ (+34.9%). Other households aged under 65 are projected to grow by 1,609 (+ 24.9%) and single person households aged under 65 by 1,182 (+32.0%). Households with dependent children are projected to decline by 849 (-16.1%).

Table 8.7 Household Change associated with the SM3 Scenario by Type for Eden

	2025	2045	Net Change
Single <66	3,689	4,871	1,182 (32.0%)
Single 66+	4,504	6,541	2,038 (45.2%)
Households with dependent children	5,283	4,435	-849 (-16.1%)
Other <66	6,457	8,066	1,609 (24.9%)
Other 66+	5,823	7,853	2,031 (34.9%)
Total	25,756	31,767	6,011 (23.3%)

Figure 8.6: Indexed Household Growth by Type – Eden



Source: Lichfields PopGroup Modelling

8.46 Household occupancy patterns by number of bedrooms in Eden are shown in Table 8.8:

Table 8.8 Occupancy by Household Composition in Eden

	Number of Bedrooms			
	1	2	3	4+
Single, <65	19.6%	39.6%	30.9%	9.9%
Single 65+	10.5%	33.5%	42.6%	13.4%
Couple/Other age 65+	0.4%	13.0%	48.3%	38.3%
Households with dependent children	2.5%	19.4%	46.7%	31.4%
Other households	1.5%	20.7%	46.8%	31.0%

Source: Census 2021

8.47 The household occupancy patterns in Eden (Table 8.8) are applied to the projected household growth by type (Table 8.7) to establish the required housing by number of bedrooms (Table 8.9).

Table 8.9 Eden Projected Household Growth by bedroom size – net change 2025-2045

	1	2	3	4+	Total
Single <66	232	468	365	117	1,182
Single 66+	213	684	867	273	2,038
Households with dependent children	-3	-110	-410	-325	-849
Other <66	40	312	752	505	1,609
Other 66+	30	420	951	630	2,031
Total	512	1,773	2,525	1,200	6,011
%	8.5%	29.5%	42.0%	20.0%	100.0%

Source: Lichfields using MHCLG/Census 2021

- 8.48 Table 8.10 indicates that there is a similar share of residents in social housing in Eden relative to Barrow at 11.4%, 21.7% of whom reside in 1-bedroom homes. Just 3.5% of households living in social housing dwell in homes with 4 bedrooms or more.

Table 8.10 Eden Tenure by household size by number of bedrooms (2021)

	ALL	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
All Tenures	24,636	1,406	5,791	10,840	6,599
Owned or shared ownership: Total	17,630	285	3,167	8,376	5,802
Owned outright	11,672	199	2,248	5,600	3,625
Owned with a mortgage or loan or shared ownership*	5,958	86	919	2,776	2,177
Rented: Total	7,006	1,121	2,624	2,464	797
Social Rented	2,563	600	1,071	821	71
Private rented or living rent free	4,443	521	1,553	1,643	726
% Living in Market Housing	88.6%	56.5%	79.3%	91.6%	98.5%
% Living in Social Housing	11.4%	43.5%	20.7%	8.4%	1.5%

Source: Lichfields using Census 2021

*Note – to calculate the social/market housing split, the 257 households living in shared ownership properties in Westmorland & Furness have been disaggregated from the owned or shared ownership total in the 2021 Census.

- 8.49 After making adjustments to allow for the effects of homeworking on demand, the results indicate that 70-80% of the demand for market housing in Eden is likely to be for properties with at least three bedrooms, whilst for social housing the need is reversed, with a much greater need for smaller 1 and 2-bedroom properties (55-75%) than larger 3 and 4-bed properties (25-45%).

Table 8.11 Sizemix for Eden

		1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market Housing	Mix prior to market adjustment	5%	27%	45%	23%
	Low Adjustment (22%)	5%	21%	41%	33%
	High Adjustment (40%)	5%	16%	38%	41%
Social Housing	Mix prior to market adjustment	27%	45%	26%	2%
	Low Adjustment (22%)	27%	35%	30%	8%
	High Adjustment (40%)	27%	27%	34%	13%

Source: Lichfields Analysis using MHCLG/Census 2021 Data

South Lakeland

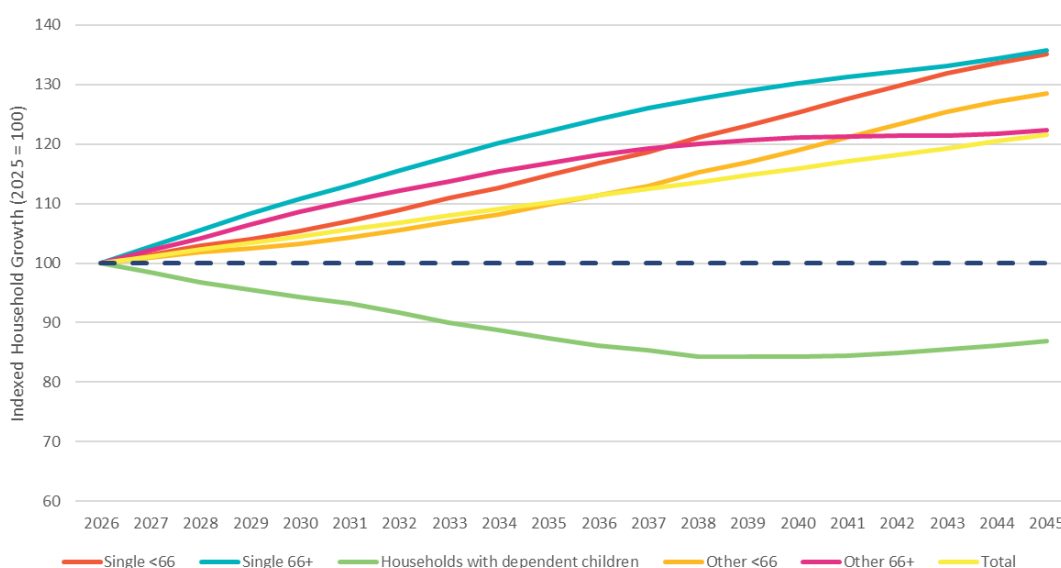
- 8.50 As with Eden, single households over 65 are projected to see the largest growth in South Lakeland, growing by 3,627, or 39.0%, to 2045. This is followed by other households under the age of 65 (3,598 or +29.9%), couple/other households aged 65+ (2,725 or +25.0%), and single households aged under 65 (2,623 or +37.3%). As with Barrow and Eden, the only group projected to decline are households with dependent children, falling by 1,365 or -14.3% to 2045.

Table 8.12 Household Change associated with the SM3 Scenario by Type for South Lakeland

	2025	2045	Net Change
Single <66	7,049	9,672	2,623 (37.2%)
Single 66+	9,303	12,931	3,627 (39.0%)
Households with dependent children	9,552	8,186	-1,365 (-14.3%)
Other <66	12,013	15,610	3,598 (29.9%)
Other 66+	11,006	13,758	2,752 (25.0%)
Total	48,923	60,157	11,234 (23.0%)

Source: 2022-based SNHP / 2022-based SNPP / 2023 MYPE / PopGroup

Figure 8.7 Indexed Household Growth by Type – South Lakeland



Source: Lichfields PopGroup modelling

8.51 Household occupancy patterns by type in South Lakeland are shown in Table 8.13.

Table 8.13 Occupancy by Household Composition in South Lakeland

	Number of Bedrooms			
	1	2	3	4+
Single <66	24.6%	40.2%	27.3%	8.0%
Single 66+	14.8%	35.3%	37.7%	12.1%
Households with dependent children	0.6%	16.6%	49.7%	33.1%
Other <66	3.5%	23.1%	46.4%	27.1%
Other 66+	2.3%	23.1%	47.2%	27.4%

Source: Census 2021

8.52 The household occupancy patterns in South Lakeland (Table 8.13) are applied to the projected household growth by type (Table 8.12) to establish the required housing by number of bedrooms (Table 8.14).

Table 8.14 South Lakeland Projected Household Growth by bedroom size – net change 2025-2045

	1	2	3	4+	Total
Single <65	644	1,054	715	209	2,623
Single 65+	538	1,280	1,369	439	3,627
Couple/Other Households	-8	-227	-678	-452	-1,365
Households with dependent children	125	830	1,669	974	3,598
Other Households	63	635	1,300	754	2,752
Total	1,361	3,572	4,375	1,925	11,234
%	12.1%	31.8%	38.9%	17.1%	100.0%

Source: Lichfields using MHCLG/Census 2021

8.53 Table 8.10 indicates that the share of residents in social housing in South Lakeland is 11.3%, with 24.9% of those households living in properties with only one bedroom and 3.9% living in 4+ bedroom homes.

Table 8.15 South Lakeland Tenure by household size by number of bedrooms (2021)

	South Lakeland				
	ALL	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
All Tenures	47,704	3,742	12,627	20,419	10,916
Owned or shared ownership: Total	34,575	1,051	7,446	16,248	9,830
Owned outright	22,415	721	5,213	10,582	5,899
Owned with a mortgage or loan or shared ownership*	12,160	330	2,233	5,666	3,931
Rented: Total	13,129	2,691	5,181	4,171	1,086
Social Rented	5,114	1,285	2,043	1,592	194
Private rented or living rent free	8,015	1,406	3,138	2,579	892
% Living in Market Housing	88.7%	64.1%	82.9%	91.8%	98.1%
% Living in Social Housing	11.3%	35.9%	17.1%	8.2%	1.9%

Source: Lichfields using Census 2021

*Note – to calculate the social/market housing split, the 276 households living in shared ownership properties in Westmorland & Furness have been disaggregated from the owned or shared ownership total in the 2021 Census.

8.54 After making adjustments to allow for the effects of homeworking on demand, the results indicate that the projected demand for housing in South Lakeland by number of bedrooms is very similar to that of Eden, with 60-70% of the demand for market housing projected to be for properties with at least three bedrooms, whilst there is a much greater need for smaller 1 and 2-bedroom social properties (60-70%) than larger 3 and 4-bed social properties (30-40%).

Table 8.16 Sizemix for South Lakeland

		1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market Housing	Mix prior to market adjustment	9%	31%	41%	19%
	Low Adjustment (22%)	9%	24%	39%	28%
	High Adjustment (40%)	9%	19%	37%	35%
Social Housing	Mix prior to market adjustment	33%	41%	24%	2%
	Low Adjustment (22%)	33%	32%	28%	8%
	High Adjustment (40%)	33%	25%	31%	12%

Source: Lichfields Analysis using MHCLG/Census 2021 Data

Social Housing Property Type and Size Preferences

- 8.55 Data on affordable housing from Westmorland & Furness' Housing Register as of November 2025 shows that of the 9,147 households on the waiting list in priority bands A-C (including those requesting a transfer), 63.8% had a requirement for a 1-bedroom property; 23.0% required 2-bedrooms; 13.5% wanted 3 bedrooms and just 0.7% required 4+ bedrooms, as shown in Table 8.17.
- 8.56 These preferences are relatively consistent across the three former districts, albeit with a slightly higher preference for larger properties in Barrow, which could reflect an increased representation of households with dependent children on the register in this area. Even so, it is clear that need in the affordable sector remains overwhelmingly for smaller dwellings.

Table 8.17 Housing Register Bedroom Preferences in Westmorland & Furness

	Barrow	Eden	South Lakeland	Westmorland & Furness
1 bedroom	2,084 (60.6%)	697 (66.0%)	3,058 (65.7%)	5,839 (63.8%)
2 bedrooms	785 (22.8%)	218 (20.6%)	1,009 (21.7%)	2,012 (22.0%)
3 bedrooms	534 (15.5%)	134 (12.7%)	564 (12.1%)	1,232 (13.5%)
4 bedrooms	32 (0.9%)	7 (0.7%)	21 (0.5%)	60 (0.7%)
5 bedrooms+	2 (0.1%)	0 (0.0%)	2 (0.0%)	4 (0.0%)
Total	3,437 (100.0%)	1,056 (100.0%)	4,654 (100.0%)	9,147 (100.0%)

Source: Council: Housing Register data (extracted Nov 2025)

- 8.57 Location preferences for social housing by sub-area are presented in Table 8.18. They indicate a general preference for built-up areas, likely due to these areas being where applicants already reside and for the presence of job opportunities. In Barrow there is a slight preference towards the Inner Barrow area (57.3%); in Eden, Penrith and Surroundings is the most popular (67.7%) followed by Appleby and Kirkby Stephen (23.6%); whilst in South Lakeland preferences mostly steer towards Kendal and Surroundings (51.6%) followed by the Central Lakes (27.4%).

Table 8.18 Housing Register Location Preferences in Westmorland & Furness

Area	Share of Preferences
Barrow	
Inner Barrow	1,828 (57.3%)
Outer Barrow and surroundings	1,364 (42.7%)
Barrow Total	3,192 (100.0%)
Eden	
Penrith and Surroundings	606 (67.7%)
Appleby and Kirkby Stephen	211 (23.6%)
Alston	28 (3.1%)
North Eastern Lakes	47 (5.3%)
Westmorland Dales	3 (0.3%)
Eden Total	895 (100.0%)
South Lakeland	
Kendal and Surroundings	2,305 (51.6%)
Cartmel Peninsula	219 (4.9%)
Furness Peninsula	608 (13.6%)
Central Lakes	1,223 (27.4%)
Dales	110 (2.5%)
South Lakeland Total	4,465 (100.0%)

Source: the Council officers: Housing Register data (extracted Nov 2025)

Note that some applicants had no preference on the register at the time of data extraction, so totals do not match those in Table 8.17.

- 8.58 It is relevant to note that of the applicants, 10.1% are aged 70 and over, of whom 78.3% require a 1- or 2-bedroom property. It is likely that many (if not the majority) will be seeking specific older person's accommodation rather than general needs. Furthermore, the waiting list is likely to be influenced (at least to an extent) by the fact that people will tend to bid for properties they know are available and in many areas the majority of Council or ex-Council family houses have already been sold under the Right to Buy scheme, leaving a 'hollowed out' stock profile.
- 8.59 When compared with the SizeMix analysis set out in Table 8.19, it is apparent that the requirements of households on the District's Housing Register are significantly more focussed towards the smaller end of the scale than the modelling might have suggested, with a particularly high need for 1-bedroom homes. For example, whilst the waiting list indicates that around 87% of households requiring social housing in Eden need either 1 or 2 bedrooms, this compares to 73% based on SizeMix, and as low as 56% when adjusted for homeworking. Conversely, the need for larger 3, 4 and 5 bed properties in South Lakeland is around 13% of all households based on the Housing Register, compared to 26% based on the modelling work and up to 44% when adjusted. The analysis is not directly comparable as the SizeMix looks at future needs, whilst the waiting list data reflects backlog, or existing requirements. Nevertheless, these are important considerations to be considered when specifying a target range.

Table 8.19 Comparable Mix Requirements for Social Housing

		Waiting List	SizeMix - unadjusted	SizeMix - adjusted	Recommended Range
Barrow	1 bedroom	61%	56%	56%	75-85%
	2 bedrooms	23%	25%	15%	
	3 bedrooms	16%	17%	20%	15-25%
	4+ bedrooms	1%	1%	8%	
Eden	1 bedroom	66%	27%	27%	55-75%
	2 bedrooms	21%	45%	35%	
	3 bedrooms	13%	26%	30%	25-45%
	4+ bedrooms	1%	2%	8%	
South Lakeland	1 bedroom	66%	33%	33%	55-75%
	2 bedrooms	22%	41%	25%	
	3 bedrooms	12%	24%	31%	25-45%
	4+ bedrooms	1%	2%	12%	

Source: the Council officers: Housing Register data (extracted Nov 2025) / Lichfields' modelling

- 8.60 Taking the change in different types of households and applying current occupancy patterns as set out above results in an estimated mix of social housing as shown in Table 8.19. This refers to the broad overall need and does not relate to any specific tenure or site typology. It also does not attempt to take into account how future policy changes (for example, to encourage downsizing), social changes or economic changes might affect how households occupy housing.
- 8.61 In this context, a wide recommended range has been set around these percentages that balances the housing waiting list evidence (backlog need) against the SizeMix (future need) analysis, weighted more towards the waiting list.

Summary

- 8.62 This section has explored the different types of housing which are likely to be required in Westmorland & Furness to 2045. Our findings can be summarised as follows:
- All household types in all areas of Westmorland & Furness are projected to grow to 2045, with the exception of households with dependent children, the number of which is expected to fall in all three of the constituent former authorities.
 - Barrow differs from Eden and South Lakeland (and wider regional/national trends) in that younger households under 65 are where projected growth is particularly focussed. Most of Eden's growth is expected to be in households aged 65+, whilst growth is set to be more evenly balanced in South Lakeland.
 - Overall, Barrow is expected to grow by 7,159 households to 2045 (+22.7%), with 6,178 new households aged under 65. However, the number of households with dependent children is projected to decline by 939 or 12.6% over this period.
 - Eden is projected to grow by 6,011 households or 23.3% to 2045, with 4,069 new households aged 65+ and 2,791 households under 65. Households with dependent children are expected to fall by 849 or 16.1%.

- South Lakeland is projected to grow by 11,234 or 23.0%, with 6,379 new households aged 65+ and 6,221 new households aged under 65. Households with dependent children are expected to fall by 1,365 or 14.3%.
- Based on overall household growth and existing occupancy patterns, the evidence maintains the clear orientation in the private market towards larger households requiring at least 3-bedroom properties, with a greater need for smaller 1- and 2-bedroom homes in the social sector.
- In general, the markets in Eden and South Lakeland are likely to be geared more towards 3 and 4+ bed properties, with a need for smaller properties in Barrow.
- Housing waiting list information shows that most households in need of affordable housing required 1-bedroom dwellings, with most of the remainder requesting 2-bed properties. The need for 1-bedroom social properties is particularly high in Barrow.
- The suggested household mix ranges in Eden and South Lakeland are similar. This considers the fact that although older households are likely to make up the majority of future household growth (particularly in Eden), these often remain in their large family home, are the least active in the housing market and tend to occupy housing larger than they 'need'.

Table 8.20 Estimated overall need/demand by size and suggested housing mix for Westmorland & Furness

		1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Barrow	Market Housing	35-45%		40-45%	15-25%
	Social Housing	75-85%		15-20%	5-10%
Eden	Market Housing	20-30%		35-40%	30-40%
	Social Housing	55-75%		25-30%	5-10%
South Lakeland	Market Housing	30-40%		35-40%	25-35%
	Social Housing	55-75%		25-30%	5-10%

Source: Lichfields based on MHCLG/ONS

9.0 Needs of Specific Groups

9.1 Paragraph 63 of the NPPF states that local authorities should assess the size, type and tenure of housing needed for different groups in the community including, but not limited to, those who require affordable housing (including Social Rent); families with children; looked after children; older people (including those who require retirement housing, housing-with-care and care homes); students; people with disabilities; service families; travellers; people who rent their homes and people wishing to commission or build their own homes.

9.2 The needs of these particular groups in Westmorland & Furness are set out in detail below

Private Rented Sector

9.3 The PPG states that to assess the needs of households wishing to live in PRS, tenure data from the ONS can be used to understand the future need for PRS housing. However, this will be based on past trends. The level of changes in rents, (i.e. ‘market signals’) may reflect the demand in the area for PRS housing¹⁰².

9.4 At a national level the PRS has been growing consistently since the mid-2000s, whilst the owner-occupied and social rented sectors have seen declines (as a share of all households). However, this long-term trend has shifted slightly of late; the proportion of households in the PRS has actually decreased nationally since 2015-16, although it has remained broadly stable between 2019-20 and 2022-23. In 2022-23, PRS accounted for 4.6 million (19%) of all households in England, unchanged from 2019-20, but lower than in 2015-16 (20%). While the sector has doubled in size since the early 2000s, the rate has remained around 19% or 20% since 2013-14¹⁰³.

9.5 Typically, the PRS comprises those renting their home from buy-to-let landlords; however as set out below in the Build to Rent [BtR] sector (in which institutional investors build, let and manage) private rented homes are becoming increasingly common.

9.6 As discussed in Section 7.0, in Westmorland & Furness those households that are not eligible for affordable or intermediate rent, but without sufficient income to buy, are those who must rent (unless other intermediate options, such as discounted First Homes, become more widely available). In Westmorland & Furness, this covers most households with an income of between around £21,263 and £26,850 (based on 32% income) and represents around 3.5% of all households in the District.

9.7 In 2021¹⁰⁴, there were 17,676 households in Westmorland & Furness living in PRS, representing 17.0 % of all households in the District. This represents an increase of 19.8% above the 14,760 households living in PRS in 2011 (when PRS comprised 14.6% of all household tenures). This mirrors the strong growth in the sector seen nationally, with the number of households in PRS accommodation increasing by 29.9% over the same time period. It is currently slightly under-represented as a tenure (with 29.9% of households across England as a whole living in PRS compared to 17.0% in Westmorland & Furness).

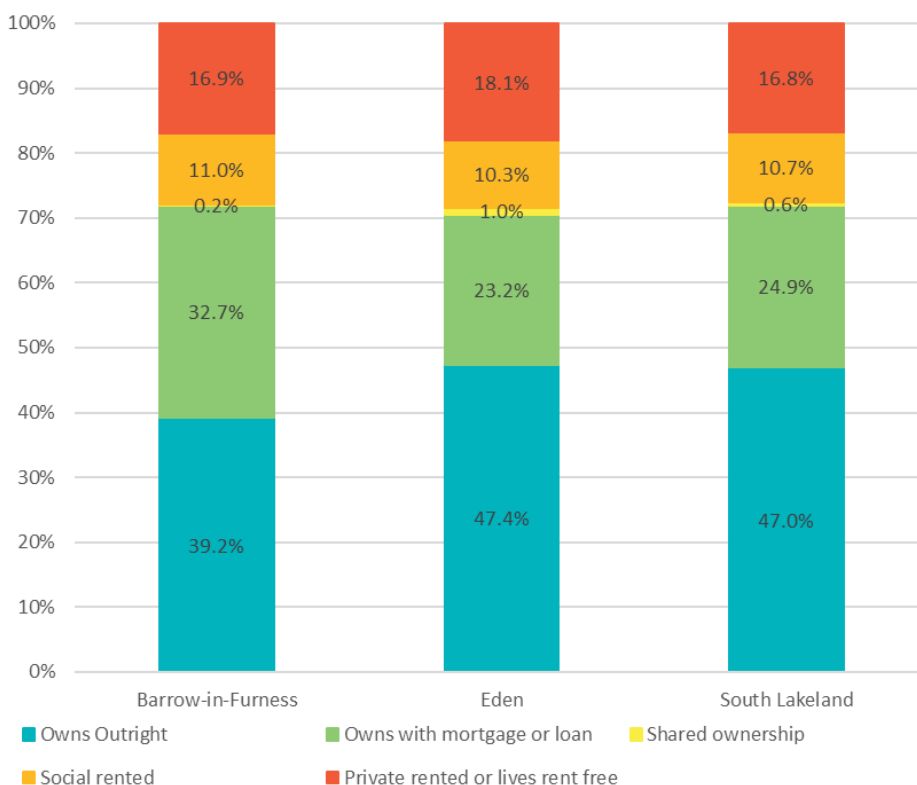
¹⁰² PPG: ID: 67-002-20190722

¹⁰³ Source: English Housing Survey 2022-23

¹⁰⁴ 2021 Census Table rm136

9.8 Figure 9.1 suggests that this pattern is not uniform across the three constituent former authorities, with Barrow having a lower proportion of residents who own their property outright (39.2%, compared to 47.4% and 47.0% in Eden and South Lakeland respectively) and a higher share of those who own only with a mortgage or loan (32.7% compared to 10.3% and 10.7%). Barrow also has the highest share of social renters at 11.0%, whilst Eden has the highest share of private renters at 18.1%. Overall, the profile of Eden and South Lakeland are similar, with Barrow standing out due to its relatively low level of owner occupiers.

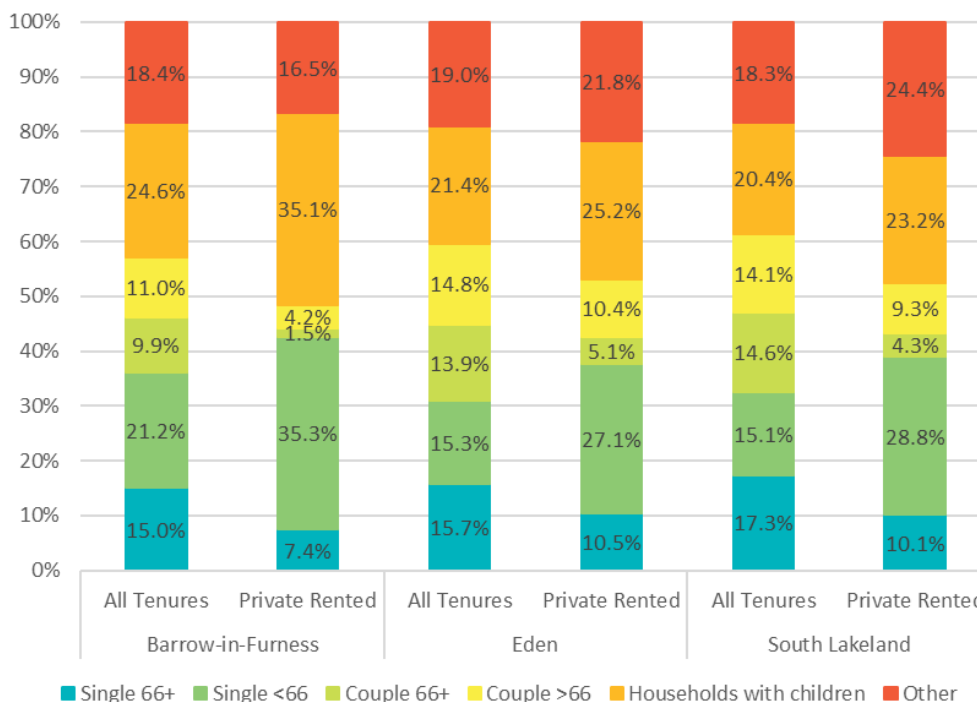
Figure 9.1 Household Tenure – Westmorland & Furness



Source: Census 2021

9.9 The composition of households living in PRS is different to the overall tenure composition, as shown in Figure 9.2. Across all areas, the sector has a high proportion of single person households aged under 66 and households with children, with these groups having a particularly high representation in Barrow than in Eden and South Lakeland, both of which have higher shares of older households in their respective PRS markets.

Figure 9.2 Household Composition – Westmorland & Furness - All households and Private Rented Households



Source: Census 2021

- 9.10 As noted above, PRS in Westmorland & Furness has increased in size significantly in recent years and it is therefore necessary to review its future role.
- 9.11 Whilst it is not appropriate to simply ‘net off’ households in need living in private rented housing from the overall affordable housing requirement figure (due to a variety of reasons including the associated greater insecurity of tenure), in practice it makes an important contribution to filling the often sizeable gap between affordable housing supply and demand.
- 9.12 According to the 2023/24 EHS, private renters live at their current address for less time than other tenures, on average 4.6 years¹⁰⁵. For private renters who had been resident for less than 1 year in 2023/24, 74% were in private rented housing previously¹⁰⁶.
- 9.13 In 2023/24, 19.9% of all households living in PRS have been resident in their current accommodation for less than a year, by far the highest of any form of tenure¹⁰⁷. Applying this figure to the number of households in PRS accommodation (15,644, as reported in the 2021 Census) implies an annual turnover of 3,113 private rented dwellings in the District. This figure does not separate out the proportion of private rented properties that are likely to become available to households in receipt of housing benefit.
- 9.14 Data from the Department for Work and Pensions [DWP] in respect of the number of households eligible for Housing Entitlement under the new Universal Credit indicates that as of August 2025¹⁰⁸, there were 3,962 housing benefits claimants in Westmorland & Furness, of whom 1,346 are currently meeting their needs in the private rental market in

¹⁰⁵ English Housing Survey 2023/24 Annex Table 3.6

¹⁰⁶ English Housing Survey 2023/24 Annex Table 3.7

¹⁰⁷ English Housing Survey 2023/24 Annex Table 2.1

¹⁰⁸ <https://stat-xplore.dwp.gov.uk/>

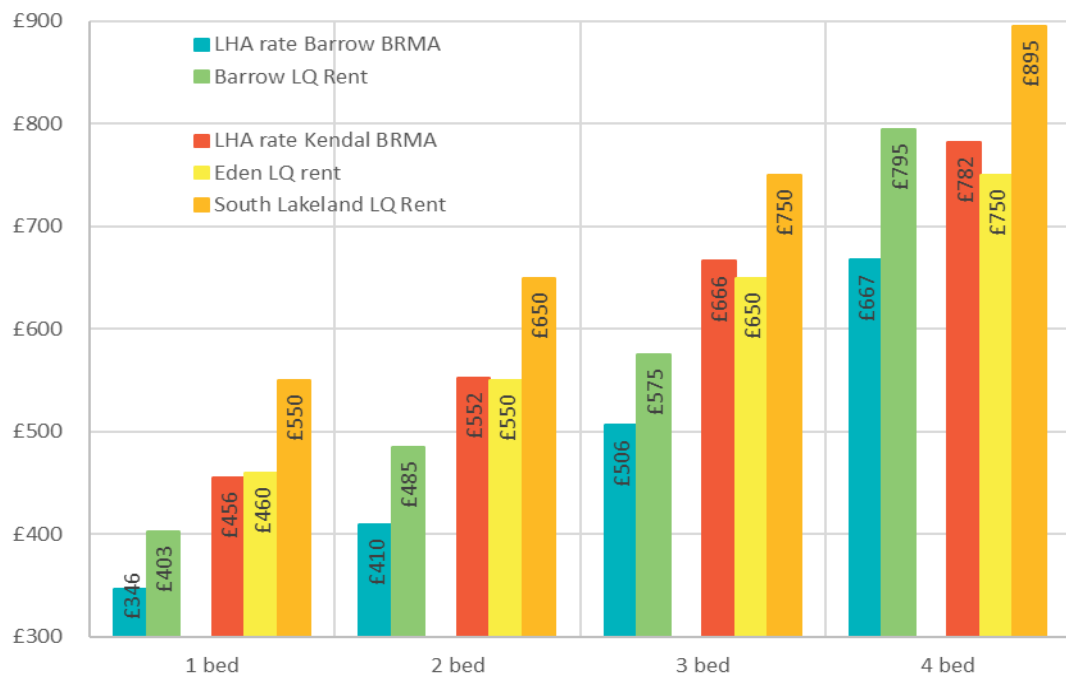
the District. This equates to 34.0% of all claimants and indicates that there are a significant number of households living in private rented accommodation who are reliant to a greater or lesser extent on housing benefit.

9.15 It is not suggested that these figures should be ‘netted off’ the affordable housing requirements. It is not a designated form of affordable housing, and it is not appropriate to subject many families to the increased uncertainty of tenure associated with private rented accommodation. Nevertheless, it is important to recognise that PRS plays a significant role in helping households in constrained circumstances to meet their housing needs independently, and for addressing the slack between affordable housing need and provision.

9.16 There is also a disparity between the level of Local Housing Allowance [LHA] and private sector rents in many areas. Figure 9.3 highlights the gap and issues in respect of meeting needs in PRS (in 2023, as this is the last date for which ONS provides comparable LQ rental data by district):

- Barrow: For 2 and 3-bedroom properties, LQ private sector rents were £485 and £575 respectively, compared to LHA rates of £410 and £506.
- Eden: For 2 and 3-bedroom properties, LQ private sector rents were £550 and £650 respectively, compared to LHA rates of £552 and £666.
- South Lakeland: For 2 and 3-bedroom properties, LQ private sector rents were £650 and £895 respectively, compared to LHA rates of £552 and £666.

Figure 9.3 Comparison of Lower Quartile Private Rents and Local Housing Allowance in Westmorland & Furness



Source: ONS Private Rental Market Data (Oct 22 to Sep 23)/Directgov LHA rates (Jan 2024) BRMA = Broad Rental Market Area

Build to Rent

- 9.17 BtR is a distinct asset class within PRS and has been defined in the NPPF glossary, to simplify its treatment within the planning system (as well as being included in the new paragraph on the benefits of mixed tenure sites). The PPG states that as part of their plan making process, LPAs should use a local housing need assessment to consider the need for a range of housing types and tenures in their area including provisions for those who wish to rent¹⁰⁹.
- 9.18 BtR was launched by the Government in December 2012 in response to the Montague Report on barriers to institutional investment in private rented homes, and more specifically as part of the legacy of the Olympic Games in London with the conversion of the East Village into rental properties. Its purpose is to stimulate investment in large-scale development of homes built specifically for private rent by professional organisations. The Government maintains that BtR has a key role in helping to boost housing supply, and defines it as follows in the NPPF's glossary (Annex 2):
- “Build to Rent:** Purpose built housing that is typically 100% rented out. It can form part of a wider multi-tenure development comprising either flats or houses but should be on the same site and/or contiguous with the main development. Schemes will usually offer longer tenancy agreements of three years or more and will typically be professionally managed stock in single ownership and management control.”*
- 9.19 Research by the British Property Federation in 2025¹¹⁰ found that BtR sector completions grew 12% and the pipeline by 5% in between Q2 2024 and Q2 2025. It also notes that there has been notable investment activity driving investment levels in BtR upwards in the last two years, with various acquisitions and deals and many pension funds diversifying into the BtR market.
- 9.20 Research by Savills indicates that whilst BtR delivery has begun to slow down amidst the economic headwinds facing the whole construction sector, this constrained supply is being met with elevated levels of demand. As such, multi-family BtR is one of the most in-demand real estate sectors from the perspective of investors. According to BPF/Savills' data on BtR schemes¹¹¹, as of July 2025 **there are around 293,000 BtR homes in the UK**, of which over 132,000 are complete, 51,000 under construction and 110,000 in planning. However, more than 100,000 of these units are in London, with the vast majority of remaining units outside the capital being located in the larger provincial towns and cities. Consequently, it is perhaps unsurprising that Westmorland & Furness is yet to see a large influx of investment into BtR units.
- 9.21 Given the country's urgent need for extra homes, a key benefit of BtR is its ability to bring housing units to the market quickly and at scale. Unlike the build-to-sale model where the controlled release of housing to the market is commercially beneficial, there is a real incentive for BtR developers to construct their buildings and let units as soon as possible.
- 9.22 It is important to note therefore, that the Government sees BtR having an important and long-term role in meeting the housing need of the nation, and the demand for BtR is likely to remain. As such, the Council must continue to recognise the contribution that BtR provides to local housing options for households unable to afford housing in the future and should consider the provision of 'BtR' elements in future housing mix, to ensure diversity in

¹⁰⁹ ID: 60-001-20180913

¹¹⁰ <https://bpf.org.uk/our-work/bpf-build-to-rent-report-q2-2025/>

¹¹¹ Savills Build to rent Market Update H1 2025

the types of housing. Such managed schemes, often on more secure tenancies, can provide an alternative rental option for buy-to-let landlords.

9.23 In Westmorland & Furness, it is likely that BtR schemes could cater for needs in PRS, particularly for those on low to middle incomes who may desire an alternative to traditional rental options (i.e. buy-to-let landlords). As demonstrated in Section 10.0 there is set to be strong growth in households ages under 65 in Barrow, with more mixed growth between younger and older households in Eden and a focus on older household growth in South Lakeland.

9.24 **This suggests that Barrow may be a good location for BtR development and should contribute towards meeting the needs of smaller households, potentially linked to the needs of BAE at its Barrow shipyards with a number of younger skilled workers moving into the area.**

9.25 **In contrast, it is likely that any BtR schemes in the in Eden and particularly South Lakeland would be more modest in scale and scope.**

9.26 **20%** is generally a suitable benchmark for the level of affordable private rent homes to be provided (and maintained in perpetuity) in any BtR scheme. If the Council wishes to take a different proportion in certain areas - such as Barrow - given the challenges facing viability in that area in particular, it should justify this using the evidence emerging from this local housing need assessment and set the policy out in its emerging Local Plan. Similarly, the guidance on viability permits developers, in exception, the opportunity to make a case seeking to differ from this benchmark.

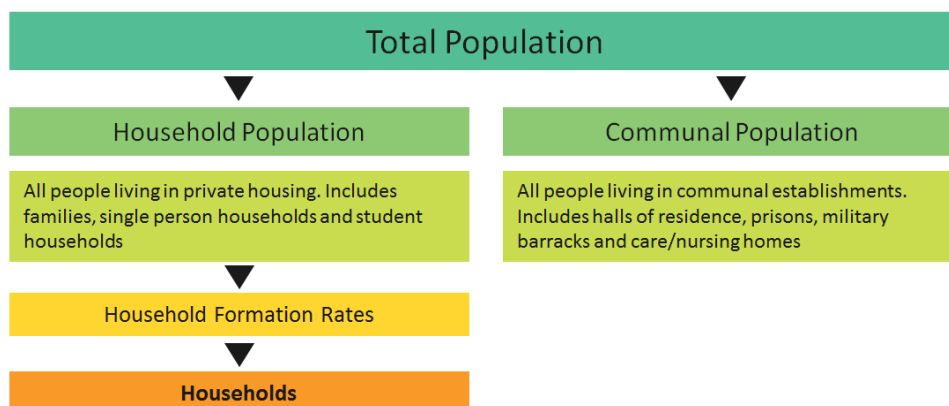
9.27 National affordable housing policy¹¹² also requires a minimum rent discount of 20% for affordable private rent homes relative to local market rents. The discount should be calculated when a discounted home is rented out, or when the tenancy is renewed. The rent on the discounted homes should increase on the same basis as rent increases for longer-term (market) tenancies within the development.

Students and Purpose-Built Student Accommodation [PBSA]

9.28 Students living in halls of residence (and other non-household populations) are projected by ONS as part of the 'not in household' population in the 2022-based SNHP. This means that they are removed from the total population projection before any assumptions around household formation are applied (as shown in Figure 9.4). Any students who live in private housing (either as a wholly student household, living alone or within another household) are, however, included in the SNHP.

¹¹² Paragraph: 002 Reference ID: 60-002-20180913

Figure 9.4 Household and communal populations in the projections



Source: Lichfields

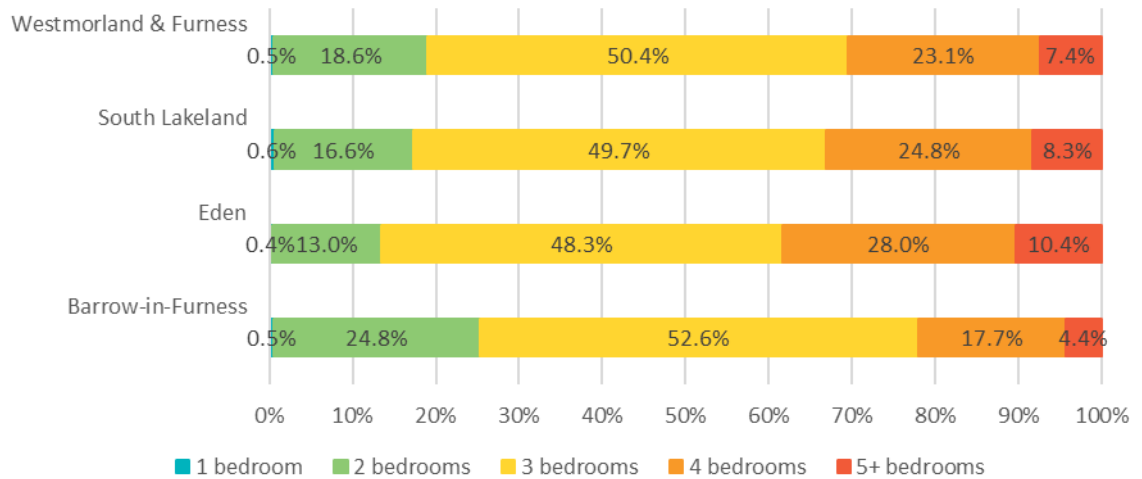
- 9.29 ONS's methodology for projecting the 'not in household' population in its latest 2022-based SNHP is to assume that the number of people living in communal establishments remains constant (at Census 2021 rates) across all age groups. For students, this effectively means that even if there is growth in student numbers, the ONS methodology assumes the number living in halls is fixed. The impact of growth in the number of students and purpose-built student accommodation [PBSA] is considered below.
- 9.30 The two main sources of future student accommodation needs are The University of Cumbria [UoC], which has a growing presence in Barrow, and Lancaster University [LU], who are investing in Furness College.
- 9.31 UoC operates Pears Cumbria School of Medicine in Carlisle, which currently recruits 58 students a year, with an aim to recruit 90 students a year from 2027/2028. The school makes a commitment to place half of the cohort in Furness General Hospital, Kendal and GPs in the Barrow and Furness region but for varying amounts of time.
- 9.32 Additionally, academic year 2025/2026 is the first year of a new UoC campus in Barrow which will see an increasing student intake for courses including Engineering, Computer Science, Nursing and Health.
- 9.33 The UoC has provided a briefing on future accommodation needs based on target recruitment numbers for students recruited at the Barrow Campus and those required to be on placement in Barrow for extended periods of time (primarily medical students). **The projection indicates an existing need for 62 student bedspaces in 2025/26, rising to 390 total bedspaces by 2035/36.**

Households and Families with Children

- 9.34 Section 8.0 reviewed the likely need for different sized housing based on projected household growth; this included households with dependent children. The overall need associated with families is therefore implicit within the recommended range of housing mix set out. However, this section provides some additional information on the current and future needs of households with children.
- 9.35 Figure 9.5 shows that across Westmorland & Furness, 50.4% of households with children live in housing with 3 bedrooms, with 23.1% in 4-bedroom homes, 18.6% in 2-bedroom homes, 7.4% in 5+ bedroom homes and just 0.5% in 1-bedroom homes. Whilst this pattern is largely reflected in each of the constituent former authority areas, there are some

variations. Barrow for example has a higher share of families with children living in 2-bedroom homes at 24.8% and fewer in larger 4+ bedroom homes, whilst Eden has a higher share in larger homes with 38.4% in homes with at least 4 bedrooms.

Figure 9.5 Households with children by number of bedrooms – Westmorland & Furness (2021)

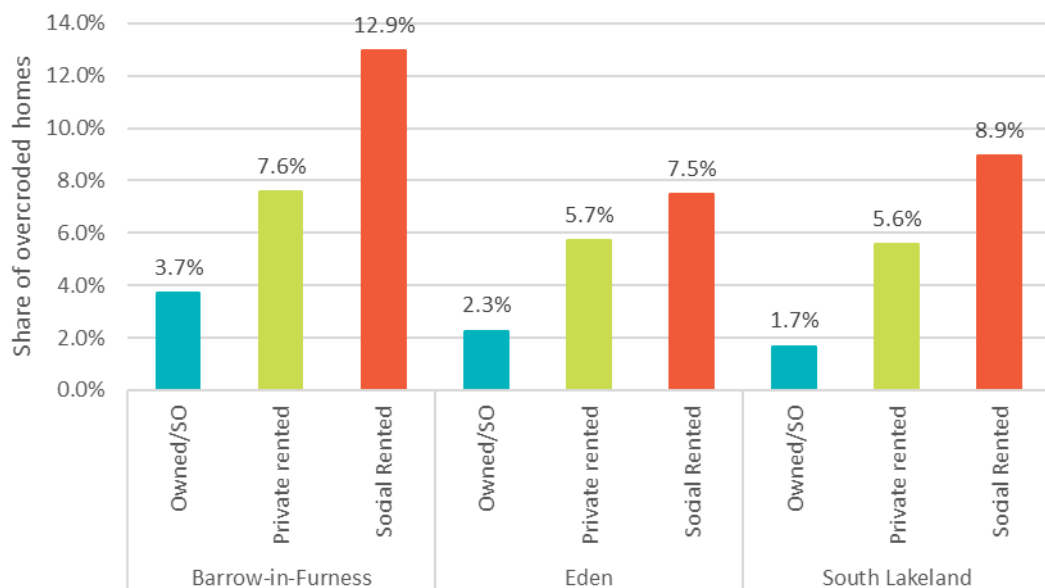


Source: Census 2021. Refers to households with dependent children

9.36

Figure 9.6 illustrates the share of households with dependent children that have at least one fewer bedroom than required, meaning that their home is overcrowded. Overcrowding is highest in the social rented sector and lowest in the owner occupier sector. In line with other household trends, Barrow has the highest levels of overcrowding, with 12.9% of households with dependent children in the social rented sector requiring at least one more bedroom than they have.

Figure 9.6 Overcrowding in– households with children



Source: Census 2021. Refers to households with dependent children

- 9.37 As shown in Section 7.0 the number of households with children is projected to decline across all areas of Westmorland & Furness over the plan period 2025-2045. The extent of this decline separated by the number of dependent children is presented in Table 9.1. The pattern of decline is similar across the three former authorities, with households with one dependent child expected to decline the most, and slightly smaller declines for larger families.

Table 9.1

Area	Number of Children	Change 2025-2045	
Barrow	One dependent child	-510	-14.3%
	Two dependent children	-312	-10.9%
	Three or more dependent children	-116	-11.1%
	All households with dependent children	-939	-12.6%
Eden	One dependent child	-393	-17.6%
	Two dependent children	-337	-15.2%
	Three or more dependent children	-118	-14.4%
	All households with dependent children	-849	-16.1%
South Lakeland	One dependent child	-689	-16.2%
	Two dependent children	-533	-13.1%
	Three or more dependent children	-143	-11.8%
	All households with dependent children	-1,365	-14.3%

Source:

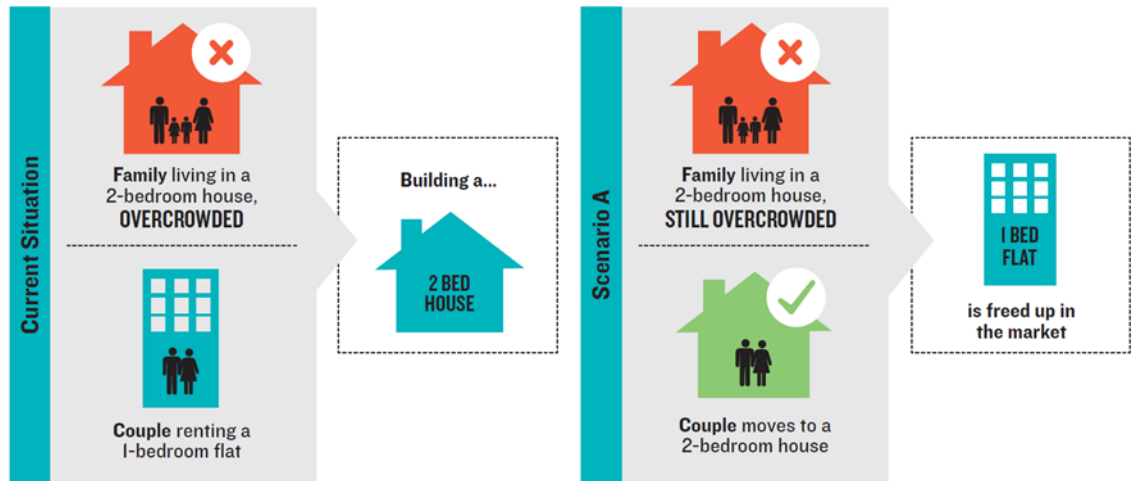
The wider role of family housing in the market

- 9.38 Beyond the specific needs of families in Westmorland & Furness identified above, there is widespread evidence to further show the importance of family housing within the wider housing market. The provision of additional housing supply has impacts throughout the housing ladder, as vacated dwellings become homes for other households. This process has been widely studied as one of the possible applications of the 'Markov Chain Model'.
- 9.39 The Markov Chain Model, and specifically its application to the housing market, suggests that a new vacancy at the top of the housing ladder generates a statistically expected number of subsequent household moves. This is because as a newly built larger home is occupied, a smaller home is left vacant for a new household (e.g. a family), whose move would in turn free up a home for a smaller/new household. Whilst longitudinal datasets on households' moves are not available in England, analysis on Swedish housing data shows that there were between 3.1 and 4.4 moves per new home built between 2000 and 2002¹¹³, with vacancies created at larger multi-family homes creating the longest vacancy chains. The study also found that vacancies initiated by owner occupier moves generated longer vacancy chains compared to those initiated by renters.
- 9.40 For the purposes of illustrating, in a simple manner, the potential role of larger housing within a vacancy chain model in the open market, two scenarios have been considered at Figure 9.7 and Figure 9.8. These are both simplified for effect and are not a representation of precise moves within a local market but represent in broad terms the dynamics at play.

¹¹³ Magnusson Turner, L. (2008). Who Gets What and Why? Vacancy Chains in Stockholm's Housing Market, International Journal of Housing Policy, 8(1), pp. 1-19. <http://dx.doi.org/10.1080/14616710701817133>

9.41 Figure 9.7 illustrates the potential impact of building a 2-bedroom home in an area where there is already a need / demand for larger housing.

Figure 9.7 Housing ladder outcomes: Scenario A – building a 2-bed house

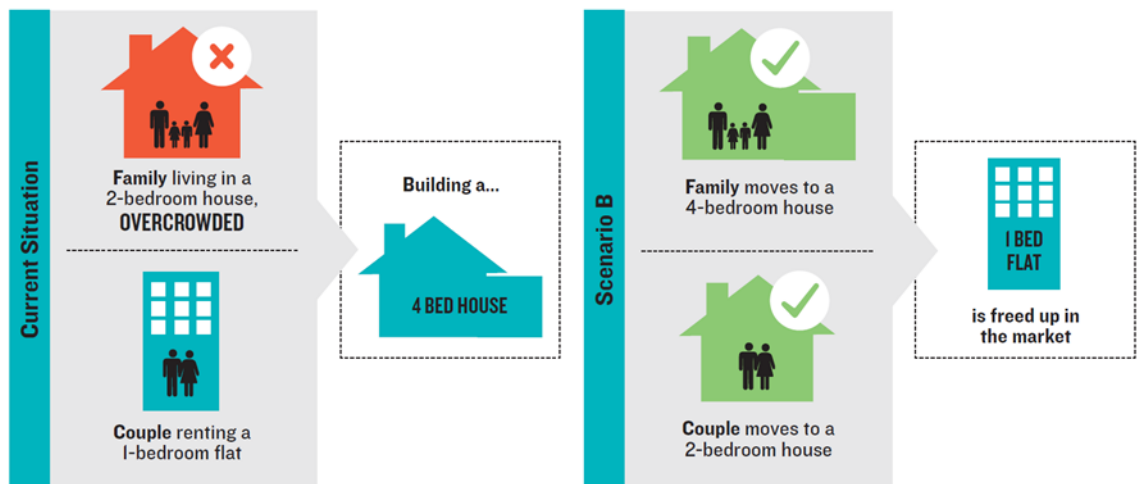


Source: Lichfields

9.42 This scenario indicates that erecting smaller homes will not necessarily meet the needs and demands of the overall population as it only facilitates movement between smaller dwellings in the housing market.

9.43 Figure 9.8 demonstrates the potential impact of building a 4-bedroom home in this same housing market scenario.

Figure 9.8 Housing Ladder outcomes: Scenario B – building a 4-bed house



Source: Lichfields

9.44 Under this scenario, the result is movement up the housing ladder for both households (with the family moving into larger accommodation and the couple moving from a flat into a house). It still results in the release of a smaller dwelling (a flat) back into the market to cater for newly forming / smaller households.

- 9.45 Ultimately, larger housing provision can help play a two-fold role within meeting the wider needs of household growth across Westmorland & Furness by:
- 1 Meeting the **needs** of households, in terms of current overcrowded households who are in need of larger housing – this in turn means that the needs of smaller, newly forming households can be met as smaller housing is freed up further down the ladder; and,
 - 2 Meeting the **demands** of households, in terms of smaller households aspiring to buy/upsized within the market – this again also results in the freeing up of smaller housing further down the ladder.
- 9.46 Taking account of housing ladder dynamics and the Markov Chain Model, it is clear that the provision of larger homes can play a key role in facilitating movement throughout the local housing market. It can help to address issues of overcrowding and concealed families¹¹⁴. Naturally, the model works best when people can afford to move to larger homes when required. Whilst some people may struggle to afford to move when they would like to, building new homes of all sizes can over time improve affordability by facilitating a higher number of moves and stimulating the market.

Households and Families with Children Summary

- 9.47 Overall, the number of families and other households with children is expected to fall by around 14.1% in Westmorland & Furness by 2045. In the owner-occupied sector, the rate of overcrowding amongst families is low and families tend to live in homes which are larger than they 'need' to have extra space. The estimated overall scale of demand for larger housing across Westmorland & Furness in meeting the needs of families was discussed in Section 8.o.
- 9.48 In the social rented sector, the rate of over-crowding among families is significantly higher, and the Council should consider how more effective use of existing stock and new development can help address this. Waiting list data suggests that the need is predominantly for small units; however, this is not exclusively the case and there remains a need for a modest number of larger properties in the social sector to address existing problems of overcrowding in the market.
- 9.49 These trends are present across all three of the constituent former authorities, but are strongest in Barrow, where a greater share of households with children live in the social rented sector and there is a higher prevalence of overcrowding.

The need for specialist accommodation for Older People

- 9.50 The PPG recognises that the need to provide housing for older people is critical. People are living longer lives and the proportion of older people in the population is increasing. In 2024 there were 1.5 million people aged 85 and over nationally; by 2047 this is projected to increase to 2.8 million¹¹⁵.

¹¹⁴ A concealed family is one living in a multi-family household in addition to the primary family – for example, a young couple living with parents.

¹¹⁵ ONS (2025): Mid-Year Population Estimates 2024 / 2022-based National population Projections

9.51 The PPG states:

“Offering older people a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health systems. Therefore, an understanding of how the ageing population affects housing needs is something to be considered from the early stages of plan-making through to decision-taking”¹¹⁶.

9.52 In line with these national trends, the number of older people living in Westmorland & Furness is projected to increase by 19.0% by 2045 (Based on Lichfields’ PopGroup modelling using the 2022-based SNPP and MYPE). In the context of ageing both more widely and in the District specifically, meeting needs of older people will be a key element of meeting overall needs over the period to 2045 (and beyond).

Table 9.2 Projected Population change by broad age group – Westmorland & Furness SNPP Scenario

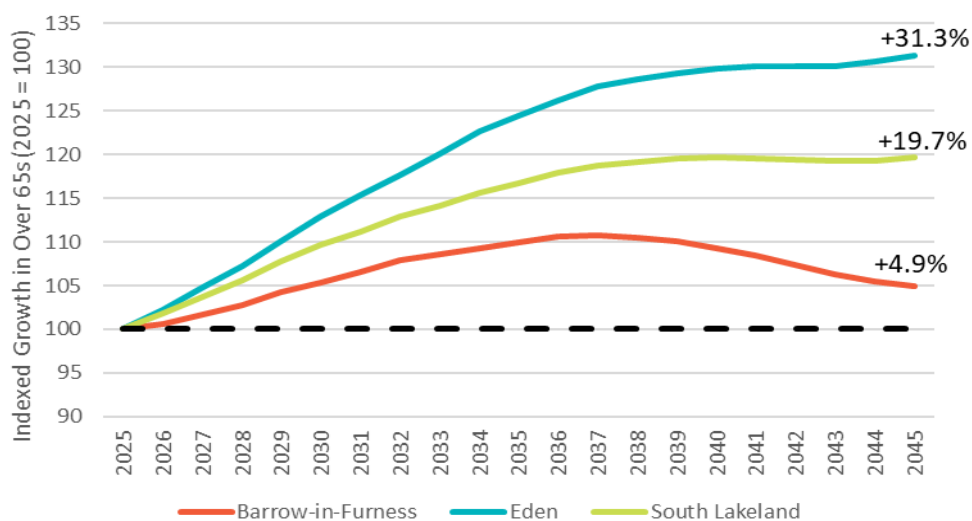
	2025	2045	Change	Change (%)
65-74	30,457	31,038	+581	+1.9%
75-79	14,156	15,818	+1,662	+11.7%
80-84	9,114	12,974	+3,860	+42.4%
85-89	5,509	7,987	+2,477	+45.0%
90+	2,902	6,155	+3,254	+112.1%
Total Over 65s	62,137	73,972	+11,835	+19.0%

Source: Lichfields using PopGroup (2022-based SNPP rebased to 2024 MYPE)

9.53 Figure 9.9 shows the growth in over 65s in each of the constituent authorities over the plan period. Eden is forecast to see growth of 31.3% or 6,134, growing consistently to around 37,300 older residents by 2040 before levelling off around 2040. South Lakeland’s growth of 19.7% or 4,962 follows a similar pattern. Barrow on the other hand is forecast to see its older population to grow to around 16,700 in 2037 before falling to 2045 with overall growth of 4.9% or 739.

¹¹⁶ PPG: 63-001-20190626

Figure 9.9 Indexed growth in over 65s in Westmorland & Furness 2025-2045 (2025 = 100) SNPP Scenario



Source: Lichfields using PopGroup (2022-based SNPP rebased to 2024 MYPE)

9.54 For comparison, Table 9.3 shows the change in over 65s resulting from the SM3 scenario. This suggests higher growth of 16,009 or 25.8% to 2045.

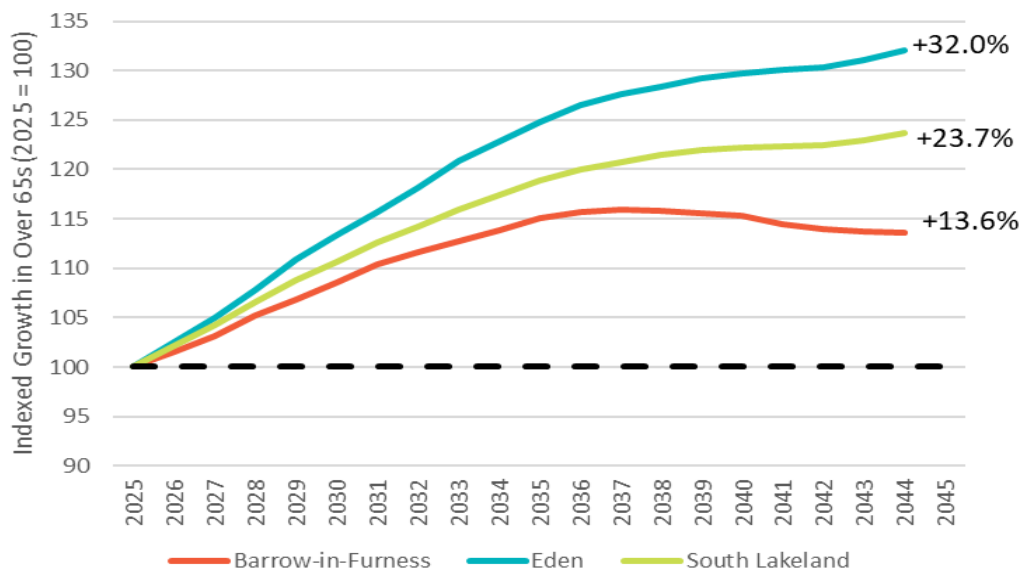
Table 9.3 Projected Population change by broad age group – Westmorland & Furness SM3 Scenario

	2025	2045	Change	Change (%)
65-74	30,457	32,961	+2,504	+8.2%
75-79	14,156	16,651	+2,495	+17.6%
80-84	9,114	13,599	+4,486	+49.2%
85-89	5,509	8,386	+2,877	+52.2%
90+	2,902	6,549	+3,648	+125.7%
Total Over 65s	62,137	78,146	+16,009	+25.8%

Source: Lichfields using PopGroup (2022-based SNPP rebased to 2024 MYPE)

9.55 The results of the SM3 scenario split by constituent authorities are shown in Figure 9.10, which shows an increase in growth across all three areas but particularly in Barrow, increasing from +739 or 4.9% under the SNPP scenario to +2,075 or +12.6% under the SM3 scenario.

Figure 9.10 Indexed growth in over 65s in Westmorland & Furness 2025-2045 (2025 = 100) SM3 Scenario



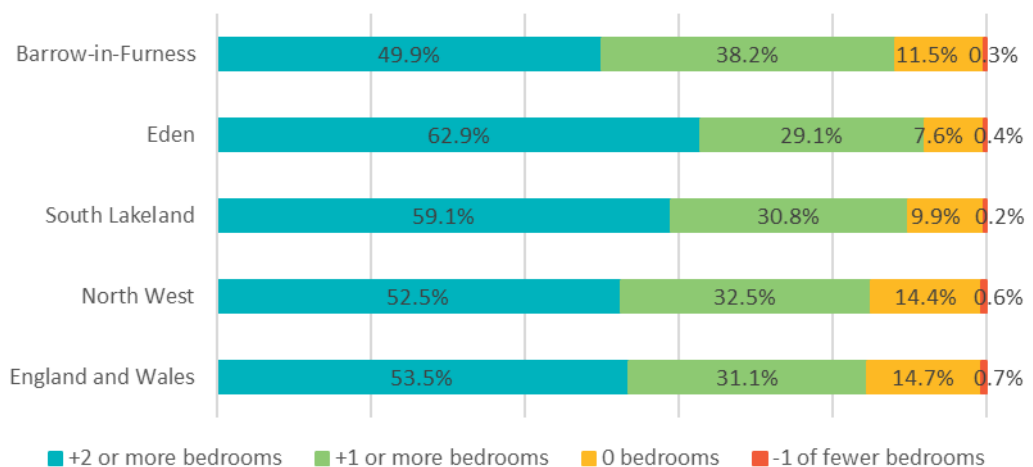
Source: Lichfields using PopGroup (SM3)

Occupancy patterns and housing market activity

9.56 As shown in Figure 9.11, older households in Westmorland & Furness typically (and significantly) under-occupy homes with as many as 62.9% of households in Eden and 59.1% in South Lakeland over the age of 66 having at least 2 bedrooms more than is considered necessary – figures greater than the regional (52.5%) and even the national (53.5%) averages. In Barrow this number is lower, at 49.9%, but remains significant.

9.57 This trend is further highlighted by the fact that the data indicates that hardly any (0.2-0.4%) elderly households are under-occupying homes.

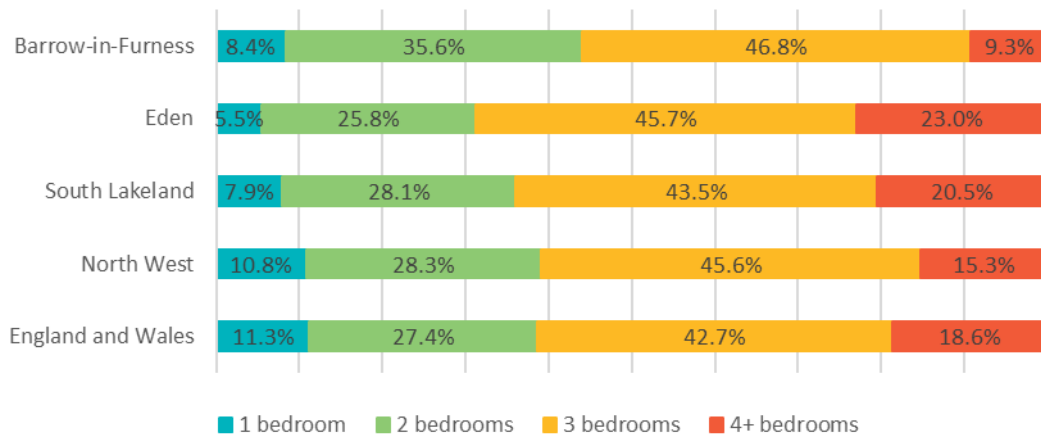
Figure 9.11 Occupancy rating among households over the age of 66



Source: Census 2021

9.58 This pattern is reinforced when we analyse the number of bedrooms in residential properties occupied by households over the age of 66. Figure 9.12 illustrates that just under half (43.5% - 46.8%) of senior households reside in 3-bedroom properties. In Eden, a further 23.0% live in 4-bedroom+ homes, and 20.5% in South Lakeland. In comparison, Barrow has a higher relative share living in 2-bedroom homes at 35.6% and fewer 4+ bedroom homes, at 9.3%.

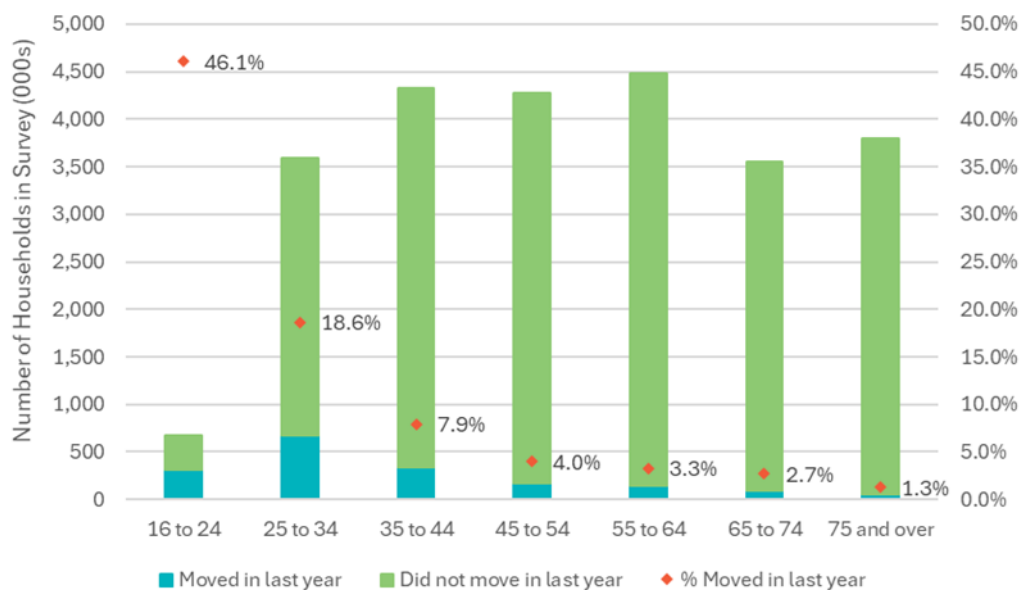
Figure 9.12 Number of Bedrooms among households over the age of 66



Source: Census 2021

9.59 In addition to being amongst the most significant under-occupiers of housing, older households are amongst the least likely to move. As shown in Figure 9.13, the likelihood of moving house decreases with age. 2023/24 EHS data regarding elderly households shows that the likelihood of moving each year is 46.1% for those aged 16 to 24, reducing to just 1.3% for those aged 75 and over.

Figure 9.13 Proportion of households who moved in the last year (2023/24) by age of Household Reference Person



Source: English Housing Survey (2023/24) – Table FA4121.

9.60 However, there has been a nationally recognised shortage in housing targeted specifically at older residents for some time. It is possible that the low proportion of movers amongst older residents reflects the historic lack of housing choice available to older residents, who would prefer to stay in their home (even if it were too difficult to manage) rather than move. It would be reasonable to assume that, with a concerted effort nationally to boost the supply of specialist housing catered towards the different needs of elderly residents, we would see elderly households become more active in housing market than they currently are.

9.61 Data provided by the Council shows that there have been 3,554 admissions to residential care and nursing homes in the decade to 2025/26 at an average of 355 per year, with 70.4% of these being for residential care homes and 29.6% for nursing homes. In addition, there have been 321 admissions of residents aged under 65, at a ratio of 78.2% residential and 21.8% nursing homes.

Accommodation for older people and housing supply

9.62 The specific accommodation needs of older people fall within two different groups:

- 1 Those in need of communal establishment accommodation (i.e. bedspaces), including residential care homes or specialist nursing homes; and,
- 2 Older people living in private housing (and are recorded in the household projections) who do not require care home facilities but may have specific needs, for example for adaptable and accessible homes, or those living in self-contained units as individual households, but where some degree of care is provided (e.g., extra care or sheltered housing).

9.63 The 2022-based SNHP already removes a certain number of older people who are projected to be living in communal establishments (in the case of older people, those living in residential care homes). For the purposes of this SHENA, this accommodation is referred to as 'C2' uses.

9.64 For planning purposes, some forms of housing which provide elements of care could also fall under C2 use; for example, some of the numerous accommodation types falling under the term 'extra care housing'. However, as these may provide self-contained units for occupation by households, they are more usually considered part of general housing needs, i.e. C3 for the purposes of assessing housing need in this SHENA. These units meet the needs associated with households, and therefore are included within the LHN. Supply of these types of housing units can therefore be counted as housing supply against the LHN.

9.65 The PPG¹¹⁷ states that all types of housing provided for older people, including homes (such as sheltered housing or adaptable homes) and communal accommodation (such as nursing homes) can be counted against the housing requirement.

9.66 However, the approach of counting non-conventional housing supply against the housing requirement has been clarified in the High Court in '*Exeter City Council v (1) Secretary of State for Communities and Local Government and (2) Waddeton Park Limited and (3) The R B Nelder Trust [2015] EWHC 1663*' referred to as *Exeter*. This judgment dealt with the inclusion of student accommodation as a component of housing supply when it has not been utilised in the formation of an appropriate housing requirement, however the

¹¹⁷ PPG: 63-016a-20190626

principles of this judgment are just as applicable to bedspaces in nursing homes. The need for such a component of supply to be reflected in the requirement figure is set out in paragraphs 41 to 42 of the judgment, with the relevant conclusion as follows:

“it would be irrational to include student accommodation [or elderly people C2 accommodation] in housing supply as meeting an adopted housing requirement, where such accommodation does not feature in that requirement.”

9.67 In this context, because the need for bedspaces in care homes does not feature within the LHN for Westmorland & Furness (i.e., it is in addition to it), the supply of this accommodation would be additional to the LHN housing requirement.

9.68 To reiterate therefore, although extra-care housing and other types of accommodation which provide self-contained units (which have a kitchen, bathroom, and bedroom/s) are sometimes recorded as C2 use, as they are meeting needs associated with households, supply of this accommodation can be counted against the LHN.

9.69 As has been widely recognised, categorizing different types of specialised housing is far from straightforward. Aside from creating ambiguity and confusion around moving for older people themselves and complexity for the planning process, this also acts as a barrier to the creation of rigorous statistics definitions do not necessarily accord with the assumptions within a planning context¹¹⁸ with the diagram below illustrating the blurred lines between many products:

Figure 9.14 Different residential options for older people



Source: Best and Porteus (2012), as reproduced in Cambridge Centre for Housing and Planning Research (April 2021): Understanding Supply, demand and investment in the market for investment housing communities in England

¹¹⁸ Cambridge Centre for Housing and Planning Research (April 2021): *Understanding Supply, demand and investment in the market for investment housing communities in England*

9.70 The Elderly Accommodation Council National Housing Database (2014) refines this ‘long list’ down to the following types of specialist accommodation for older people – albeit as expanded upon subsequently these definitions do not necessarily accord with the assumptions within the planning context:

Figure 9.15 Different types of elderly accommodation



Source: Elderly Accommodation Council National Housing Database (2014)

9.71 Many providers simplify this list still further into three categories of specialised housing distinguishing between housing ‘without support’, ‘with support’, and ‘with care’:

- **Housing without support:** age-restricted (and therefore not mainstream housing) but offers no other services.
- **Housing with support:** might have some communal facilities, and dedicated housing managers.
- **Housing with care:** might offer more extensive on-site facilities, including the option of personal care offered by an on-site provider.¹¹⁹

9.72 Within the planning system there is no fixed or agreed definition of the different types of housing for older people. The main distinction lies in the difference between Use Class C3 (Residential) and C2 (Residential Institutions). Key issues in determining the appropriate Use Class include the levels of care provided and the extent of shared facilities.

9.73 This issue was considered in the High Court case of *Rectory Homes v Secretary of State for Housing, Communities and Local Government*¹²⁰. Although the central question of this case – which was dismissed on all grounds – was whether a proposal for 78 open market extra care dwellings and a communal residents centre fell within the scope of the

¹¹⁹ Cambridge Centre for Housing and Planning Research (April 2021): *Understanding Supply, demand and investment in the market for investment housing communities in England*

¹²⁰ (2020), EWHC2098 (Admin)

development plan policy that required schemes for 3 or more dwellings to provide affordable housing, it includes a helpful exploration of the Use Class of care facilities and whether they can constitute dwellings.

- 9.74 It was common ground between Rectory Homes and South Oxfordshire Council that the whole scheme fell within use Class C2. The difference relates to the accommodation could be categorised as comprising “dwellings”. Paragraph 26 of the judgement states:

“The essence of the Claimant’s case before the Inspector and before this court is that the use of the word “dwellings” in the affordable housing policy...Because it was agreed between the parties that the entirety of the proposed development fell within the C2 Use Class, the Claimant contended that it had to follow that no part of the development could fall within the C3 Use Class and so could not amount to a ‘dwelling’.”

- 9.75 The Council “maintained that residential accommodation could be provided within a C2 development as dwellings, (so long as the use of each such dwelling did not fall within the C3 Use Class)” (paragraph 33). The Secretary of State also argued that dwelling should be given its normal meaning in this policy context. In this context, reference was made to the Gravesham and Moore cases¹²¹:

“It has become well-established that the terms the terms “dwelling” or “dwelling house” in planning legislation refer to a unit of residential accommodation which provides the facilities needed for day-to-day private domestic existence” (paragraph 53).

- 9.76 The judgement notes at paragraph 57 that Class C4 “use of a dwelling house by no more than 6 residents as a ‘house in multiple occupation”” demonstrates that C3 does not cover all circumstances where a property has the physical characteristics of a dwelling as defined in the Gravesham case. Furthermore, while certain institutions that fall within use class C2 are unlikely to include dwellings, the first sentence of use class C2 does not require the institution to be a traditional one – it could be an organisation managing a development. The specific exclusion of C3 uses from residential accommodation in the definition of use class C2 implies that properties with the physical characteristics of dwellings can fall within C2:

“Accordingly, a Class C2 development may include accommodation in the form of dwellings, for example flats and bungalows, each of which has facilities appropriate for private, or independent, domestic existence. But their use would only fall within the C2 Use Class if ‘care’ is provided for an occupant in each dwelling who is in need of such care” [paragraph 62].

- 9.77 This is on the basis that “on a proper interpretation of the Use Classes Order, Class C2 may include residential accommodation in the form of dwellings as part of the primary use, subject to the provision of care and restrictions on occupation...” [paragraph 90].

¹²¹ Gravesham p. 146; Moore v Secretary of State for the Environment, Transport and the Regions (1998) 77 P and CR 114

Extra Care and Sheltered Accommodation (C3)

9.78 Collectively, extra-care and sheltered housing specifically targeted at older households are referred to as ‘elderly housing’ for the purposes of this study. The PPG clarifies what type of evidence plan-makers need to consider when identifying the housing needs of older people:

“The future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed and can be obtained from a number of online tool kits provided by the sector, for example [SHOP@](#) (Strategic Housing for Older People Analysis Tool), which is a tool for forecasting the housing and care needs of older people”¹²².

Current Need

9.79 To assess whether the level of provision is appropriate, a number of sources are available which provide benchmark ratios.

9.80 Elderly Accommodation Counsel [EAC] data from 2019 shows that there were 643,619 specialist housing units in England. This equated to around 136 units per 1,000 people aged 75+, consisting of 120 age exclusive/sheltered and retirement homes and 16 housing with care units. By way of comparison, there were 143 units per 1,000 people aged 75+ in the North West¹²³.

9.81 The Housing Learning and Improvement Network [HLIN] suggests a national standard need ratio of 170 units of specialised accommodation (other than registered care home places) per 1,000 people aged over 75, comprising 145 units of sheltered housing and 25 units of extra care per 1,000 people aged over 75¹²⁴.

9.82 Other data sources, such as that proposed by DLP in its report entitled “*The Older Persons Housing Needs Model* (April 2022), indicate even higher national standard ratio of 275 units of older persons accommodation per 1,000 people aged over 75 (comprising 202 sheltered housing and 73 Extra Care¹²⁵).

9.83 As of 2025, there are currently 31,680 people over the age of 75 living in Westmorland & Furness (Based on 2022-Based SNPP rebased to MYPE¹²⁶) of whom 7,490 (23.6%) live in Barrow, 7,777 (24.5%) live in the Eden, and 16,413 (51.8%) live in South Lakeland. Based on the EAC national rate of 136 specialised units per 1,000 residents over 75, this would equate to a need for 4,309 specialist units across the whole of Westmorland & Furness.

¹²² PPG: 63-004-20190626

¹²³ EAC (2019): Total stock 2019 by UK region and type (including under construction)

¹²⁴ Extra Care housing – what is it in 2015? – HLIN (November 2015)

¹²⁵ The Older Persons Housing Needs Model (April 2022)

¹²⁶ This is consistent across each PopGroup modelling scenario given 2025 is the base year for modelling

Table 9.4 Existing need for specialist C3 accommodation for older people in Westmorland & Furness

Location	Population over 75 (2025)	Type of Accommodation	EAC national ratio per 1,000 75+		Need (EAC)		HLIN ratio per 1,000 75+		Need (HLIN)	
Barrow	7,490	Sheltered	120	136	899	1,019	145	170	1,086	1,273
		Extra Care	16		120		25		187	
Eden	7,777	Sheltered	120	136	933	1,058	145	170	1,128	1,322
		Extra Care	16		124		25		194	
South Lakeland	16,413	Sheltered	120	136	1,970	2,232	145	170	2,380	2,790
		Extra Care	16		263		25		410	
Westmorland & Furness	31,680	Sheltered	120	136	3,802	4,309	145	170	4,594	5,386
		Extra Care	16		507		25		792	

Source: Lichfields analysis, based on MYPE, 2022-Based SNPP, EAC. Totals may not sum due to rounding.

- 9.84 Alternatively, and based on the higher HLIN¹²⁷ national standard of 170 units of specialised accommodation (other than registered care home places) per 1,000 people aged over 75, the need would increase to **5,386**.

Current Supply

- 9.85 A database of facilities produced by the EAC¹²⁸, which is publicly available and provides a robust baseline dataset, demonstrates that the supply of sheltered and retirement housing in Westmorland & Furness is below the national average, with 1,362 units at an average of **83 units per 1,000 residents aged 75+**, compared to the national average of 102 and the regional average of 110. This is shown in Table 9.5 which also shows that 71.4% of these units are in South Lakeland compared to 16.8% in Eden and 11.8% in Barrow. This means that South Lakeland has 116 units per 1,000 people aged 75+, compared to just 58 in Eden and 42 in Barrow.
- 9.86 In terms of extra-care housing, Westmorland & Furness fares more positively, with a total of 549 units equating to an average of **17 units per 1,000 residents aged 75+**, compared to the regional average of 9 units and 14 across England. South Lakeland has 53.0% of these units or 18 per 1,000 people aged 75+, compared to 37.0% or 26 per 1,000 in Eden and 10.0% or 7 per 1,000 in Barrow.

¹²⁷ As set out in the PPG (63-004-20190626): "The future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed and can be obtained from a number of online tool kits provided by the sector, for example SHOP@ (Strategic Housing for Older People Analysis Tool), which is a tool for forecasting the housing and care needs of older people"

¹²⁸ EAC (2019)

Table 9.5 Supply of elderly accommodation (specialist housing) for Westmorland & Furness as of 2025

		Population aged 75+ (2025)	Units	Share of Units (%)	Per 1,000 population over 75
Retirement Homes / Close Care / Sheltered Housing	Barrow	7,490	313	11.8%	42
	Eden	7,777	448	16.8%	58
	South Lakeland	16,413	1,898	71.4%	116
	Westmorland & Furness	31,680	2,659		84
Age Exclusive / Sheltered Housing / Retirement Housing	North West*	721,980	79,243		110
	England*	5,573,673	567,463		102
Assisted Living and Extra Care Housing	Barrow	7,490	55	10.0%	7
	Eden	7,777	203	37.0%	26
	South Lakeland	16,413	291	53.0%	18
	Westmorland & Furness	31,680	549		17
Housing with Care	North West*	721,980	6,264		9
	England*	5,573,673	76,156		14

Source: EAC: National Database of Housing for Older People, January 2026

*EAC Stats December 2019 including units under construction – Population Data 2022-Based SNPP

- 9.87 Based on the national EAC prevalence rate, Table 9.6 illustrates that this current supply suggests that there is a **residual need for 1,143 additional sheltered dwellings/units in Westmorland & Furness**, with most of this needed in Barrow (586) and Eden (485), and a smaller deficit in South Lakeland (72). This need increases significantly to 2,178 across Westmorland & Furness using the higher HLIN standard.
- 9.88 For Extra Care units, there is actually a surplus of 42 units overall using the EAC rate, with both Eden and South Lakeland having oversupply which cancels out a 65 unit deficit in Barrow. However, using the HLIN standard changes this small surplus in units to a deficit of 243 principally in Barrow (132) and South Lakeland (119) whilst a small surplus remains in Eden (-9).
- 9.89 This analysis highlights that there is currently some unmet need for specialist older persons accommodation in the local area which is not being addressed.

Table 9.6 Existing residual need for specialist C3 accommodation for older people

Location	Type of Accommodation	Current Supply	EAC national prevalence rate		HLIN National Standard	
			Existing Need	Residual Need	Existing Need	Residual Need
Barrow	Sheltered	313	899	+586	1,086	+773
	Extra Care	55	120	+65	187	+132
	Total	368	1,019	+651	1,273	+905
Eden	Sheltered	448	933	+485	1,128	+680
	Extra Care	203	124	-79	194	-9
	Total	651	1,058	+407	1,322	+671
South Lakeland	Sheltered	1,898	1,970	+72	2,380	+482
	Extra Care	291	263	-28	410	+119
	Total	2,189	2,232	+43	2,790	+601
Westmorland & Furness	Sheltered	2,659	3,802	+1,143	4,594	+1,935
	Extra Care	549	507	-42	792	+243
	Total	3,208	4,309	+1,101	5,386	+2,178

Source: Lichfields Analysis. Totals may not sum due to rounding.

Emerging Need

- 9.90 Between 2025-2045, the number of residents aged 75 and over living in Westmorland & Furness is projected to increase by 11,254 or 35.5% under the 2022-SNHP based to 2024 MYPE scenario as modelled in PopGroup. Applying both the EAC and HLIN ratios to the net increase in residents suggests that between 2025 and 2045, the estimated emerging need for elderly C3 housing would be between 1,530 and 1,913 units.
- 9.91 Table 9.7 apportions this need out by Spatial-Zone and illustrates that there is a need for elderly C3 housing units of between:
- 217 and 271 units in Barrow;
 - 536 and 670 units in Eden; and,
 - 778 and 972 units in South Lakeland.

Table 9.7 Specialist C3 Accommodation Required in Westmorland & Furness (2025 – 2045)

	Type of Specialist Accommodation	EAC Rate (units/1,000 people aged 75+)	EAC Units required (2025-2045)	HLIN Rate (units/1,000 people aged 75+)	HLIN Units required (2025-2045)
Barrow: 1,593 New Residents 75+	Sheltered	120	191	145	231
	Extra Care	16	25	25	40
	Total	136	217	170	271
Eden: 3,940 New Residents 75+	Sheltered	120	473	145	571
	Extra Care	16	63	25	99
	Total	136	536	170	670
South Lakeland: 5,720 New Residents 75+	Sheltered	120	686	145	829
	Extra Care	16	92	25	143
	Total	136	778	170	972
Westmorland & Furness: 11,254 New Residents 75+	Sheltered	120	1,350	145	1,632
	Extra Care	16	180	25	281
	Total	136	1,530	170	1,913

Source: Lichfields analysis /EAC/HLIN. Totals may not sum due to rounding.

- 9.92 In addition to this, research undertaken by DLP in its *Older Persons Housing Needs Model* (April 2022) aims to fully consider past under-provision which it claims has not kept pace with the ageing population since the early 1990s and is substantially below international comparisons (such as the United States, Australia, and New Zealand).
- 9.93 The DLP model considers 10, 20 and 30-year trends in the rate of provision by typology and tenure and relates these back to the 75+ population to calculate prevalence rates. Three typologies were considered for each of the three time periods: average annual growth rate, which calculates the percentage growth between each year and then averages the changes over each period; an exponential growth projection; and the application of the average annual build rate. DLP's proposed future national prevalence rate for sheltered housing and extra care combined is 275 per 1,000 residents over the age of 75.
- 9.94 Table 9.8 applies DLP's proposed national prevalence rates going forward as a sensitivity test and illustrates a potential emerging need over the next 18 years as high as 3,095 C3 sheltered / extra-care units:
- 438 units in Barrow;
 - 1,084 units in Eden; and,
 - 822 units in South Lakeland.
- 9.95 Most of this need would be Sheltered Accommodation rather than Extra Care.

Table 9.8 Specialist C3 accommodation required in Westmorland & Furness 2025 – 2045 (DLP Sensitivity)

	Type of Specialist Accommodation	DLP Rate	DLP Units Required (2025 – 2045)
Barrow: 1,593 New Residents 75+	Sheltered	202	322
	Extra Care	73	116
	Total	275	438
Eden: 3,940 New Residents 75+	Sheltered	202	796
	Extra Care	73	288
	Total	275	1,084
South Lakeland: 5,720 New Residents 75+	Sheltered	202	1,155
	Extra Care	73	418
	Total	275	1,573
Westmorland & Furness: 11,254 New Residents 75+	Sheltered	202	2,273
	Extra Care	73	822
	Total	275	3,095

Source: Lichfields analysis / DLP 2022. Totals may not sum due to rounding.

- 9.96 When combined together, the current undersupply – plus the likely future net need – could range from **between 2,631 (1,101 + 1,530) and 4,091 (2,178 + 1,913)** across the whole of Westmorland & Furness. The level of undersupply by former authority is split as follows:
- **867** (651 + 217) and **1,176** (905 + 271) units in Barrow;
 - **943** (407 + 536) and **1,341** (671 + 670) units in Eden; and,
 - **821** (43 + 778) and **1,574** (601 + 972) units in South Lakeland.
- 9.97 The numbers would be higher if the proposed national prevalence rate used by DLP for determining future needs is applied.
- 9.98 This analysis therefore highlights that there is currently some significant unmet need for C3 sheltered and (to a much lesser extent) extra-care specialist accommodation in Westmorland & Furness which is not being addressed.
- 9.99 For comparison, the results of this analysis using the higher population growth resulting from the SM3 scenario are shown in Table 9.9. In this scenario, the number of residents aged 75 and over living in Westmorland & Furness is projected to increase by 13,505, or 42.6%, to 2045.

Table 9.9 Specialist C3 accommodation required in Westmorland & Furness 2025 – 2045 (SM3 Scenario)

	Type of Specialist Accommodation	EAC Units required (2025-2045)	HLIN Units required (2025-2045)	DLP Units Required (2025 – 2045)
Barrow: 1,593 New Residents 75+	Sheltered	287	347	484
	Extra Care	38	60	175
	Total	326	407	659
Eden: 3,940 New Residents 75+	Sheltered	512	619	862
	Extra Care	68	107	311
	Total	580	725	1,173
South Lakeland: 5,720 New Residents 75+	Sheltered	821	992	1,382
	Extra Care	109	171	500
	Total	931	1,163	1,882
Westmorland & Furness: 11,254 New Residents 75+	Sheltered	1,621	1,958	2,728
	Extra Care	216	338	986
	Total	1,837	2,296	3,714

Source: Lichfields analysis /EAC/HILN/DLP. Totals may not sum due to rounding.

9.100 Using the outputs of the SM3 scenario, the current undersupply – plus the likely future net need – could range from between 2,937 (1,101 + 1,837) and 4,474 (2,178 + 2,296) across the whole of Westmorland & Furness. The level of undersupply by former authority is split as follows:

- 976 (651 + 326) and 1,312 (905 + 407) units in Barrow;
- 987 (407 + 580) and 1,396 (671 + 725) units in Eden; and,
- 974 (43 + 931) and 1,765 (601 + 1,163) units in South Lakeland.

9.101 Again, the numbers would be higher if the proposed national prevalence rate used by DLP for determining future needs is applied.

Care / Nursing Home Beds (C2)

9.102 The 2021 Census identified that there were 1,206 people over the age of 75 who were resident in communal establishments in Westmorland & Furness. The 2022-based SNHP considers the findings of the Census, and for age 75+ assumes a set number of people will be living in communal establishments and that this will remain constant over the entire modelling period¹²⁹.

9.103 The EAC accommodation database indicates that there are currently 28 residential care homes based in Westmorland & Furness, of which there are six in both Barrow and Eden, and 16 in South Lakeland. Residential care homes are defined by EAC as a residential setting where a number of older people live, usually in single rooms, and have access to on-site care services. A home registered simply as a care home will provide personal care only – help with washing, dressing and giving medication. Some care homes meet a specific care need, for example dementia or terminal illness.

¹²⁹ This represents a departure from ONS's previous approach in the 20218-based SNHP, which identified a percentage rate and kept this constant over time, which meant that the absolute number of older residents would gradually increase as the population did

- 9.104 Table 9.10 indicates that these 28 residential care homes provide 887 bedspaces in total, across 849 rooms (with a number of shared spaces).
- 9.105 Similar analysis of the EAC database for summer 2025 indicates that there are also 16 nursing homes¹³⁰ located in Westmorland & Furness, of which three are in Barrow, two are in Eden and 11 are in South Lakeland. Nursing homes are homes which are registered to provide personal care (help with washing, dressing and giving medication) and will also have a qualified nurse on duty twenty-four hours a day to carry out nursing tasks. These homes are for people who are physically or mentally frail or people who need regular attention from a nurse.
- 9.106 Table 9.10 indicates that these 16 nursing homes provide 309 bedspaces in total, across 260 rooms (again, with a number of shared spaces). This means that of the 1,206 residents living in these care/nursing homes (as set out in the 2021 Census), approximately 74% live in care homes without nursing, and the remaining 26% live in care homes with nursing.

Table 9.10 Supply of residential care homes / nursing homes in Westmorland & Furness as of 2025

	Area	Population aged 75+ (2025)	Beds	Rooms
Residential Care Home	Barrow	7,490	238	224
	Eden	7,777	210	212
	South Lakeland	16,413	439	413
	Westmorland & Furness	31,680	887	849
Nursing Home	Barrow	7,490	258	200
	Eden	7,777	35	24
	South Lakeland	16,413	624	568
	Westmorland & Furness	31,680	309	260

Source: EAC National Database of Housing for Older People, January 2026

- 9.107 This projected rate of residents living in communal establishments has been applied to the 2022-SNHP/2024 MYPE scenario to assess the future need for care home bedspaces. The projection shows that in 2025 there would be a need for 1,221 communal bedspaces for residents aged 75+ (based on the 2021 Census), which is very similar to the 1,196 residential care home/nursing home bedspaces that are listed by EAC in the District in 2025. This implies (assuming all beds are occupied) that almost all of these beds are occupied by people under the age of 75.
- 9.108 Over the period 2025 to 2045, based on the MYPE scenario as modelled in PopGroup, there is projected to be a net increase of **434** residents over the age of 75 living in communal establishments.
- 9.109 Based on the current split of residents living in care homes with and without nursing (as set out above), this suggests a need for an additional 322 care home beds and 112 nursing home beds:

¹³⁰ Three homes offer both care with and without nursing, in which case they could be included in either category – for the purposes of this study, we have included Brooklands Care Home and Clarendon Hall Care Home in the residential Care Homes category, and Lindsay Hall Nursing Home in the Nursing Home categories to ensure that the number of beds/rooms are not double counted.

Table 9.11 Emerging need for residential care homes / nursing homes in Westmorland & Furness 2025 – 2045 – 2022 SNPP / MYPE Scenario

	Type of Specialist Accommodation	Units Required (2025 – 2045)
Barrow: 1,593 New Residents 75+	Care Homes	46
	Nursing Homes	16
	Total	61
Eden: 3,940 New Residents 75+	Care Homes	113
	Nursing Homes	39
	Total	152
South Lakeland: 5,720 New Residents 75+	Care Homes	164
	Nursing Homes	57
	Total	220
Westmorland & Furness: 11,254 New Residents 75+	Care Homes	322
	Nursing Homes	112
	Total	434

Source: Lichfields Analysis / PopGroup / Census 2021 / EAC National Database of Housing for Older People, January 2026

- 9.110 This analysis is repeated for the SM3 scenario's higher level of population growth in Table 9.12:

Table 9.12 Emerging need for residential care homes / nursing homes in Westmorland & Furness 2025 – 2045 – SM3 Scenario

	Type of Specialist Accommodation	Units Required (2025 – 2045)
Barrow: 2,395 New Residents 75+	Care Homes	68
	Nursing Homes	24
	Total	92
Eden: 4,266 New Residents 75+	Care Homes	122
	Nursing Homes	42
	Total	164
South Lakeland: 6,844 New Residents 75+	Care Homes	196
	Nursing Homes	68
	Total	264
Westmorland & Furness: 13,505 New Residents 75+	Care Homes	386
	Nursing Homes	134
	Total	521

Source: Lichfields Analysis / PopGroup / Census 2021 / EAC National Database of Housing for Older People, January 2026

Medical and Care Establishments (C2) for under 75s

- 9.111 Whilst the 2021 Census provides us with information regarding the total number of residents by type of communal accommodation, it does not provide this breakdown by age cohort. However, the 2011 Census does provide an age breakdown, and these datasets can be combined to assess the communal resident population by age.
- 9.112 In 2011, Westmorland & Furness had 2,010 residents living in communal establishments, of whom 616/1,115 were living in medical and care homes with / without nursing (excluding staff / owners / family members):

Table 9.13 Residents in Medical and Care Establishments under 75 – Westmorland & Furness

	0-15	16-24	25-34	35-49	50-64	65-74	75+	TOTAL
All Communal Establishment Residents	77	44	15	73	95	156	1,550	2,010
Communal Residents living in Care Home with nursing	0	1	3	23	40	60	489	616
%	0%	2%	20%	32%	42%	38%	32%	31%
Communal Residents living in Care Home without nursing	1	10	7	27	37	86	947	1,115
%	1%	23%	47%	37%	39%	55%	61%	55%
TOTAL Communal Residents living in Care Home with/without nursing	1	11	10	50	77	146	1,436	1,731
%	1%	25%	67%	68%	81%	94%	93%	86%

Source: Census 2011/2021

- 9.113 Applying these incidence rates as a proportion of the total resident population to the projected population by sex and age in PopGroup, we can estimate the change in number of people under the age of 75 over the period to 2045 who are likely to require C2 nursing / care home accommodation, as shown in Table 10.12. These needs are in addition to the LHN because they relate to people (i.e., bedspaces) in care establishments, and do not relate to those living in private housing.
- 9.114 This shows that there is likely to be only a modest change in the need for C2 accommodation for groups under 75. Collectively below the age of 75, there is estimated to be a shortfall of just 5 spaces going forward.
- 9.115 This would bring the total need for care home spaces with and without nursing to **439 bedspaces**, in order to meet the need of those above and below the age of 75 (i.e. 434 + 5).

Table 9.14 Residents under 75 in need of C2 accommodation – Westmorland & Furness

	Net Change
0-15	0
16-24	-1
25-34	1
35-49	5
50-64	-3
65-74	3
Total	5

Source: Lichfields analysis / 2022-based SNPP rebased 2024 MYPE

Adaptable and Accessible Homes

- 9.116 In addition to the needs of residents living in communal establishment accommodation (C2), there is a need to ensure that suitable provision is made for those living in private housing who do not require care home facilities but may have specific needs, for example for adaptable and accessible homes.

- 9.117 In 2019/20 the EHS produced a report on ‘Home Adaptations’¹³¹. Its key findings included:
- 1.9m (8%) of all households have at least one person with a long-standing physical or mental health condition who said they required adaptations in their home;
 - Of these, 81% felt their current home was suitable for their needs, and 19% did not;
 - Households with a person under age 55 who required an adaptation were more likely to report that their accommodation was unsuitable (30%) than those in older age groups;
 - 17% of households with some under 55 who required an adaptation wanted to move to more suitable accommodation (i.e. more than half of the 30% who said their current home was unsuitable for their needs); and,
 - The proportion of those requiring adaptations who reported their accommodation was unsuitable ranges from 17% for owner-occupiers, 25% of private renters, 21% of housing association renters and 25% for local authority renters.
- 9.118 This demonstrates the broader scale to which housing needs of disabled people are continuing to go unmet in all tenures nationwide.
- 9.119 The PPG¹³² states that the provision of appropriate housing for people with disabilities, including specialist and supported housing, is crucial in helping them to live safe and independent lives.
- 9.120 The PPG¹³³ goes on to state that there is a wide range of evidence that can be used to identify the housing needs of people with disabilities including the Census, Department for Work and Pensions [DWP] on the numbers of Personal Independence Payment [PIP] (replacing Disability Living Allowance [DLA]) / Attendance Allowance benefit claimants; and applications for Disabled Facilities Grant [DFG].
- 9.121 LPAs have the option to set additional technical requirements exceeding the minimum standards required by Building Regulations in respect of access and water, and an optional nationally described space standard. Where an identified need exists, plans are expected to make use of these optional technical housing standards in the Building Regulations to help bring forward an adequate supply of accessible housing. In doing so planning policies for housing can set out the proportion of new housing that will be delivered to the following standards:
- M4(1) Category 1: VISIBLE dwellings (the minimum standard that applies where no planning condition is given unless a plan sets a higher minimum requirement);
 - M4(2) Category 2: Accessible and adaptable dwellings; and,
 - M4(3) Category 3: Wheelchair user dwellings.
- 9.122 Based on their housing needs assessment and other available datasets, the PPG¹³⁴ states that it will be for LPAs to set out how they intend to approach demonstrating the need for Requirement M4(2) (accessible and adaptable dwellings), and/or M4(3) (wheelchair user

¹³¹ English Housing Survey Home Adaptations Report 2019/20

¹³² PPG ID: 63-002-20190626

¹³³ PPG ID: 63-005-20190626

¹³⁴ PPG ID: 56-007-20150327

dwellings), of the Building Regulations. There is a wide range of published official statistics and factors which LPAs can consider and take into account, including:

- the likely future need for housing for older and disabled people (including wheelchair user dwellings);
- size, location, type and quality of dwellings needed to meet specifically evidenced needs (for example retirement homes, sheltered homes or care homes);
- the accessibility and adaptability of existing housing stock;
- how needs vary across different housing tenures; and,
- the overall impact on viability.

9.123 Part M4(2) will be of particular relevance to housing older people, and the requirement will be met where:

“...a new dwelling makes reasonable provision for most people to access the dwelling and incorporates features that make it potentially suitable for a wide range of occupants, including older people, those with reduced mobility and some wheelchair users.” (Building Regulations 2010 Approved Document M).

9.124 The 2021 Census indicates that there were 48,655 owner occupiers aged 65 and over in Westmorland & Furness. Of this number, 17.4% (8,487) had a long-term health problem or disability [LTHPD] which limited their day-to-day activities a little and a further 12.1% (5,902) with a LTHPD which limited their day-to-day activities a lot. This equates to almost a third (29.6%) of all owner-occupiers.

9.125 However, the problem was far more pronounced amongst older residents living in PRS and particularly social rented accommodation (in relative rather than absolute terms). 36.5% of all residents aged 65 and over living in PRS accommodation had a LTHPD which limited their day-to-day activities either a little or a lot, rising to 54.1% for those older residents living in social rented accommodation. **In total, 31.9% of all of Westmorland & Furness’s residents aged 65 and over have a LTHPD.**

9.126 Table 9.15 shows that this figure is below the regional and national rates of 36.6% and 33.8% respectively.

Table 9.15 Residents age 65+ with a long-term health problem or disability – Westmorland & Furness

	Westmorland & Furness			North West			England		
	Owner Occupier*	Private Rented	Social Rented	Owner Occupier*	Private Rented	Social Rented	Owner Occupier*	Private Rented	Social Rented
All (ages 65+)	48,655	4,088	4,130	2,158,936	166,098	364,668	8,149,810	633,072	1,333,262
Day-to-day activities limited a lot	8,487 17.4%	783 19.2%	991 24.0%	382,638 17.7%	32,622 19.6%	80,890 22.2%	1,427,338 17.5%	119,945 18.9%	295,214 22.1%
Day-to-day activities limited a little	5,902 12.1%	711 17.4%	1,243 30.1%	327,774 15.2%	38,276 23.0%	121,882 33.4%	1,067,311 13.1%	119,149 18.8%	385,875 28.9%
Total with LTHPD	31.9%			36.6%			33.8%		

Source: Lichfields based on 2021 Census. *For the purposes of the Census this includes owned outright, owned with a mortgage/loan and shared ownership.

9.127 LTHPD is most prevalent in Barrow, with 38.6% of households aged 65+ having a resident with an LTHPD, compared to 29.6% in Eden and 29.7% in South Lakeland.

9.128 As shown in Table 9.16, the number of single households over the age of 65 which contain at least 1 person with an LTHPD in Westmorland & Furness stood at 38.3% (6,436) in 2021, compared to 7,042 or 44.2% of couple and other households aged 66+. Again, the prevalence of LTHPD was highest in Barrow, where over half of couple and other households aged 66+ have at least one resident with an LTHPD.

Table 9.16 Households age 66+ with at least one person with a long-term health problem or disability – Westmorland & Furness

		All Households	No people in household with a LTHPD	1 or more people with LTHPD	
Barrow	Single Person 66+	4,687	2,586	2,101	44.8%
	Couple/Other 66+	3,625	1,785	1,840	50.8%
Eden	Single Person 66+	3,863	2,471	1,392	36.0%
	Couple/Other 66+	3,974	2,308	1,666	41.9%
South Lakeland	Single Person 66+	8,267	5,324	2,943	35.6%
	Couple/Other 66+	8,316	4,780	3,536	42.5%
Westmorland & Furness	Single Person 66+	16,817	10,381	6,436	38.3%
	Couple/Other 66+	15,915	8,873	7,042	44.2%

Source: Census 2021

9.129 In the 2022-SNHP / MYPE scenario older households are expected to make up the vast majority of the future household growth in Westmorland & Furness, with growth in single and couple/other households aged 65+ accounting for 80.1% of all household growth.

9.130 Applying the assumptions from Table 9.16 around the prevalence of residents with LTHPD to the modelling would suggest that 3,811 of newly forming households may have accessibility requirements between 2025 and 2045, accounting for 33.2% of all household growth (+11,470 – see Table 6.10).

Table 9.17 Estimated growth in older households with LTHPD in Westmorland & Furness to 2045

		Change 2025-2045	Estimated with LTHPD	
Barrow	Single Person 66+	623	44.8%	279
	Couple/Other 66+	172	50.8%	87
Eden	Single Person 66+	1,850	36.0%	667
	Couple/Other 66+	1,783	41.9%	748
South Lakeland	Single Person 66+	2,947	35.6%	1,049
	Couple/Other 66+	1,970	42.5%	838
Westmorland & Furness	Single Person 66+	5,420	38.3%	2,074
	Couple/Other 66+	3,926	44.2%	1,737

Source: Lichfields based on PopGroup / 2022-SNHP / 2024 MYPE / Census 2021

9.131 Taken at face value, this would suggest that there is a significant need for adaptable and accessible homes. However, the Council should note that:

- In the private sector there is likely to be some degree of overlap between households living with a LTHPD and those living in sheltered or extra care housing. Such forms of assisted living are likely to contribute to meeting the needs of older households who have LTHPDs (whilst not needing to be in C2 accommodation).
- Similarly, in the social rented sector there is likely to be some overlap between the need for adaptable and accessible dwellings for older people and the need for M4(3) wheelchair user dwellings (see below).
- The Census shows that households living with LTHPDs are not equally spread across tenures, with a far greater percentages of older residents in social rented housing living with a LTHPD. In this context, the Council should seek a greater proportion of M4(2) dwellings within affordable housing than in private housing.
- Although older households make up most of the (net) household growth in Westmorland & Furness over the plan period, many of these will be households already living in housing (e.g. the family home) who are unlikely to move during old age. Therefore, new housing which is adaptable and accessible might not directly be meeting these needs, but will nevertheless be an important addition to the housing stock to meet the longer-term needs associated with ageing.

9.132 It is also relevant to note that the December 2025 draft NPPF, currently out for consultation, proposes changes that would require authorities to set out the proportion of new housing that should be delivered to M4(2) and M4(3) standards of the building regulations, to ensure plans adequately provide for the accessibility needs of an ageing population and the needs of disabled people. Authorities will need to **set requirements for M4(2) that meet or exceed their locally assessed need for this housing**, and ensure that need is met.

9.133 The government is proposing a national minimum that ensures at least 40% of new housing over the course of the plan period is delivered to M4(2) standards, formalising best practice and driving up provision in areas without clear requirements. Taken together, this approach is intended to ensure that necessary levels of accessible housing are provided without mandating M4(2) as a minimum standard for all housing, while providing authorities with the necessary flexibility to maximise housebuilding overall¹³⁵:

“In relation to accessible housing, setting out the proportion of new housing that should be delivered to requirement M4(2) and M4(3) of the Building Regulations. M4(2) requirements should reflect local levels of need, and should ensure that at least 40% of new housing delivered over the course of the plan is delivered to M4(2) or M4(3) standards.” [NPPF 2025, Policy HO5 1b]

9.134 Policy HS5 of the Eden Local Plan 2014-2032 requires 20% of new housing on sites of 10 or more new homes to meet M4(2) standards. In South Lakeland however, Policy DM11 of the South Lakeland Development Management Policies Development Plan Document (2019) requires **all** new homes to meet M4(2) standards. South Lakeland Council made a strong case for this policy¹³⁶, and objected to the Government’s backtracking on its previous intention to make M4(2) standards mandatory for all new homes through new Building

¹³⁵ MHCLG (December 2025): Proposed reforms to the National Planning Policy Framework and other changes to the planning system, page 43

¹³⁶ <https://www.southlakeland.gov.uk/media/4174/updated-optional-housing-standards-evidence-paper-aug-2017.pdf>

Regulations¹³⁷ on the basis that M4(2) homes are suitable for everyone, not just those with mobility issues.

9.135 **It is therefore a matter for the Council to consider going above the 40% minimum recommendation and taking the 100% M4(2) requirement forward as per the South Lakeland approach which has received backing from the Local Plan Inspector.**

9.136 It is also important to note that there will be overlap between the need for adaptable and accessible homes and the identified need for elderly housing (i.e. extra-care and sheltered housing).

M4(3) – Wheelchair user dwellings

9.137 The PPG¹³⁸ states that:

“Local Plan policies for wheelchair accessible homes should be applied only to those dwellings where the local authority is responsible for allocating or nominating a person to live in that dwelling.”

9.138 In this context, the need for wheelchair accessible homes has only been assessed in reference to the affordable sector.

9.139 Whilst estimating the specific needs for wheelchair user dwellings is difficult to do accurately, we can make a broad estimate based on the disabling conditions identified of those currently claiming DLA in Westmorland & Furness.

9.140 Current information on those in Westmorland & Furness claiming PIP has been analysed. This provides residents with help regarding extra living costs if they have both:

- a long-term physical or mental health condition or disability; and,
- difficulty doing certain everyday tasks or getting around because of your condition.

9.141 There are two parts to the PIP:

- a daily living part – if residents need help with everyday tasks; and,
- a mobility part – if residents need help with getting around.

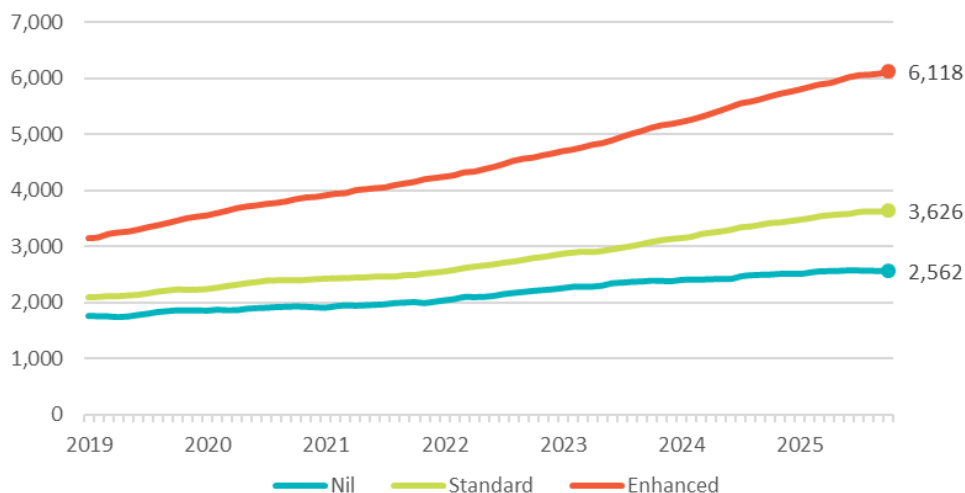
9.142 PIP replaced the DLA for most adults¹³⁹ and provides a breakdown of the age of these claimants and the type of condition they have. PIP claims with entitlement statistics show a total for all entitled cases. It presents both the number of people in receipt of PIP and those with entitlement where the payment has been suspended (for example if they are in hospital at a point in time). These have been grouped by mobility as shown in Table 9.6. This shows that 9,744, or 79.2%, of all PIP claimants in Westmorland & Furness were claiming for either enhanced or standard mobility issues in October 2025, having risen from 5,247 in January 2019.

¹³⁷ <https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes>

¹³⁸ PPG: ID: 56-009-20150327

¹³⁹ Claimants still keep receiving DLA if they are under 16 or they were born on or before 8th April 1948

Figure 9.16 PIP entitlement by Mobility Award type in Westmorland & Furness, Jan 2019 – Oct 2025



Source: stat-xplore.dwp.gov.uk/

9.143 On this basis, there is likely to be some overlap with the identified need for adaptable and accessible homes in the social rented sector and wheelchair user dwellings in the social rented sector.

9.144 Regarding all properties, national data is available from research by Habinteg Housing Association and London South Bank University (supported by the then Homes and Communities Agency [HCA] now Homes England) ‘Mind the Step: An estimation of housing need among wheelchair users in England’ (2010), which can be drawn upon. The report provides information at a national and regional level, although more weight is given to the national data.

9.145 The report estimated that the number of wheelchair user households in England with unmet housing need was 78,300. Broken down to regional level, it estimated that for the North West, the proportion of all households that were wheelchair user households was **2.9%**. The report concluded that across England as a whole, around 78,300 wheelchair user households had an unmet need for specially adopted properties, around 13% of the total, but this figure rose to **23%** for the North West.

9.146 Applying these figures to the 2022-SNHP / MYPE projections for the District indicates a current unmet need for **774** wheelchair accessible homes, rising by another **84** by 2045 to **858** overall. Under the SM3 scenario future unmet need rises to **177**, and **951** overall.

Table 9.18 Estimate of future wheelchair need across Westmorland & Furness (2025 to 2043)

		Current Need	Need 2025-45	Total Need
2022-SNHP/MYPE	Barrow	222	6	229
	Eden	187	34	221
	South Lakeland	364	44	408
	Westmorland & Furness	774	84	858
SM3	Barrow	222	51	273
	Eden	187	43	231
	South Lakeland	364	83	447
	Westmorland & Furness	774	177	951

Source: Household Projections based on 2022-SNHP / MYPE / SM3 /Habinteg Prevalence Rates

- 9.147 In terms of the split between market and affordable dwellings, data from the 2018/19 EHS shows that 6.5% of housing association tenants are wheelchair users, compared to 2.6% of owner-occupiers and just 1.4% of private renters¹⁴⁰. This evidence should be considered when formulating Local Plan policies in respect of the proportion of homes in different tenures which should be developed.
- 9.148 It is also relevant to note that the Choice Based Lettings register for Westmorland & Furness records the following characteristics of households seeking new social accommodation:
- 35 households (0.4% of 9,149 households in total on the Register) have a need for ground floor accommodation due to wheelchair needs;
 - 71 households (0.8%) requested a wheelchair adapted property;
 - 72 households (0.8%) contain a resident who has limited mobility and is unable to access parts of their existing property as a consequence; and,
 - 699 households (7.6%) contain a household member whose disability means that rehousing would enable them to overcome a physical barrier.
- 9.149 Given the ageing population over the plan period, on this basis we recommend that **between 5% and 10%** of new affordable homes should meet the M4(3) requirement for wheelchair users, albeit this is likely to overlap with some of the need for adaptable and accessible homes for older people. The Council should keep the Housing Register under review, and if possible, collect information on whether a household specifically needs a wheelchair accessible dwelling.

Self-build and custom build

- 9.150 The Government is keen to encourage more people to build their own homes and wants to make this form of housing a mainstream development option. A self or custom-build project is defined as housing built by an individual, a group of individuals, or persons working with or for them, to be occupied by that individual. Such housing can be either market or affordable housing and is intended to help diversify the housing market and increase consumer choice.
- 9.151 Paragraph 63 of the NPPF requires LPAs to plan for a mix of housing for people wishing to commission or build their own homes. As set out in the PPG:
- “LPAs should use the demand data from the registers in their area, supported as necessary by additional data from secondary sources (as outlined in the housing and economic development needs guidance), to understand and consider future need for this type of housing in their area. Secondary sources can include data from building plot search websites, enquiries for building plots recorded by local estate agents and surveys of local residents. Demand assessment tools can also be utilised.”¹⁴¹*
- 9.152 Each council is required to maintain a ‘Self-Build and Custom Build Register’ for its area, as set out in the section 1 of the Self-build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016), which can include local eligibility tests for the Register¹⁴². They are also subject to duties under sections 2 and 2A of the Act to have regard to this and to give enough suitable development permissions to meet the identified demand.

¹⁴⁰ English Housing Survey 2018-19, Adaptions and accessibility factsheet

¹⁴¹ PPG ID: 57-011-20210208

¹⁴² PPG ID: 57-001-20170728

Self and custom-build properties could provide market or affordable housing [NPPF footnote 28].

- 9.153 In respect of planning for such demand, the PPG therefore sets out that LPAs should use the demand associated with the Register and other applicable secondary data sources, to understand and consider future need for this type of housing in their area¹⁴³. It goes on to state that this assessment can be supplemented with the use of existing secondary data sources such as building plot search websites, ‘Need-a-Plot’ information available from the Self Build Portal and entries for building plots from local estate agents¹⁴⁴.
- 9.154 **In the context of Westmorland & Furness, as of the end of December 2025, the Council had 62 individuals on the self-build register. Of these, 13 individual applications on the register were made in the 2025 monitoring period.**
- 9.155 It is understood that Officers contact those on the register at the end of each base period to in an attempt to ‘cleanse’ the entries, i.e. to remove those who have completed dwellings or are no longer seeking to self-build. If there is no response, after a certain period and with a reminder, then entries are removed from the register.
- 9.156 Whilst the response is generally poor, the Council notes that self-build targets are comfortably met, not through promotion or policy, but simply as the impressive surrounding landscape makes it very attractive to people who want a self-build home. The Council is also on occasion contacted by people on the register looking for plots in specific locations who are then dealt with individually.
- 9.157 Notwithstanding this, given the number of entries in the self-build register the Council may wish to consider the provision of self-build plots as a part of its overall housing mix in the Local Plan.

Service Families

- 9.158 The Ministry of Defence [MOD] has a Submarine Delivery Agency [SDA] base in Barrow at the historic shipyard, working alongside BAE systems in to support submarine production. According to the MOD website, the SDA has over 100 people based in Barrow and is looking to expand its presence in coming years.
- 9.159 The MOD’s Annual Personnel Location Statistics for April 2025 indicates that there are 190 military and 280 civilian personnel stationed in the District; however, the Council Tax Base Statistics for 2025 identifies that there is no armed forces’ accommodation in the District (Class O exemptions). As such these personnel are not living within specific military accommodation.
- 9.160 **It is therefore considered that at the current time, there is no need to identify any specific additional requirements for Service Families in the District.**

Children Looked After and Care Leavers

- 9.161 Children Looked After [CLA] are children or young people who are being cared for by a Local Authority, be it through foster care, residential children’s and young adults’ homes or living in residential settings like schools or secure housing units. There are numerous reasons for children requiring care such as parents not being capable, intervention by

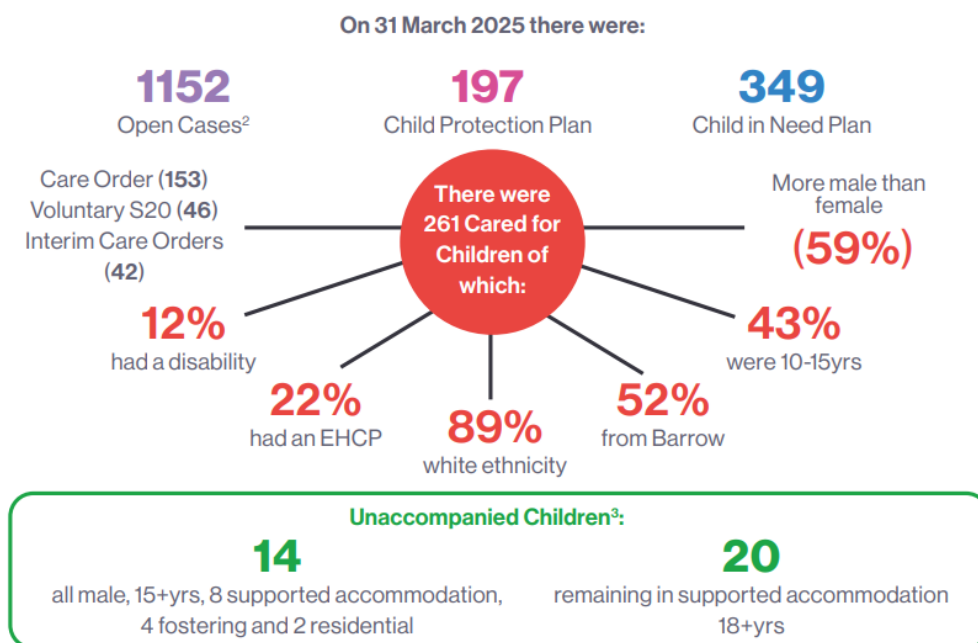
¹⁴³ PPG ID:57-011-20210208

¹⁴⁴ PPG ID: 67-003-20190722

children’s services to prevent children from risk of harm, or children seeking asylum, also known as Unaccompanied Asylum-Seeking Children [UASC].

- 9.162 The latest statistics on CLA show that there were **261 children being looked after in Westmorland & Furness as of the 31st March 2025** at a rate of 11.4 per 10,000, with 184, or 70.5%, of these being under the age of 16¹⁴⁵. This is lower than the regional and national comparators with 18.9 CLA per 10,000 regionally and 13.9 per 10,000 nationally. 164 CLA in Westmorland & Furness were in foster placements, 44 in secure homes and children’s homes, and 14 CLA in the District were UASC as of March 2024.
- 9.163 The Council’s *Westmorland & Furness Cared for Children and Care Experienced Young People’s Sufficiency Strategy 2025-2028* forecasts the number and type of placements children will need going forward and how this will be managed.
- 9.164 The accepted national definition of a ‘local’ placement is within a 20-mile radius of home or within the local authority area. The Strategy notes that the Council is making more local placements; in March 2025, 46% of children were placed within 20 miles of their home (40% in 2024) and 59% within their local authority boundary (54% in 2024). Placement stability has also improved in 2025 with 5.4% of children experiencing 3 or more placements compared to 10.5% last year, compared to National and Statistical Neighbour averages in March 2024 of 10% and 12% respectively. The Council’s demand modelling for the 261 Cared for Children is summarised in Figure 9.17:

Figure 9.17 Westmorland & Furness Sufficiency Strategy Headline Data



Source: Westmorland & Furness Council (2025); Westmorland & Furness Cared for Children and Care Experienced Young People’s Sufficiency Strategy 2025-2028.

² Where a child meets statutory threshold criteria, and further action is required.

³A person under the age of 18 who is not in the care of a parent or legal guardian, and who is either separated from both parents or from their previous legal or customary primary caregiver.

¹⁴⁵ DfE (2025): Statistics: looked-after children <https://www.gov.uk/government/collections/statistics-looked-after-children>

- 9.165 As a result of a change in the Council’s approach since 2023, there has been a downward trend in the number of Westmorland & Furness’s children living in children’s homes, with 7 fewer in April 2025. Cumberland Council currently host 6 internal residential children’s homes across Cumbria, on behalf of both Councils. As with internal fostering, the Council is working to disaggregate this service. Four homes are located within the Westmorland & Furness footprint. One of these is an edge of care home registered for up to 4 placements and three are long stay children’s homes registered for up to 14 placements. On the site of one of the homes there are two Ofsted registered supported accommodation flats able to take up to 3 children. the Council plans to open an additional internal residential home by 2026 [page 14].
- 9.166 Regarding external residential children’s homes, the Council notes that the majority are private providers, many of whom are larger national or regional companies:
- “In March 2025 there were 25 external Children’s Homes provisions located within Westmorland & Furness registered with Ofsted. The provisions range from solo to 6-bed homes and include some short stay assessment placements. Four have on-site residential special schools. Three are multi-building homes with four properties registered to each home, further increasing the actual number of homes in our area. Other homes are seeking to open during 2025. The current number of registered places are 78 in children’s homes, and 34 where the sub-type is a residential school (excluding one that is closing in 2026). In March 2025, 11 of our 34 children placed in external children’s homes were living within Westmorland & Furness. We are working to increase this proportion, keeping more local children close to home, utilising existing provisions. **The number of external homes and places registered in our area exceeds local demand.**”*
- [page 15]
- 9.167 The majority of children living in Westmorland & Furness external private residential homes are from other local authorities, which impacts on vacancies for local children, particularly those with more complex behaviours. While there are many private residential homes within our area, not all of these offer the models of care that the Council needs for its children and therefore do not meet the sufficiency needs for the Council’s cohort, and often care for children from across the country. In 2026 a private children’s home with school on site is closing their residential provision leaving a potential gap for children with complex SEND needs. The Council states that it will monitor this and use emerging trends to shape our response to the changing market.
- 9.168 Supported accommodation placement numbers for cared for children remained static between 2024 and 2025 (20 on 31st March 2024 and 18 on 31st March 2025), with the majority being unaccompanied children (72%).
- 9.169 The Strategy paints a complex picture of supply and demand, reflective of the varied requirements of those requiring care and accommodation. For example, there is a shortage of accommodation for care leavers.
- 9.170 The Strategy provides an up-to date assessment and demonstrates that the Council is effectively monitoring the demand and supply situation across the Authority area. The Council further notes that it is currently developing a delivery plan aligned to the strategy.

10.0 Commercial Property Market Signals and Intelligence

Introduction

- 10.1 This section provides an overview of the current stock of employment space in Westmorland & Furness split across Eden, Barrow and South Lakeland, whilst summarising the latest trends and changes to the supply of employment space. The amount of employment land and floorspace has been considered across the three main types of employment uses (i.e., office [E(g)(i)(ii)], manufacturing [E(g)(iii)/B2], and warehousing and distribution [B8]).
- 10.2 It then provides an overview of the property market from a national and local perspective. It looks at the key office and industrial employment locations in Westmorland & Furness and provides a view on rents and land values. This has been informed by a review of market trends and secondary data.
- 10.3 Due to the relatively recent creation of Westmorland & Furness as an administrative area, some data has only been available at the previous administrative boundaries of Eden, Barrow, and South Lakeland. Where possible, data has then been aggregated and analysed up to a Westmorland & Furness level.
- 10.4 This analysis uses data from the following sources:
- Commercial floorspace data from the ONS and various datasets from the VOA;
 - Monitoring data on commercial space and business survey findings from the Council; and,
 - CoStar commercial property data.

Employment Space

- 10.5 Figure 10.1, Figure 10.2 and Table 10.1 present data on industrial and office floorspace from the VOA.¹⁴⁶ In total, there is 1.52 million sqm of employment floorspace in Westmorland & Furness, of which 86.8% is industrial floorspace and the remaining 13.2% is office floorspace. This follows a largely similar pattern across Eden, South Lakeland and Barrow, although there is a slightly higher composition of office space in Barrow at 15.6%.
- 10.6 Table 10.1 shows that over the period 2000/01 to 2022/23, commercial office space in Westmorland & Furness increased by around 26,000 or 14.8% to reach 202,000 sqm. However, this is slightly below the peak in 2015/16 which reached 204,000 sqm. In comparison, the North West and England saw smaller increases in office floorspace of 13.5% and 3.8% respectively over the same period.
- 10.7 Between 2000/01 and 2022/23, the total amount of industrial floorspace in Westmorland & Furness increased by 101,000 sqm or 8.3% compared with a decrease of 11.5% and 2.0% across the North West and England as a whole. Barrow declined by 25,000 sqm, or 7.6%, over the same period.

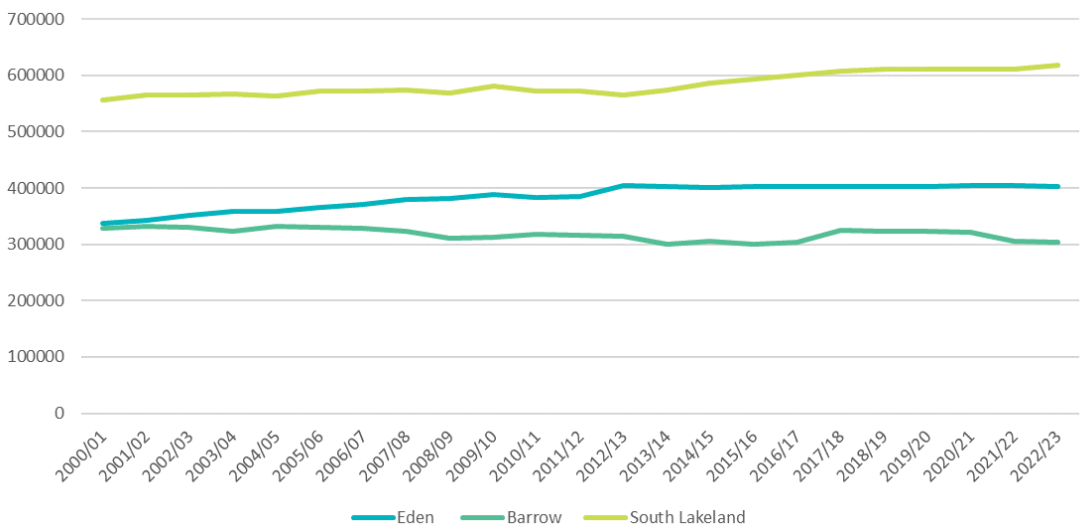
¹⁴⁶ Note that VOA industrial floorspace data includes both general industrial (B2) and storage and distribution (B8).

Figure 10.1 Stock of Office Employment Floorspace in Eden, Barrow and South Lakeland 2001-2023



Source: Valuation Office Agency (2023): NDR Floorspace Tables

Figure 10.2 Stock of Industrial Employment Floorspace in Eden, Barrow and South Lakeland 2001-2023



Source: Valuation Office Agency (2023): NDR Floorspace Tables

Table 10.1 Growth in Employment Floorspace (2000/01 – 2022/23)

	Office			Industrial		
	2023 Floorspace (sqm)	Change (2001-2023)	% Change (2001-2023)	2023 Floorspace (sqm)	Change (2001-2023)	% Change (2001-2023)
Westmorland & Furness	202,000	26,000	14.8%	1,324,000	101,000	8.3%
Barrow	56,000	10,000	21.7%	304,000	-25,000	-7.6%
Eden	51,000	17,000	50.0%	402,000	65,000	19.3%
South Lakeland	95,000	-1,000	-1.0%	618,000	61,000	11.0%
North West	9,947,000	1,186,000	13.5%	50,029,000	6,517,000	-11.5%
England	79,785,000	2,898,000	3.8%	319,013,000	-6,528,000	-2.0%

Source: Valuation Office Agency (2023): NDR Floorspace Tables

- 10.8 The overall distribution of office and industrial floorspace has remained reasonably consistent over the period, with office floorspace comprising 12.6% of total floorspace in 2000/01, peaking at 13.6% in 2015/16 and subsequently falling to 13.2% of total employment floorspace in 2022/23.

Spatial Distribution

- 10.9 Commercial property market data from CoStar provides insight on industrial and office floorspace. CoStar is an online commercial property database maintained by a team of market researchers which tracks in detail properties that appear on the market. Whilst this means that CoStar does not capture 100% of properties and floorspace as tracked by the VOA, it is considered to be relatively accurate for larger properties in particular and provides insight and market analysis that would not otherwise be available.
- 10.10 It should be noted that the data gathered by CoStar for each former district does not distinguish between the National Park areas, and therefore unless it is explicitly specified, all data for the former districts of Eden and South Lakeland includes employment floorspace within the LDNP and YDNP that sit within the Local Authorities' administrative boundaries.
- 10.11 Table 10.2 gives an indication of the number of office and industrial properties and floorspace in Eden, Barrow and South Lakeland as of November 2025 (the latest available data at the point of analysis). In terms of office space, there are a total of 87 office units in Eden, 64 in Barrow, and 181 in South Lakeland. In terms of general/light industrial floorspace, there are 119 industrial units in Eden, 57 in Barrow, and 209 in South Lakeland. There are 38 storage and distribution units in Eden, 25 in Barrow, and 60 in South Lakeland.

Table 10.2 Number of Properties and Floorspace by Use in Barrow, Eden and South Lakeland

	Barrow	Eden	South Lakeland
Office			
Properties	64	87	181
Floorspace (sqm)	65,806	38,247	83,745
General and Light Industrial			
Properties	57	119	209
Floorspace (sqm)	112,813	161,953	400,287
Storage and Distribution			
Properties	25	38	60
Floorspace (sqm)	64,428	56,136	91,596
Total			
Properties	146	244	450
Floorspace (sqm)	243,047	256,336	575,628

Source: CoStar analysis (as of November 2025) / Lichfields Analysis

Quality of Premises

- 10.12 CoStar's star rating system uses market-tested criteria which allows for analysis of the quality of existing office and industrial stock (including general / light industrial and storage and distribution uses). CoStar's criteria take account of architectural design, structures / systems, amenities, site / landscaping / exterior, and certifications. This analysis defines low quality properties as those rated 1-2 stars, average quality properties as those rated 3-stars and high-quality properties as those rated 4-5 stars.
- 10.13 As shown in Table 10.3, across Westmorland & Furness, the commercial market is largely dominated by low-to-mid quality rated units, either 1-2 star quality rated units (the lowest quality grading) or 3-star quality rated units. For office stock, this 1-2 star quality is 53.1% in Barrow, 60.9% in Eden, and 48.1% in South Lakeland. Whilst the industrial stock has a slightly lower proportionate share in Barrow, Eden and South Lakeland with 47.4%, 50.4% and 65.6% respectively, this still dominates the market. In terms of storage and distribution units, there is a higher proportion of 3-star quality rated properties, most noticeably in Barrow at 80.0% and South Lakeland at 53.3% respectively. However, Eden continues to be dominated by 1-2 star rated properties at 71.1%.

Table 10.3 Quality of Commercial Property in Eden, Barrow, and South Lakeland (2025)

	Barrow		Eden		South Lakeland		North West
	Properties	%	Properties	%	Properties	%	%
Office							
1 - 2 Star	34	53.1%	53	60.9%	87	48.1%	50.6%
3 Star	30	46.9%	34	39.1%	94	51.9%	46.3%
4 - 5 Star	0	0.0%	0	0.0%	0	0.0%	3.0%
General and Light Industrial							
1 - 2 Star	27	47.4%	60	50.4%	137	65.6%	54.5%
3 Star	29	50.9%	59	49.6%	72	34.4%	44.5%
4 - 5 Star	1	1.8%	0	0.0%	0	0.0%	1.1%
Storage and Distribution							
1 - 2 Star	5	20.0%	27	71.1%	27	45.0%	34.9%
3 Star	20	80.0%	11	28.9%	32	53.3%	60.0%
4 - 5 Star	0	0.0%	0	0.0%	1	1.7%	5.1%

Source: CoStar analysis (as of November 2025) / Lichfields Analysis

Floorspace Availability

10.14

In terms of the current availability of existing floorspace (as of November 2025), Table 10.4 suggests that across the three former districts, there is limited availability across most use-classes. In particular, Eden has a limited amount of industrial at 0.9%, 1.1% storage and distribution, and 2.6% for office space. By contrast, South Lakeland has slightly higher availability at 5.8% for office, 3.2% for industrial and 3.0% for storage and distribution. In Barrow, whilst there are low levels of availability in industrial at 0.3%, and to a lesser extent, storage and distribution at 3.3%, there is a high proportion of office availability at 10.8%.

Table 10.4 Floorspace Availability (2025)

	Supply (sq. ft)	Available (sq. ft)	% Available
Barrow			
Office	65,806	7,093	10.8%
General and Light Industrial	112,813	352	0.3%
Storage and Distribution	64,428	2,128	3.3%
Eden			
Office	38,247	987	2.6%
General and Light Industrial	161,953	1,400	0.9%
Storage and Distribution	56,136	602	1.1%
South Lakeland			
Office	83,745	4,876	5.8%
General and Light Industrial	400,287	12,856	3.2%
Storage and Distribution	91,596	2,746	3.0%

Source: CoStar analysis (as of November 2025) / Lichfields Analysis

10.15

Table 10.5 shows available supply (space which is currently being marketed as available for lease or sale, which can include space which is currently occupied, available for sublease or

available at a future date) set against 10-year average take-up (based on the amount of floorspace leased).

- 10.16 Availability differs significantly by both former district and use. For office floorspace, there is 1.53 and 6.84 years available in Eden and South Lakeland compared to notably high levels available equivalent to 13.16 years' supply in Barrow. For industrial, there is less than half a year available in Barrow at 0.04 but only 0.93 in Eden and a higher availability at 4.41 in South Lakeland. Whilst Eden has 0.33 years' available supply of storage and distribution, this is slightly higher in Barrow and South Lakeland at 0.86 and 0.92 years' supply respectively. Where there are low levels of forward supply (e.g. less than 1 years' supply), this could risk a situation whereby potential occupiers have to look elsewhere to meet their floorspace requirements.

Table 10.5 Annual Average Annual Take Up in Eden, Barrow and South Lakeland (2015 -2025)

	Average Annual Take-Up 2015 – 2025 (Based on Floorspace Leased)	Available Floorspace (sqm)	Years of Available Supply
Barrow			
Office	539	7,093	13.16
General and Light Industrial	9,961	352	0.04
Storage and Distribution	2,488	2,128	0.86
Eden			
Office	645	987	1.53
General and Light Industrial	1,510	1,400	0.93
Storage and Distribution	1,819	602	0.33
South Lakeland			
Office	713	4,876	6.84
General and Light Industrial	2,914	12,856	4.41
Storage and Distribution	2,969	2,746	0.92

Source: CoStar analysis (as of November 2025) / Lichfields Analysis

- 10.17 Table 10.6 presents a breakdown of CoStar data on commercial vacancy rates currently (Q3 2025), over the last 10 years and forecasted for the next five years. For commercial office stock, vacancy rates differ across the three districts. Eden has a low office vacancy rate of 2.11%, whereas Barrow and South Lakeland stand slightly higher at 5.19% and 4.98%. However, across the three former districts, these still represent low vacancy rates and would be considered to represent a constrained supply of space. Over the last 10 years, office vacancy has averaged at 2.01% in Eden, 3.44% in Barrow and 2.74% in South Lakeland. Despite this, CoStar anticipates an increase in vacancy rates over the next five years, averaging at 3.02%, 5.72% and 4.81% across the three former districts.
- 10.18 Analysis of CoStar data indicates that the current vacancy rates (Q3 2025) for industrial stock across Westmorland & Furness follow a similar pattern to office stock in former districts, standing at around 0.50% in Eden, 2.33% in Barrow and 3.52% in South Lakeland. Over the last 10 years, vacancy rate for the three districts has remained largely unchanged with an average rate of 0.65%, 2.94% and 1.08% respectively. Over the next five years, vacancy rates are anticipated to remain stable with an average around 0.98%, 1.22% and 3.61% respectively.

- 10.19 Within the logistics market, Eden has a lower vacancy rate of 1.06% compared to 3.30% in Barrow and 2.90% in South Lakeland. CoStar forecasts for the next five years expect vacancy rates to average around 1.49%, 3.5% and 3.19%.

Table 10.6 Vacancy Rate in Barrow, Eden and South Lakeland (2015-2025)

	Vacancy Rate (2025 Q3)	Average Vacancy Rate (2015-2025)	5-year forecast (2025 – 2030)
Barrow			
Office	5.19%	3.44%	5.72%
General and Light Industrial	2.33%	2.94%	1.22%
Storage and Distribution	3.30%	1.50%	3.50%
Eden			
Office	2.11%	2.01%	3.02%
General and Light Industrial	0.50%	0.65%	0.98%
Storage and Distribution	1.06%	0.97%	1.49%
South Lakeland			
Office	4.98%	2.74%	4.81%
General and Light Industrial	3.52%	1.08%	3.61%
Storage and Distribution	2.90%	1.59%	3.19%

Source: CoStar analysis (as of November 2025) / Lichfields Analysis

- 10.20 Table 10.7 presents the average rent per sq. ft for Barrow, Eden and South Lakeland. As of 2025 Q3, average rent per sq. ft for office space stood at £11.08 in Barrow, £10.23 in Eden and, at a slightly higher rate, £12.56 in South Lakeland. This compares to the average rent over the last 10 years of £10.19, £9.47 and £11.69, representing an increase of 8.7%, 8.0% and 24.6%. Over the next five years, average rent per sq. ft is expected to rise slightly to £11.17, £10.31, and £12.67.
- 10.21 Across the industrial stock, rent is lower at £6.36 in Barrow, £7.42 in Eden, and £7.69 in South Lakeland. Over the last 10 years, average rents were £5.07, £5.89 and £6.09, representing an increase of 25.4%, 26.0% and 24.6%. By 2030, rents are expected to rise to £6.98, £8.11, and £8.43.
- 10.22 For the logistics market, rent per sq. ft has tended to be lower, with the latest average price at £5.67 in Barrow, £5.07 in Eden and £7.51 in South Lakeland. Over the last 10 years, this has averaged around £4.40, £3.98 and £6.03 in the three former districts, an increase of 28.8%, 27.3% and 24.6%. By 2030, rents are expected to increase to £6.30, £5.61 and £8.31.

Table 10.7 Market Rent per Sq. Ft in Barrow, Eden and South Lakeland (2015-2025)

	Rent per Sq. ft (2025 Q3)	Average Rent per Sq. ft (2015-2025)	5-year forecast (2025 – 2030)
Barrow			
Office	£11.08	£10.19	£11.17
General and Light Industrial	£6.36	£5.07	£6.98
Storage and Distribution	£5.67	£4.40	£6.30
Eden			
Office	£10.23	£9.47	£10.31
General and Light Industrial	£7.42	£5.89	£8.11
Storage and Distribution	£5.07	£3.98	£5.61
South Lakeland			
Office	£12.56	£11.69	£12.67
General and Light Industrial	£7.69	£6.09	£8.43
Storage and Distribution	£7.51	£6.03	£8.31

Source: CoStar analysis (as of November 2025) / Lichfields Analysis

Development Rates

Completions

- 10.23 Over the period 2014/15 – 2024/25, average annual gross completions for B-Class uses in Westmorland & Furness amounted to 13,066 sqm, or around 143,723 sqm in total across this time period. This differs by district area, with the majority of gross completions occurring in Barrow (7,544 sqm per annum or 82,983 sqm in total) compared to Eden (2,005 sqm p.a. or 22,491 sqm in total) and South Lakeland (3,477 sqm p.a. or 38,249 sqm over the past 11 years).
- 10.24 However, there have been significant fluctuations in the development rates across this time period and across the three former districts, although the peaks have typically occurred around similar times (2014-2017) reflecting wider patterns in the regional and national economy.
- 10.25 In Eden, development rates remained low up until 2015/16 when there was a spike of 4,649 sqm before dropping to 176 sqm in 2016/17. A similar pattern has continued year-on-year although there was a peak of 4,285 sqm in 2019/20. Since then, there has been fairly limited levels of development which likely reflects the impact of the Covid pandemic, lockdown restrictions and a downturn in the economy.
- 10.26 Similarly, Barrow has seen large fluctuations since 2014/15. Development peaked in 2015/16 at 30,908 sqm, remaining at around 6,000 – 7,000 sqm on average before dropping in 2021/22 to 3,535 sqm gross (-106.5 sqm net) and a further decline in 2022/23 to -1,006 sqm net and -4,396 sqm net the following year.
- 10.27 In South Lakeland, following a peak in 2014/15 of 4,484 sqm, development dropped to 2,439 sqm and then remained at around 2,500 sqm up until 2019/20 when it increased to 9,131 sqm, although this dropped again in 2020/21 to 3,228. This is likely to reflect the impact of the Covid pandemic and lockdown restrictions. Take up was concentrated

primarily in Kendal and its immediate surroundings (1,576 sqm per annum) and on the Furness Peninsula (1,040 sqm per annum).

- 10.28 The data above includes employment land developments recorded in the LDNP (for both Eden and South Lakeland). As for the YDNP (insofar as it extends into Westmorland and Furness) the relative lack of employment development in the National Park means that the YDNPA does not have a dedicated monitoring system for such proposals. However, discussions with Officers at the YDNPA indicated that any net additional employment space that has come forward in recent years will have been extremely modest and entirely from windfall sources - largely conversions of barns and changes of use of existing small premises.

Losses

- 10.29 In terms of losses, data provided by Westmorland & Furness shows that there has been an annual average loss of 5,428 sqm B-Class land over the past 11 years (2014/15-2024/25).
- 10.30 In Eden, since 2014/15, a total 3,438 sqm, or 313 sqm per annum of B-Class land was lost. The majority of this loss occurred in B1 Class land which comprised 3,223 sqm of the total land lost. Similarly, from 2014/15, Barrow lost 36,175 sqm or 3,289 sqm per annum, particularly Inner Barrow, which involved losses of primarily B2 land – equal to 26,214 sqm alone. South Lakeland has lost a total of 20,096 sqm since 2014/15 or 1,827 sqm per annum, primarily of office or warehousing floorspace. The figures include losses of land in the LDNP area of Westmorland & Furness District (totalling 6,925 sqm).

Net Analysis

- 10.31 Taking account of all employment developments and losses to other uses, Westmorland & Furness has seen an overall net completion level of 84,014 sqm over the full 2014/15-2024/25 period for which data is available. This results in an average 7,637 sqm net completions per annum.

Table 10.8 Gross/Net Annual Net Completion Rates of Employment Land in Westmorland & Furness

2014/15-20204/25	Average Annual Gross Completions (sqm)	Average Annual Gross Losses (sqm)	Average Annual Net Completions (sqm)
Barrow	7,544	3,289	4,255
Eden	2,045	313	1,732
South Lakeland	3,477	1,827	1,650
Westmorland & Furness Total	13,066	5,429	7,637

Source: Westmorland & Furness Council/Lichfields Analysis

Commercial Overview

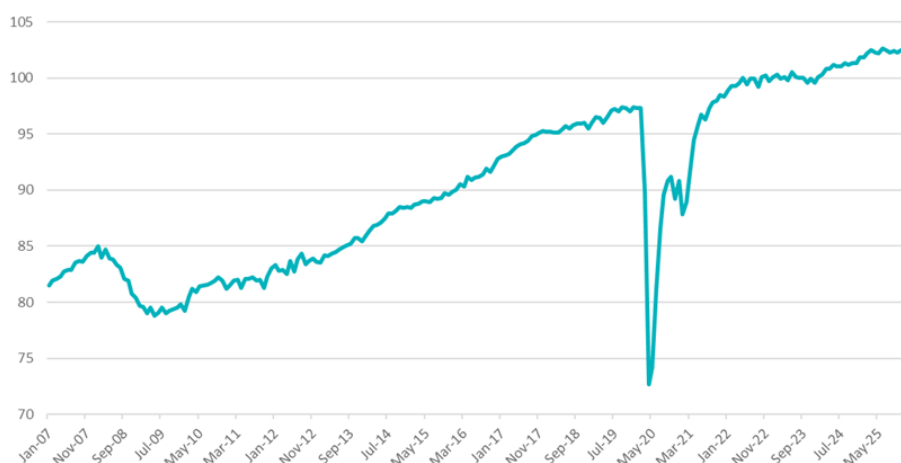
Macro-Economic Drivers

- 10.32 Macro-economic trends exert a critical influence on the future performance of Westmorland & Furness's economy. These shape the level of demand for the sale of goods and services. In turn this affects business formation and survival, investment decisions, recruitment, wages and productivity.

10.33 The outbreak of Covid-19 and resulting pandemic developed rapidly with far reaching impacts on the economy and businesses across the country. The series of lockdown measures led to unprecedented shutdowns of large parts of the economy simultaneously, with effects being transmitted rapidly across all sectors.

10.34 The latest official figures from the ONS show that real UK Gross Domestic Product [GDP] is estimated to have grown by 0.2% in the three months to January 2026, following a growth of 0.1% in the three months to December 2025.

Figure 10.3 GDP Monthly Index, Jan 2007 – Jan 2026 (Index 2023 = 100)



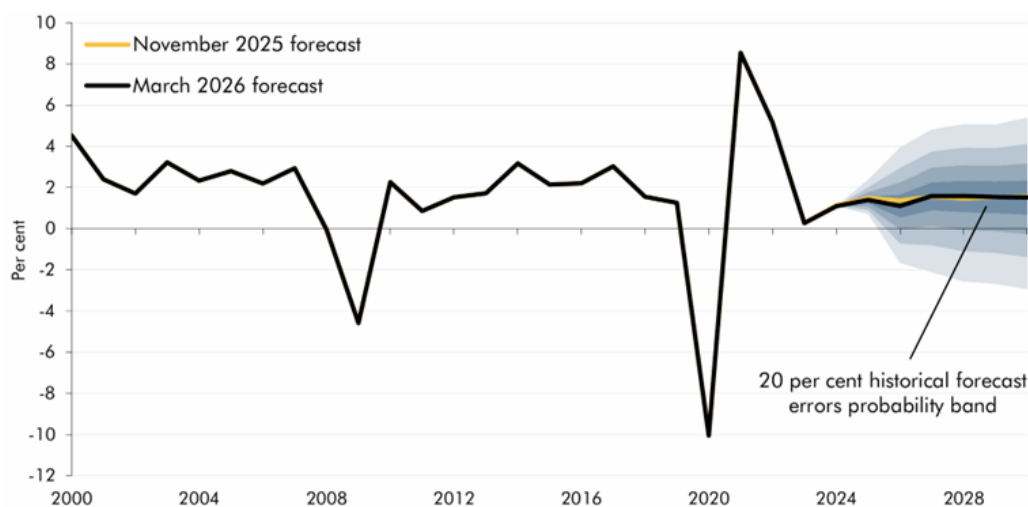
Source: ONS GDP monthly estimate (March 2026)

10.35 Over the longer term, GDP is estimated to have grown by 0.9% in the three months to January 2026 compared with the same period a year ago suggesting that, whilst growth in the three months to January 2026 has been limited, it is set to be stronger relative to 2025.

10.36 The Office for Budget Responsibility's [OBR's] latest Economic and Fiscal Outlook for March 2026 reports a challenging economic outlook. The OBR reports that real GDP growth is expected to slow from 1.4% in 2025 to 1.1% in 2026, reflecting weaker-than-expected GDP outturns in late 2025. The OBR expect GDP growth to average 1.6% per year from 2027 to 2030 as productivity growth rises and the negative output gap closes.

10.37 Overall, the weak real GDP growth has been driven by both subdued potential output growth – driven by productivity – and an opening up of spare capacity, consistent with elevated uncertainty and the tightening monetary policy to combat inflation.

Figure 10.4 Real GDP growth



Source: OBR (2026): Economic and Fiscal Outlook (March 2026) – Chart 2.8

- 10.38 According to ONS GDP data for January 2026, the production sector grew by 1.3% during this time whilst the service sector grew by 0.2% and construction fell by 2.0%.
- 10.39 Within the services sector, the rise in output follows three consecutive months of no growth in the period to December 2025. There was a reported notable growth in wholesale and retail trade (up 1.0%), ICT (up 0.8%), and transportation and storage (up 1.1%). However, during this time, there was also a decline in real estate activities (down 0.2%), accommodation and food services (down 0.7%) and arts, entertainment and recreation (down 6.9%).
- 10.40 Amongst the growth in output within the production sector, this was driven by a growth in manufacturing (up 1.5%) and electricity, gas, steam and air conditioning supply (up 2.2%). However, there was a decline across water supply (down 0.5%) and mining and quarrying (down 0.1%).
- 10.41 Lastly, the fall in output within the construction sector, new work fell by 3.2% with the largest negative contributor being private housing new work (down 6.3%), with there also a decline in public housing repair and maintenance (down 2.6%).

Business Intelligence

- 10.42 The Council provided data gathered from responses to its 2025 business survey. This reports on business confidence for the next 12 months, obstacles faced, opinions on existing premises, and future business needs and requirements.
- 10.43 Of the 700 businesses who responded, over a third reported that they were currently based in a town centre (35.6%) with a large proportion also located in rural locations (21.7%) or edge of town location such as an industrial estate (21.1%).
- 10.44 Most businesses would be classed as micro, with 58.9% employing between 1-5 people. Perhaps unsurprisingly, the majority also occupied modest amounts of commercial floorspace with 44.6% occupying less than 232 sqm. Businesses also displayed high levels

of long-term occupancy at premises with 28.6% occupying their premises for between 6-15 years.

10.45 In terms of business confidence over the next 12 months, the majority of businesses (52.6%) were 'fairly confident' with 10.0% 'very confident.' Just under a third were either not very confident or not at all confident (31.9%) about the next 12 months.

10.46 When asked what obstacles businesses faced, challenges were largely centred around rising costs and lack of funding. The top three main obstacles were:

- 1 Rising prices (56.0%);
- 2 Energy and fuel costs (40.1%); and,
- 3 Workforce/skills shortages (35.4%).

10.47 However, of those which related to issues specifically concerning commercial premises or planning-related obstacles, the top three included:

- 1 Infrastructure (i.e. public transport and roads) (12.6%);
- 2 Planning applications and policy (9.9%); and,
- 3 Unsuitable business sites/premises (7.4%).

10.48 Looking to the future, businesses reported that the majority of their needs were unlikely to change. In terms of employment, nearly two-thirds of businesses (64.7%) anticipated future employment levels to remain the same as currently. Businesses were also more likely to report that their business premises needs would not change over the coming years (78.1%) with only 2.7% requiring additional and 6.7% requiring larger premises. However, when asked what reasons would drive needing new premises, size was the main reason, with 34.6% saying their premises were too small.

10.49 As part of the study, Lichfields also undertook consultations with local stakeholders, including businesses and commercial agents. When asked about the supply of commercial premises, stakeholders agreed that many local and small businesses struggle to find units to occupy, with many sites taken up quickly by larger firms.

10.50 Stakeholders noted that, whilst locations such as Barrow may have high availability and vacancy rates within their office stock, this is often driven by availability and vacancies within larger units rather than smaller units, which **agents felt were in short supply, dated and/or were of poor quality.**

10.51 One agent suggested that, based on conversations with businesses, **there is pent up demand for office stock in locations such as Barrow but a lack of suitable supply which prohibits businesses from taking up units.**

10.52 Furthermore, stakeholders commented on the lack of space available for businesses wanting to grow and expand without relocating outside of the local area. However, the importance of remaining local was a point emphasised by commercial agents who advised that, whilst a firm may be willing to relocate within a small radius (i.e. from Barrow to Millom), **they are unlikely to relocate further** (i.e. from Barrow to Penrith or Kendal).

10.53 The factors underpinning this analysis included:

- **Reliance on the local workforce**, with many unwilling or unable to travel further afield.
- **The distance between sub-areas** with one commercial agent commenting that many sub-areas are distinct locations for businesses. For example, a business relocating from Barrow to Kendal would incur an additional 45 – 60 minutes commute-time which would increase to around 90-minutes if they relocated to Penrith. Agents emphasised the importance of meeting the need of businesses within their existing locations or sub-areas.
- **The quality of transport and road infrastructure** with some of the key road networks (i.e. A590) regarded as in poor condition or already congested, and public transport not necessarily able to connect sub-areas within a reasonable commute-time.

10.54 The importance of meeting need within the relevant sub-area was a point made across office, industrial and warehousing uses. Whilst some locations were regarded as being better suited to certain commercial uses – such as Penrith providing a strategic location for logistics due to its proximity to the motorway network – agents still commented that some of the need will need to be met in locations such as Barrow given the distance between the two locations and different markets.

11.0 Forecasting Future Needs

Introduction

- 11.1 This section considers Westmorland & Furness's future quantitative economic growth needs. It models a range of scenarios over the Plan period 2025 to 2045. These scenarios consider the need for office and industrial (i.e. manufacturing and warehousing) floorspace (sqm) and land (in hectares [ha]).
- 11.2 The forecast job growth is based on Experian's 2025 econometric projections, adjusted by Experian working with Council Officers and BAE to account for the strong likely job growth associated with the Barrow shipyard, both at a direct and indirect level over the coming years. The boost to job growth primarily impacts on job growth within the former district of Barrow, given that this is where the bulk of the new jobs are likely to be located.
- 11.3 We have also taken into account past delivery of employment space and the potential labour supply generated by housing growth scenarios set out in Section 7.0 of this report.
- 11.4 The forecast demand scenarios are based on a quantitative requirement and do not take into account qualitative factors that may influence the actual requirement.
- 11.5 **It should be noted that this SHENA considers the 'indigenous' employment space needs arising from economic growth in Westmorland & Furness to 2045. Section 12.0 presents an overview of the 'Modern Economy' sectors and whether a comparative advantage exists for further growth. However, in general this SHENA does not take account of wider 'footloose' or other strategic/inward investment needs or any other specific investment position that may arise from other areas or firms, other than to the extent that Westmorland & Furness has accommodated a share of these uses historically and accordingly they are now reflected in the trends which inform the various forecasts.**
- 11.6 For example, this would include larger-scale strategic distribution needs serving the wider region, although in the case of that specific sector, there is limited evidence in the analysis of past take-up or market feedback set out above that this has been a particularly significant driver of the industrial market in Westmorland & Furness in recent years. However, this is starting to change, and we note that a current outline planning application pending determination in Kendal [ref: 2025/2124/OPA] seeks to '*deliver a high quality industrial and logistics development of regional significance*' (supporting Planning Statement, page 27, para 5.27).
- 11.7 **To consider this issue, a wider assessment of strategic logistics needs would be necessitated which has regard to the interrelationship of Westmorland & Furness with logistics market areas and strategic freight routes.**

Methodology

- 11.8 The Government's PPG advises on how to calculate future employment land requirement and is set out in the PPG Chapter on Housing and Economic Needs assessment.

- 11.9 The PPG also requires authorities to take account of longer-term economic cycles in assessing this data and consider and plan for the implications of alternative economic scenarios.
- 11.10 An aspirational ‘regeneration-led’ scenario has been included which takes into account additional demand that could be generated by key growth sectors, private sector developments and interventions.
- 11.11 The forecast employment land scenarios covering the 20-year Plan period from 2025 to 2045 are:
- 1 Employment forecasts (**Labour Demand**), using Experian’s Local Market Quarterly Forecast for 2025, as adjusted following discussions on the key growth sectors identified by BAE and Council Officers relating to the Barrow shipyard. This generates a net additional job growth target of +13,300 over the 20-year plan period to 2045 over the whole of the Westmorland & Furness administrative area, including those parts of the LDNP and YDNP that extend into the District. Paradoxically perhaps, the net job growth is higher once the National Park areas are excluded, growing by 14,500 workforce jobs 2025-2045. This emphasises the challenges that both National Parks face in terms of a declining labour force and the knock-on effects this has for economic growth.
 - 2 Demographically derived assessments of growth in the **Labour Supply**. This stage involves translating forecasts of population growth or planned housing levels into numbers of working-age and economically active residents requiring jobs, splitting these into E(g)(i) B Class jobs and then applying job/floorspace ratios as for the job-based estimate.
 - 3 **Past Take-Up** of employment land. The final scenario projects forward past annual take-up rates of employment land by type using the Council’s monitoring data, using longer term data (generally over the past 10 years) but avoiding distortions from constrained land supply or any uncharacteristically large developments, as well as net absorption rates from CoStar.
- 11.12 All these approaches reflect different factors, and careful consideration needs to be given as to how appropriate each is to Westmorland & Furness’s particular set of circumstances and policy aspirations. In addition, to be robust, the economic growth potential and likely demand for employment space needs to be assessed under different future sensitivities, to reflect lower or higher economic growth conditions arising in future.
- 11.13 The ultimate judgement regarding the level of employment need that the Council should plan for is not, therefore, simply shaped by a consideration of quantitative analysis. A range of qualitative factors should be considered, that would typically consider the quality and demand for existing premises, the spatial distribution of supply and demand for premises, and insights from commercial property agents and local businesses.

Scenario 1: Experian BAE Adjustments October 2025

- 11.14 Experian’s model takes account of the existing economic structure of each local authority (broken down by economic sector) and the historical relationship between the regional performance of an industry and the performance observed at the Local Authority level. The forecasts of job growth by sector used here reflect recent trends and economic growth projections at national and regional level, and how economic sectors in Westmorland & Furness have fared relative to the North West region’s growth in the past. They are not constrained by either labour supply or land availability.

- 11.15 These baseline projections were then adjusted by Experian following detailed consultation with Council Officers and BAE, to reflect the realistic growth opportunities offered by the Barrow Shipyard.
- 11.16 Before presenting the job growth outcomes from the scenarios it is worth highlighting in broad terms, limitations in how these were generated:
- 1 They are predominantly trend-based estimates projecting historic growth patterns into the future.
 - 2 For the Experian projections, the population data that underpinned the modelling comprises the ONS 2023 MYPE and the ONS 2022-based population projections for England, with the regions and lower-level data using the 2018-based SNPP.
 - 3 The forecasts do not consider policy influences and unforeseen impacts of individual business decisions.
 - 4 There is not always a clear-cut relationship between employment change and employment land needs. Additional employment space may be required even if employment itself is falling; for example, if a manufacturing firm requires more space to enable greater automation and achieve job reductions through productivity gains.
- 11.17 A breakdown of the projections is provided in Table 11.1 for Westmorland & Furness (and comparator areas). The Table indicates that the October 2025 Experian workforce employment projections (adjusted for BAE growth) reported a period of sustained employment growth in Barrow since 2019 of +4,300 net jobs, which contrasted with a net loss of 700 jobs in the former District of Eden, and -4,000 jobs for South Lakeland District.
- 11.18 While all three former LPA areas are projected to grow over the next 20 years, this is primarily due to the very strong level of growth projected for Barrow (linked predominantly to BAE's growth prospects), with a net job growth of +9,800 or +1.148% annually. This helps to drive Westmorland & Furness's growth overall to **+13,300** (with a Combined Annual Growth Rate [CAGR] of 0.488%) if the two National Park areas are included. Paradoxically, if the economies of the National Parks are excluded from the equation, the net growth actually increases, to +14,500 (or +0.635% CAGR).
- 11.19 Eden has a net job growth of 900, rising to 1,400 if the National Park areas are excluded, whilst South Lakeland's net job growth is higher, at 2,600 including the National Parks, rising to +3,300 if they are excluded (Table 11.1).

Table 11.1 Workforce Jobs Growth for Westmorland & Furness and comparator areas

	2019-2025 (including National Parks)		2025-2045 (Including National Parks)		2025-2045 (Excluding National Parks)	
	Net Job Growth	CAGR	Net Job Growth	CAGR	Net Job Growth	CAGR
England	1,368,100	+0.736%	+4,832,700	+0.710%	n/a	n/a
Westmorland & Furness	-400	-0.051%	+13,300	+0.488%	+14,500	+0.635%
<i>Barrow</i>	<i>+4,300</i>	<i>+2.010%</i>	<i>+9,800</i>	<i>+1.148%</i>	<i>+9,800</i>	<i>+1.148%</i>
<i>Eden</i>	<i>-700</i>	<i>-0.358%</i>	<i>+900</i>	<i>+0.138%</i>	<i>+1,400</i>	<i>+0.248%</i>
<i>South Lakeland</i>	<i>-4,000</i>	<i>-1.077%</i>	<i>+2,600</i>	<i>+0.214%</i>	<i>+3,300</i>	<i>+0.382%</i>

Source: Experian UK Macro Economic Forecasts October 2025

- 11.20 Table 11.2 summarises those sectors expected to experience the largest absolute increases or decreases in employment for the District over the Plan period. Experian projects a growth equal to 13,300 net jobs between 2025 and 2045 (including the National Parks),

driven primarily by Manufacturing (+5,400); Construction (+3,900), Accommodation and Food Services (+1,700), Admin and Support Services (+800), Professional Services (+900) and Education (+500). Job losses are predominantly concentrated in public administration and defence, which is projected to fall by 500 jobs over the next 20 years; Agriculture, Forestry and Fishing (-400) and Recreation (-300).

Table 11.2 Job Change across Westmorland & Furness (2025 to 2045)

	Including National Parks			Excl. NPs
	2025	2045	Net Change	Net Change
Accommodation and Food Services	16,700	18,400	+1,700	+1,900
Admin and Supportive Services	5,200	6,000	+800	+900
Agriculture, Forestry and Fishing	4,700	4,300	-400	-200
Air and Water Transport	500	500	0	0
Computing and Information Services	800	1,000	+200	+200
Construction	9,900	13,800	+3,900	+4,000
Education	8,900	9,400	+500	+500
Extraction and Mining	400	400	0	0
Finance	1,100	1,000	-100	-100
Fuel Refining	0	0	0	0
Health	8,700	9,300	+600	+600
Insurance and Pensions	0	100	+100	+100
Land Transport, Storage and Post	4,300	4,400	+100	+200
Manufacturing	20,700	26,100	+5,400	+5,500
Media Activities	800	800	0	-100
Other Private Services	3,800	3,800	0	+100
Professional Services	7,100	8,000	+900	+900
Public Administration and Defence	4,100	3,600	-500	-500
Real Estate	1,500	1,600	+100	+300
Recreation	3,700	3,400	-300	-200
Residential Care and Social Work	7,200	7,100	-100	-100
Retail	12,100	12,200	+100	+200
Telecoms	300	300	0	+100
Utilities	1,500	1,600	+100	-100
Wholesale	6,000	6,200	+200	+300
TOTAL	130,000	143,300	+13,300	+14,500

Source:Experian (October 2025) / Lichfields' analysis

Key: **ORANGE** = Office/Industrial sector **GREEN** = Part Office/Industrial sector

11.21 In translating these jobs into employment land requirements, the analysis includes an allowance for jobs in other non-employment sectors that typically utilise industrial or office space, such as some construction uses, vehicle repair, courier services, road transport and cargo handling and some public administration activities. This is because a certain proportion of these jobs will occupy premises falling within the office / industrial sectors.

11.22 Using Experian's baseline forecasts (which are based to an extent on past trends and current representation across the industrial classifications relative to the national and regional averages, albeit uplifted in Barrow to reflect the opportunities arising from BAE), Table 11.3 indicates strong growth in E(g)/B-class jobs for Westmorland & Furness overall,

equal to +7,602 between 2025 and 2045, with almost 5,700 additional growth in the non-B uses. The E(g)/B-class job growth increases to 7,870 excluding the National Parks. The vast majority of this growth is due to strong growth in B2 General industrial (i.e. manufacturing jobs), most of which is likely to be attributable to BAE in Barrow.

Table 11.3 Forecast Employment Change in Westmorland & Furness (incl. NPs) 2025-2045 – Baseline Total Workforce Jobs

		Office*	Light Industrial**	B2 General Industrial***	B8 Warehousing****	Total Office / Industrial / Distribution Jobs	Other Jobs	Jobs in All Sectors
Incl. National Parks	Barrow	731	232	5,408	271	6,642	3,158	9,800
	Eden	291	321	57	-154	515	385	900
	South Lakeland	-128	628	-53	-2	445	2,155	2,600
	W&F Total	894	1,181	5,412	115	7,602	5,698	13,300
Excl. National Parks	Barrow	731	232	5,408	271	6,642	3,158	9,800
	Eden	361	224	206	-70	721	679	1,400
	South Lakeland	-24	691	-216	56	507	2,793	3,300
	W&F Total	1,068	1,147	5,398	257	7,870	6,630	14,500

Source: Experian October 2025 / Lichfields Analysis. Note: rounding means that sums do not always add.

* includes a proportion of public sector employment and administration and support services

** includes some manufacturing, vehicle repair and some construction activities

*** includes manufacturing and some construction/utilities

**** includes elements of transport and communications sectors

- 11.23 To translate the resultant job forecasts into estimates of potential employment space it is necessary to allocate the level of employment change forecast for office, industrial, and wholesale / distribution uses as follows:
- 1 The office floorspace requirement is related to job growth / decline in the financial and business service sectors¹⁴⁷;
 - 2 The light industrial floorspace requirement is related to job growth / decline in some manufacturing sectors, specialised construction activities and some wholesale trades¹⁴⁸;
 - 3 The general industrial floorspace requirement is related to job growth / decline in most manufacturing sectors¹⁴⁹; and,
 - 4 The wholesale / distribution floorspace requirement is related to job growth / decline in the industrial sectors of wholesale and land transport, storage and postal services¹⁵⁰.
- 11.24 Lichfields has translated the resulting figures into employment land projections using standard employment densities that have been applied to the forecast job change figures (based upon the latest HCA¹⁵¹ guidance on employment densities). These translate Full Time Equivalents [FTE] into workforce jobs, and plot ratios by use class.

¹⁴⁷ i.e. Majority of BRES Sectors 58-74, Office administration and support, some activities of membership organisations and a proportion of Public Administration and Defence

¹⁴⁸ Some printing and recording media; manufacture of computer and electronic products; some manufacture of furniture and repair and installation of machinery and equipment; majority of Specialised Construction Activities, plus car repair.

¹⁴⁹ Remaining Manufacturing sectors, plus some construction and waste and remediation activities.

¹⁵⁰ Wholesaling less car repairs retail car sales, plus post/couriers and land transport

¹⁵¹ HCA (November 2015): *Employment Densities Guide, 3rd Edition*

- 11.25 For the purposes of this SHENA it has been assumed that:
- 1 One general office workforce job requires 12.5 sqm of employment floorspace (Gross External Area [GEA]);
 - 2 One light industrial job requires 47 sqm of employment floorspace (GEA);
 - 3 One general industrial workforce job requires 36 sqm of employment floorspace (GEA); and,
 - 4 One job per 64.5 sqm for general, smaller scale warehousing (assumed to account for 84% of future space, based on the current VOA split below 6,500 sqm); 1 job per 71 sqm for medium scale units (assumed to account for just 2% of future space based on VOA data), with the remaining 14% comprising Big Box over 9,000 sqm (1 job per 87.5 sqm).
- 11.26 The HCA Guidance takes account of recent trends in terms of the changing use of employment space, the main change being the more efficient utilisation of office space due to increased flexible working and hot-desking. This has resulted in a decrease in the amount of floorspace per office worker compared to previous guidance.
- 11.27 The Covid pandemic dramatically altered working patterns. Throughout 2022 the percentage of working adults reporting having worked from home has varied between 25% and 40%, without a clear upward or downward trend, indicating that homeworking is proving resilient to pressures such as the end of lockdown restrictions and increases in the cost of living. UK-wide, in the year to January 2023, the proportion of working adults that had travelled to work (both exclusively and in combination with working from home) was 44%¹⁵². Despite fluctuations, this proportion remains close to that seen during the height of the pandemic, with a peak of 49% of adults having worked from home in the last seven days in the first half of 2020.
- 11.28 Many commentators are suggesting that there will be a permanent shift towards home working and the greater flexibility this affords people, with the need for office space in particular falling significantly.
- 11.29 Whilst in our view it is quite likely that there will be some long-term shift in working patterns because of the pandemic, at the time of writing (July 2025) it is still too soon to say how this will impact upon employment floorspace requirements. We therefore propose to retain the aforementioned job densities, particularly as the HCA work already factors in an element of home working / hot desking into the calculations. That said, we have explored the potential impacts of any future need for Covid / health related measures in the sensitivity testing at the end of this chapter.
- 11.30 An adjustment has also been made to reflect the fact that a proportion of employment floorspace will always be vacant. Many sources are now suggesting that a figure of around 7.5%¹⁵³ / 8% should be used to calculate the normal, or equilibrium vacancy rate. However, CoStar data indicates that as of 2025 very few office and industrial units are available in Westmorland & Furness, with vacant and available rates comprising the following:
- Barrow: 5.4% for offices, 1.2% for industrial and 3.3% for warehousing;
 - Eden: 2.6% for offices, 0.9% for industrial and 1.1% for warehousing; and,
 - South Lakeland: 4.8% for offices, 3.3% for industrial and 3.1% for warehousing.

¹⁵² ONS (2023): Characteristics of homeworkers, Great Britain: September 2022 to January 2023

¹⁵³ Welsh Government (August 2015): Practice Guidance – Building an Economic Development Evidence Base to Support a Local Development Plan

- 11.31 The figures for industrial units in particular are very low across all three former districts. Therefore, it is sensible to apply a degree of flexibility, equal to 8%, to allow for market fluctuations. This is typically used for ELRs across the country to represent a robust benchmark for an appropriate level of available floorspace going forward.
- 11.32 Where a reduction in jobs is forecast (e.g. for manufacturing), the associated amount of negative floorspace has been halved (in accordance with common methodological practice amongst SHENAs undertaken elsewhere across the country), to reflect the fact that job decline at a particular company does not automatically translate into a comparable loss of floorspace, at least not in the short-medium term.
- 11.33 The resultant floorspace estimates are provided in Table 11.4 including the National Parks, and Table 11.5 excluding them. The first Table indicates that there could be an overall net gain of office / industrial floorspace in Westmorland & Furness of **nearly 300,000 sqm between 2025 and 2045**. This is driven by an increased demand for B2 industrial land in Barrow (primarily due to growth at BAE), with a modest decline in logistics floorspace in both Eden and South Lakeland and an additional fall in demand for both office and general industrial floorspace in the latter former district.

Table 11.4 Forecast Net Floorspace Change (sqm) in Westmorland & Furness 2025-2045: Experian Baseline incl. NPs

Including National Parks		2025	2045	Net Requirement*
Barrow	Office	44,846	53,985	+9,870
	Light Industrial	71,632	82,537	+11,777
	B2 General Industrial	465,432	660,112	+210,255
	B8 Logistics	68,015	86,376	+19,830
	Total Office / B2 / B8	649,925	883,011	+251,732
Eden	Office	39,664	43,301	+3,927
	Light Industrial	66,408	81,478	+16,275
	B2 General Industrial	110,012	112,079	+2,232
	B8 Logistics	194,780	184,327	-5,226**
	Total Office / B2 / B8	410,864	421,185	+17,208
South Lakeland	Office	81,594	79,991	-802**
	Light Industrial	178,908	208,443	+31,897
	B2 General Industrial	206,367	204,461	-953**
	B8 Logistics	176,567	176,430	-69**
	Total Office / B2 / B8	643,436	669,324	+30,074
W&F Total	Office	166,104	177,277	+12,995
	Light Industrial	316,948	372,458	+59,949
	B2 General Industrial	781,811	976,652	+211,534
	B8 Logistics	439,362	447,133	+14,535
	Total Office / B2 / B8	1,704,225	1,973,520	+299,014

Source: Experian October 2025 / Lichfields Analysis. Note, sums do not always add due to rounding.

*Factoring in an 8% vacancy allowance where the net requirement is positive

**Net requirement halved as the job growth is negative. No vacancy adjustment applied in such instances.

- 11.34 Once the National Park areas are excluded (see Table 11.5), the net floorspace requirement increases overall to +308,774 sqm.

Table 11.5 Forecast Net Floorspace Change (sqm) in Westmorland & Furness 2025-2045: Experian Baseline EXCL. NPs

Excluding National Parks		2025	2045	Net Requirement*
Barrow	Office	44,846	53,985	+9,870
	Light Industrial	71,632	82,537	+11,777
	B2 General Industrial	465,432	660,112	+210,255
	B8 Logistics	68,015	86,376	+19,830
	Total Office / B2 / B8	649,925	883,011	+251,732
Eden	Office	35,268	39,781	+4,874
	Light Industrial	60,406	70,942	+11,379
	B2 General Industrial	74,219	81,637	+8,011
	B8 Logistics	184,327	179,570	-2,379**
	Total Office / B2 / B8	354,220	371,929	+21,885
South Lakeland	Office	62,019	61,713	-153**
	Light Industrial	141,917	174,385	+35,065
	B2 General Industrial	135,743	127,961	-3,891**
	B8 Logistics	121,724	125,553	+4,135
	Total Office / B2 / B8	461,402	489,612	+35,157
W&F Total	Office	142,133	155,479	+14,591
	Light Industrial	273,955	327,864	+58,221
	B2 General Industrial	675,394	869,710	+214,375
	B8 Logistics	374,066	391,499	+21,586
	Total Office / B2 / B8	1,465,547	1,744,552	+308,774

Source: Experian October 2025 / Lichfields Analysis. Note, sums do not always add due to rounding.

*Factoring in an 8% vacancy allowance where the net requirement is positive

**Net requirement halved as the job growth is negative. No vacancy adjustment applied in such instances.

Scenarios 2(a) – 2(d) Labour Supply

- 11.35 It is also important to consider how many jobs, and hence how much employment space, would be necessary to broadly align with the forecast growth of the resident workforce in the District. In contrast to the other approaches, this scenario focuses on the future supply of labour rather than the demand for labour. It estimates the number of new jobs that would be needed to align with the future working-age population, and how much employment space would be needed to accommodate these jobs.
- 11.36 Lichfields has modelled the employment growth that might be expected to be sustained under a series of demographic projections aligned with the Government's standard methodology for calculating housing need, as well as the other demographic-led scenarios set out in detail in Section 7.0 of this report.
- 11.37 On this basis, we have taken forward the following labour force scenarios (extracted from the PopGroup modelling summarised in Section 7:
- Labour Force under SM3 (1,330 dpa): **+30,262** net job growth 2025-2045;
 - Labour Force under SM3 affordability sensitivity (1,330 dpa): **+30,471** net job growth 2025-2045;
 - Labour Force under High Migration 2022 based SNPP (867 dpa): **+16,258** net job growth 2025-2045;

d Labour Force under Past Housing Delivery Trends (654 dpa): **+10,850** net job growth 2025-2045.

11.38

To translate this job growth into employment floorspace requirements, similar assumptions concerning vacancy rates and employment densities as per the Experian Baseline Scenario 1 forecasting work were applied to the job projections. It has been assumed that the projected employment split of office / industrial and B8 jobs will mirror the Experian October 2025 projections in 2025 and 2045.

Table 11.6 Forecast Employment Change in Barrow and Furness Sub-Area 2025-2045 – Labour Supply Total Workforce Jobs

Barrow 2025-2045	Office*	Light Industrial**	B2 General Industrial*	B8 Warehousing*	Total Office / Industrial / Distribution Jobs	Other Jobs	Jobs in All Sectors
SM3 379 dpa	+767	+247	+5,559	+281	+6,853	+3,343	+10,196
SM3 Aff Sens	+417	+104	+4,073	+178	+4,772	+1,535	+6,307
High Mig	+44	-47	+2,491	+68	+2,556	-391	+2,165
Past Housing Delivery 104 dpa	+75	-35	+2,624	+77	+2,742	-230	+2,512

Source: Source: Experian October 2025 / Lichfields Analysis. Note, sums do not always add due to rounding errors.

*Factoring in an 8% vacancy allowance where the net requirement is positive

**Net requirement halved as the job growth is negative. No vacancy adjustment applied in such instances

Table 11.7 Forecast Employment Change in Eden Sub-Area 2025-2045 – Labour Supply Total Workforce Jobs

Eden 2025-2045	Office*	Light Industrial**	B2 General Industrial*	B8 Warehousing*	Total Office / Industrial / Distribution Jobs	Other Jobs	Jobs in All Sectors
SM3 326 dpa	+863	+607	+571	+294	+2,335	+4,028	+6,363
SM3 Aff Sens	+868	+610	+576	+299	+2,353	+4,065	+6,418
High Mig	+779	+565	+496	+228	+2,067	+3,493	+5,560
Past Housing Delivery 272 dpa	+700	+525	+425	+167	+1,817	+2,991	+4,808

Source: Source: Experian October 2025 / Lichfields Analysis. Note, sums do not always add due to rounding errors.

*Factoring in an 8% vacancy allowance where the net requirement is positive

**Net requirement halved as the job growth is negative. No vacancy adjustment applied in such instances

Table 11.8 Forecast Employment Change in South Lakeland Sub-Area 2025-2045 – Labour Supply Total Workforce Jobs

South Lakeland 2025-2045	Office*	Light Industrial**	B2 General Industrial**	B8 Warehousing***	Total Office / Industrial / Distribution Jobs	Other Jobs	Jobs in All Sectors
SM3 625 dpa	+1,014	+1,420	+961	+462	+3,857	+9,846	+13,703
SM3 Aff Sens	+1,430	+1,708	+1,330	+631	+5,099	+12,646	+17,745
High Mig	+482	+1,052	+489	+246	+2,269	+6,265	+8,534
Past Housing Delivery 278 dpa	-33	+695	+32	+37	+731	+2,799	+3,530

Source: Source: Experian October 2025 / Lichfields Analysis. Note, sums do not always add due to rounding errors.

*Factoring in an 8% vacancy allowance where the net requirement is positive

**Net requirement halved as the job growth is negative. No vacancy adjustment applied in such instances

Table 11.9 Forecast Employment Change in Westmorland & Furness 2025-2045 – Labour Supply Total Workforce Jobs

Westmorland & Furness 2025-2045	Office*	Light Industrial**	B2 General Industrial**	B8 Warehousing***	Total Office / Industrial / Distribution Jobs	Other Jobs	Jobs in All Sectors
SM3 1,330 dpa	+2,644	+2,274	+7,091	+1,037	+13,045	+17,217	+30,262
SM3 Aff Sens	+2,715	+2,422	+5,979	+1,108	+12,224	+18,246	+30,470
High Mig	+1,305	+1,570	+3,476	+542	+6,892	+9,367	+16,259
Past Housing Delivery 654 dpa	+742	+1,185	+3,081	+281	+5,290	+5,560	+10,850

Source: Source: Experian October 2025 / Lichfields Analysis. Note, sums do not always add due to rounding errors.

*Factoring in an 8% vacancy allowance where the net requirement is positive

**Net requirement halved as the job growth is negative. No vacancy adjustment applied in such instances

11.39

Under these scenarios, addressing the future employment requirements of local residents would result in a net requirement of between +211,736 sqm to +502,817 sqm of employment floorspace between 2025 and 2045 in Westmorland & Furness depending on the scale of housing provided. These results are shown in Table 11.10 to Table 11.13:

Table 11.10 Forecast Net Floorspace Change (sqm) in Barrow 2025-2045 Labour Supply

Barrow	Net Requirement 2025-2045*			
	SM3 379 dpa	SM3 Aff Sens	High Mig	Past Housing Delivery 104 dpa
Office	+10,351	+5,627	+596	+1,018
Light Industrial	+12,512	+5,290	-1,112	-814
B2 General Industrial**	+216,137	+158,375	+96,856	+102,010
B8 Logistics	+20,600	+13,042	+4,992	+5,666
Total	+259,600	+182,334	+101,332	+107,880

Source: Source: Experian October 2025 / Lichfields Analysis. Note, sums do not always add due to rounding.

*Factoring in an 8% vacancy allowance where the net requirement is positive

**Net requirement halved as the job growth is negative. No vacancy adjustment applied in such instances

Table 11.11 Forecast Net Floorspace Change (sqm) in Eden 2025-2045 Labour Supply

Eden	Net Requirement 2025-2045*			
	SM3 326 dpa	SM3 Aff Sens	High Mig	Past Housing Delivery 276 dpa
Office	+11,645	+11,723	+10,511	+9,448
Light Industrial	+30,799	+30,945	+28,664	+26,665
B2 General Industrial**	+22,210	+22,411	+19,274	+16,524
B8 Logistics	+21,567	+21,898	+16,738	+12,215
Total	+86,222	+86,977	+75,186	+64,852

Source: Source: Experian October 2025 / Lichfields Analysis. Note, sums do not always add due to rounding.

*Factoring in an 8% vacancy allowance where the net requirement is positive

**Net requirement halved as the job growth is negative. No vacancy adjustment applied in such instances

Table 11.12 Forecast Net Floorspace Change (sqm) in South Lakeland 2025-2045 Labour Supply

South Lakeland	Net Requirement 2025-2045*			
	SM3 625 dpa	SM3 Aff Sens	High Mig	Past Housing Delivery 278 dpa
Office	+13,689	+19,303	+6,510	-204
Light Industrial	+72,082	+86,711	+53,374	+35,263
B2 General Industrial**	+37,359	+51,709	+19,008	+1,243
B8 Logistics	+33,865	+46,247	+18,030	+2,701
Total	+156,995	+203,970	+96,922	+39,004

Source: Source: Experian October 2025 / Lichfields Analysis. Note, sums do not always add due to rounding.

*Factoring in an 8% vacancy allowance where the net requirement is positive

**Net requirement halved as the job growth is negative. No vacancy adjustment applied in such instances

Table 11.13 Forecast Net Floorspace Change (sqm) in Westmorland & Furness 2025-2045 Labour Supply

Westmorland & Furness	Net Requirement 2025-2045*			
	SM3 1,330 dpa	SM3 Aff Sens	High Mig	Past Housing Delivery 654 dpa
Office	+35,685	+36,653	+17,617	+10,262
Light Industrial	+115,393	+122,946	+80,926	+61,114
B2 General Industrial**	+275,706	+232,495	+135,138	+119,777
B8 Logistics	+76,032	+81,187	+39,760	+20,582
Total	+502,817	+473,281	+273,440	+211,736

Source: Source: Experian October 2025 / Lichfields Analysis. Note, sums do not always add due to rounding.

*Factoring in an 8% vacancy allowance where the net requirement is positive

**Net requirement halved as the job growth is negative. No vacancy adjustment applied in such instances

Scenario 3 – Past Development Trends

- 11.40 Because they reflect market demand and actual development patterns on the ground, in some situations long term completion rates of employment floorspace can provide a reasonable basis for informing future land needs, particularly where land supply or demand has not been unduly constrained historically. However, the future demand picture may not necessarily reflect past trends, and some adjustments may be needed.
- 11.41 Reference has been made to the Council's most recent legacy Annual / Authority

Monitoring Reports [AMRs], for details of past completions and losses. The former SLDC's most recent AMR was published for the monitoring year 2019/2020; Eden District Council's was for the 2021/2022 monitoring year, whilst for Barrow Borough, the last AMR Monitoring year 2017/2018. After these times, monitoring data on past completions and losses was provided by the Council..

11.42 The figures have been broken down by the individual sub-areas within each of the three former local authorities in the Tables below, based on completions / losses data over the past 11 years.

11.43 Gross completions averaged 13,066 sqm over the past 11 years across Westmorland & Furness as a whole, whilst 5,429 sqm was lost to alternative non-B/E(g) Class uses on average over this time period. On this basis, net completions averaged 7,637 sqm annually.

Table 11.14 Barrow Annual Average Take up / Losses of Employment Floorspace, 2014/15-2024/25 (sqm)

Sub-Area		Office / R&D	Light Industrial	B2	B8	Total
Inner Barrow	Annual Gross Completions	1,155	28	2,833	3,527	7,544
	Annual Losses	-510	-91	-2,303	-219	-3,122
	Annual Net Completions	645	-63	531	3,308	4,422
Outer Barrow	Annual Gross Completions	0	0	0	0	0
	Annual Losses	-86	0	-80	0	-166
	Annual Net Completions	-86	0	-80	0	-166
BARROW TOTAL	Annual Gross Completions	1,155	28	2,833	3,527	7,544
	Annual Losses	-596	-91	-2,383	-219	-3,289
	Annual Net Completions	560	-63	450	3,527	4,255

Source: Barrow Council AMRs / Council Officers (2026). Note sums may not add due to rounding errors

Table 11.15 Eden Annual Average Take up / Losses of Employment Floorspace, 2014/15-2024/25 (sqm)

Sub-Area		B1	B2	B8	B1/B2/B8	Total
Alston	Annual Gross Completions	0	0	0	0	0
	Annual Losses	0	0	0	0	0
	Annual Net Completions	0	0	0	0	0
Appleby and Kirkby Stephen	Annual Gross Completions	171	17	35	132	355
	Annual Losses	-91	-11	-5	-0	-107
	Annual Net Completions	80	6	31	132	249
North Eastern Lakes	Annual Gross Completions	79	0	0	0	79
	Annual Losses	0	-4	0	0	-4
	Annual Net Completions	79	-4	0	0	75
Penrith and Surrounds	Annual Gross Completions	793	486	332	0	1,611
	Annual Losses	-202	0	0	0	-202
	Annual Net Completions	591	486	332	0	1,409
Westmorland Dales	Annual Gross Completions	0	0	0	0	0
	Annual Losses	0	0	0	0	0
	Annual Net Completions	0	0	0	0	0
EDEN TOTAL	Annual Gross Completions	1,042	503	367	132	2,045
	Annual Losses	-293	-15	-5	0	-313
	Annual Net Completions	749	488	363	132	1,732

Source: Eden District Council Annual Monitoring Reports / Council Officers (2026). Note sums may not add due to rounding errors

Table 11.16 South Lakeland Annual Average Take up / Losses of Employment Floorspace, 2014/15-2024/25 (sqm)

Sub-Area		Office / R&D	Light Industrial	B2	B8	Total
Cartmel Peninsula	Annual Gross Completions	24	57	0	0	82
	Annual Losses	-19	0	-10	-21	-50
	Annual Net Completions	5	57	-10	-21	32
Central Lakes	Annual Gross Completions	135	361	228	55	779
	Annual Losses	-8	-122	-93	-406	-630
	Annual Net Completions	127	239	135	-351	150
Dales	Annual Gross Completions	0	0	0	0	0
	Annual Losses	0	0	0	0	0
	Annual Net Completions	0	0	0	0	0
Furness Peninsula	Annual Gross Completions	285	494	184	78	1,040
	Annual Losses	-167	-130	-16	-53	-367
	Annual Net Completions	118	364	167	25	674
Kendal and Surroundings	Annual Gross Completions	250	77	937	312	1,576
	Annual Losses	-336	-163	-47	-236	-781
	Annual Net Completions	-86	-86	890	76	795
STH LAKES TOTAL	Annual Gross Completions	694	989	1,349	445	3,477
	Annual Losses	-530	-415	-166	-716	-1,827
	Annual Net Completions	164	575	1,183	-271	1,650

Source: South Lakeland District Council AMRs / Council Officers (2026). Note sums may not add due to rounding errors

- 11.44 For the purposes of this scenario, we have trended forward these net annual figures over the 20-year plan period from 2025 to 2045. The data suggests that if past trends were replicated in future, then trending forward an annual net requirement of 7,638 sqm could justify the provision of around 152,753 sqm (net) over the next 20 years in Westmorland & Furness.

Table 11.17 Forecast Gross Floorspace Change (sqm) in Westmorland & Furness 2025-2045: Past Development Trends

Requirements (sqm)	Barrow		Eden		South Lakeland	
	Gross	Net	Gross	Net	Gross	Net
Office	23,103	11,191	21,640	15,779	13,876	3,285
Light Industrial	569	-1,256	3,537	3,442	19,787	11,491
B2 General Industrial	56,669	9,007	7,650	7,445	26,975	23,654
B8 Logistics	70,536	66,165	8,065	7,974	8,905	-5,424
Total Office / Industrial / Distribution	150,878	85,106	40,892	34,641	69,545	33,006

Source: Lichfields Analysis. Note, sums do not always add due to rounding.

- 11.45 This approach assumes that past trends of development would continue unchanged, which may not fully reflect the future trajectory of the local economy.

- 11.46 Other factors suggest that past take up rates may not significantly increase in the future:

- a The shift away from traditional manufacturing to a more high-tech economy through firms which may have significantly higher employment densities.
- b The continued restructuring of the traditional manufacturing economy with the potential for 'recycling' of older sites.
- c The E Use Class, which includes office, R&D and light industrial uses alongside retail, and the potential for greater levels of losses as a result without the need for planning permission (although conversely this could potentially increase the need for new floorspace).
- d The long-term impacts of the economic downturn from the Pandemic and the continued economic / political uncertainty.
- e Increased and sustained levels of homeworking for office-based sectors following the Pandemic.
- f The significant reduction in public sector spending available to deliver difficult brownfield sites.
- g The need to consider alternative uses for existing employment sites (i.e. for Sui Generis uses).

- 11.47 On balance, for Westmorland & Furness, it is suggested that the 7,638 sqm (or 1.91 ha based on a 40% plot ratio) annual past take up rate, weighted particularly towards the former district of Barrow, represents a realistic figure going forward over the remainder of the plan period. This should be regularly monitored by the Council and amended as necessary.

Scenario 4: Market Signals - Net Absorption Rates

- 11.48 CoStar's annual net absorption data measures the floorspace occupied minus floorspace vacated over a specific period based on lease deals. This measure is considered appropriate to capture the market demand for employment floorspace. Such an approach aligns with

the PPG, particularly paragraph 031¹⁵⁴ which states, “analysis of market signals, including trends in take up and the availability of logistics land and floorspace across the relevant market geographies”.

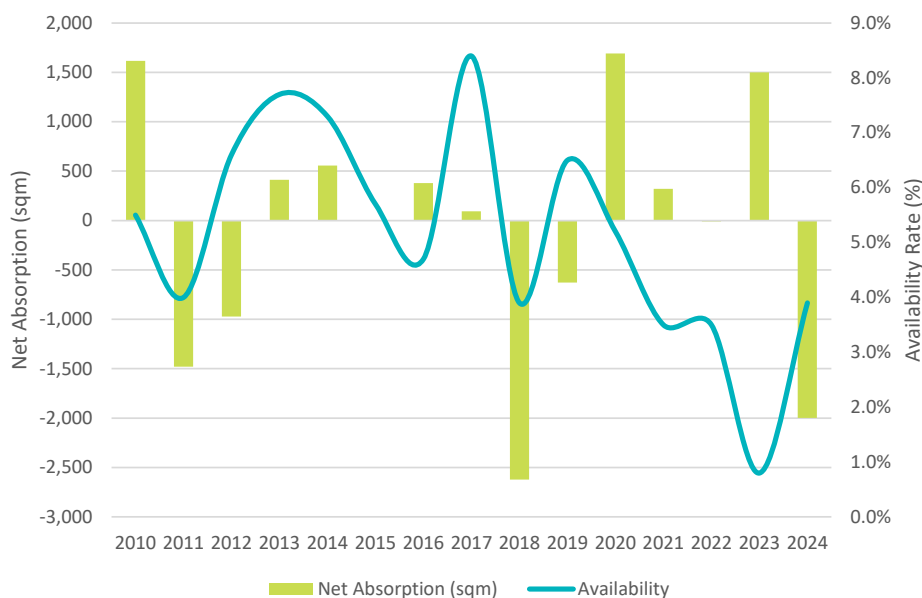
11.49 This measure can help provide a more rounded view of future requirements for employment floorspace than conventional employment forecasts alone. It is therefore considered alongside employment forecasts (i.e., measures of labour demand) which tend to reflect the continued restructuring of the economy away from industry towards services and therefore can underestimate the industrial and warehousing sector’s performance and future growth potential.

11.50 Furthermore, changes to the industrial and warehousing market (for instance, in response to automation) mean that changes in employment levels may not necessarily be an accurate predictor of future growth in floorspace/land requirements, while other factors such as the growth of e-commerce are not fully reflected.

Offices

11.51 Figure 11.1 shows net absorption and availability rates for office floorspace in Barrow over the past 15 years for which we have a full data set (i.e. between 2010 and 2024). Average annual net absorption over this period was negative, at –1,142 sqm, with take-up in 2024 measuring -1,997 sqm; 2020 recorded the highest annual figure of 1,691 sqm. Availability of office space in the former district has historically fluctuated from a low point of just 0.8% in 2023, to a peak of 8.4% in 2017. Since 2019 however the direction of travel has generally been downwards, albeit with a sharp rise back up to 3.9% in 2024.

Figure 11.1 Net absorption and availability rates for offices in Barrow, 2010 to 2024



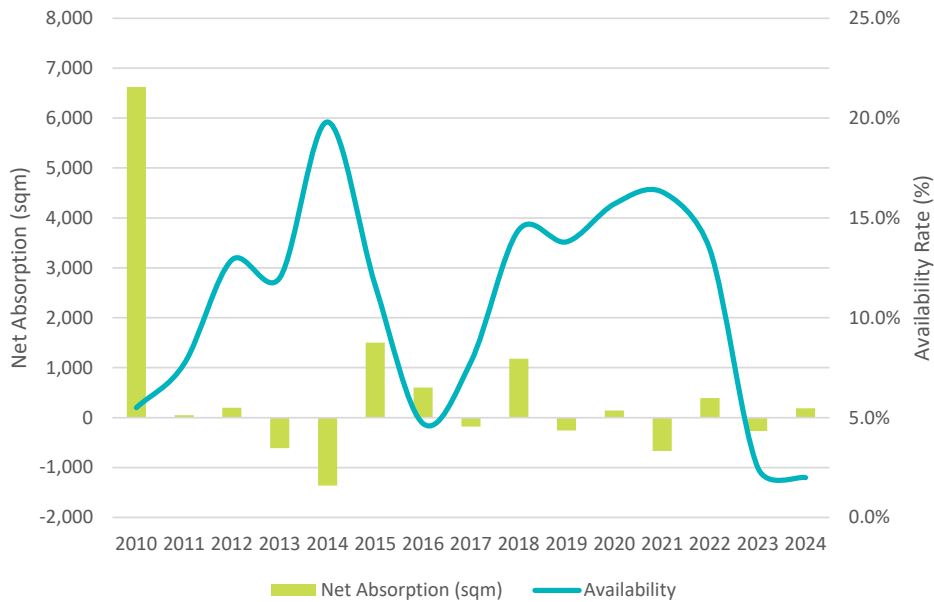
Source: CoStar (2025) | Lichfields analysis

11.52 As for the former district of Eden, Figure 11.2 indicates that net absorption levels have averaged 502 sqm over the past 15 years, so significantly greater than the negative figure for Barrow despite having a much smaller stock of office floorspace. This is primarily

¹⁵⁴ PPG reference: 2a-031-20190722

influenced by the data from one year, 2010, which saw net absorption rates total 6,624 sqm alone. Availability of office space in the former district has 2.0% in 2024, to a peak of 19.8% 2014.

Figure 11.2 Net absorption and availability rates for offices in Eden, 2010 to 2024

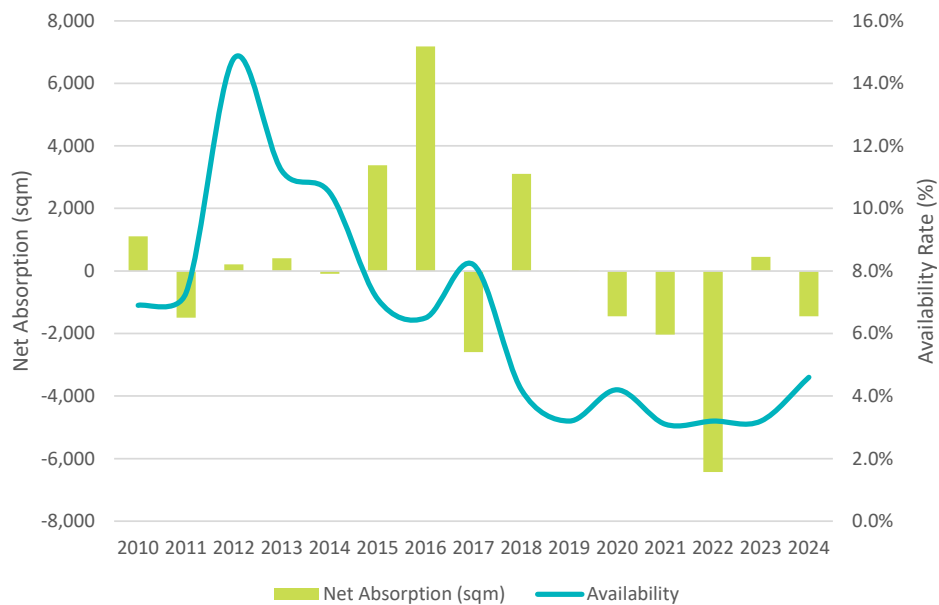


Source: CoStar (2025) | Lichfields analysis

11.53

Finally, the former South Lakeland District (Figure 11.3) saw office net absorption levels averaging just 22 sqm over the past 15 years, with availability rates averaging 6.5%, peaking at 14.8% in 2012 before gradually declining over time to 4.6% in 2024.

Figure 11.3 Net absorption and availability rates for offices in South Lakeland, 2010 to 2024

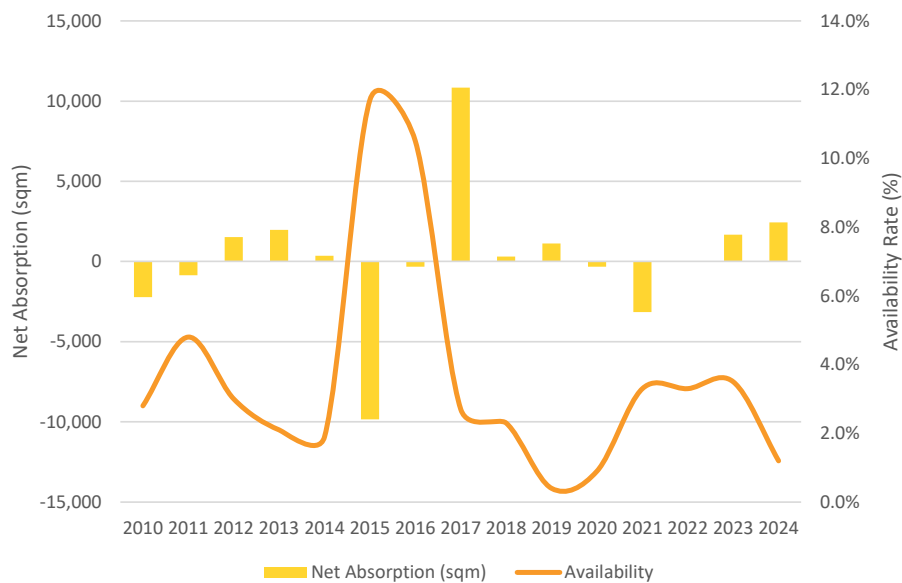


Source: CoStar (2025) | Lichfields analysis

Light/General Industrial

11.54 Barrow has almost twice as much industrial stock (excluding warehousing) than it does office floorspace, and in general availability rates have been low save for a spike of 11.7% in 2015. Since then, they have declined steadily to a figure of just 1.2% in 2024. As can be seen in Figure 11.4, the spike in availability of stock coincided with the lowest net absorption rate over the assessment period, of -9,850 sqm in 2015; in general, absorption rates have fluctuated either side of zero, averaging just 230 sqm.

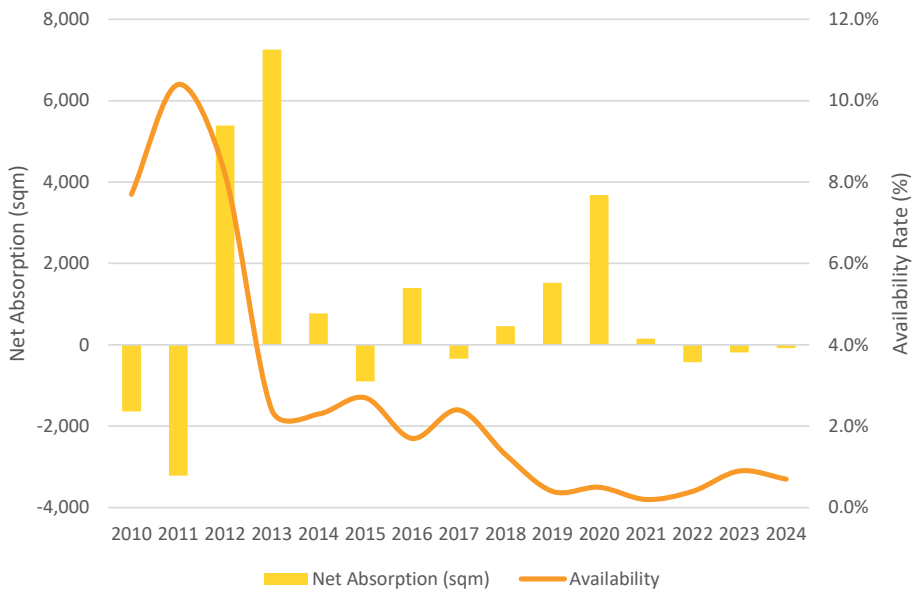
Figure 11.4 Net absorption and availability rates for industrial space in Barrow, 2010 to 2024



Source: CoStar (2025) | Lichfields analysis

11.55 Eden has around 1.7 million sq. ft of industrial floorspace, and save for the first two years of the assessment period, has seen relatively high levels of net absorption, averaging 922 sqm over the past decade and a half. Since a spike of 10.4% in 2011, availability rates have declined to a very low level of just 0.7% in 2024, although they have been as low as 0.2% in 2021 at the height of the pandemic (when supply was almost non-existent).

Figure 11.5 Net absorption and availability rates for industrial space in Eden, 2010 to 2024

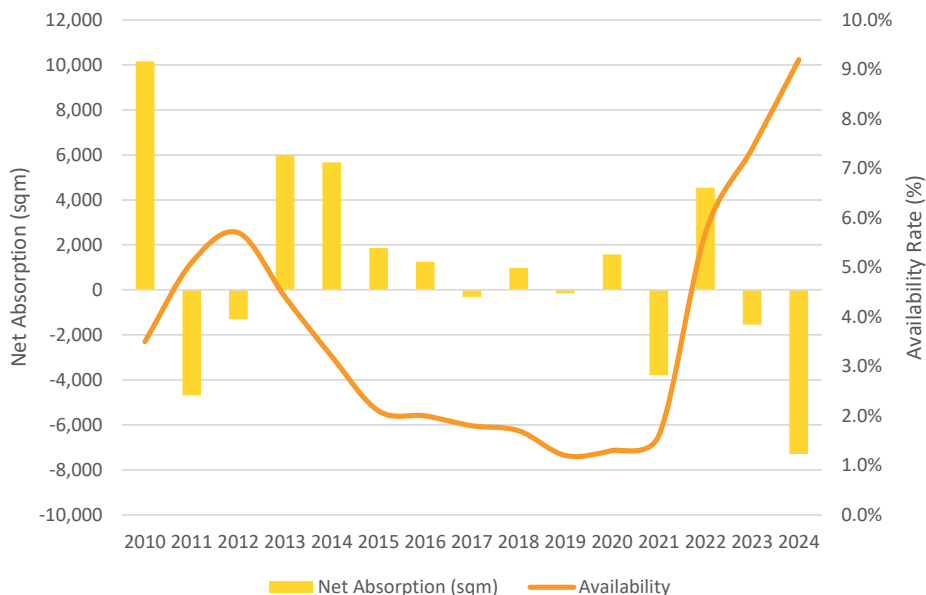


Source: CoStar (2025) | Lichfields analysis

11.56

Finally, the former South Lakeland District area, which has by far the most industrial floorspace in the whole of Westmorland & Furness (at 4.2 million sq. ft), has seen relatively high levels of net absorption, especially pre pandemic, averaging 862 sqm. Figure 11.6 shows that after an initial peak of 5.7% in 2012, availability rate steadily declined to around 1.2% in 2019 before rising sharply to 9.2% in 2024.

Figure 11.6 Net absorption and availability rates for industrial space in South Lakeland, 2010 to 2024



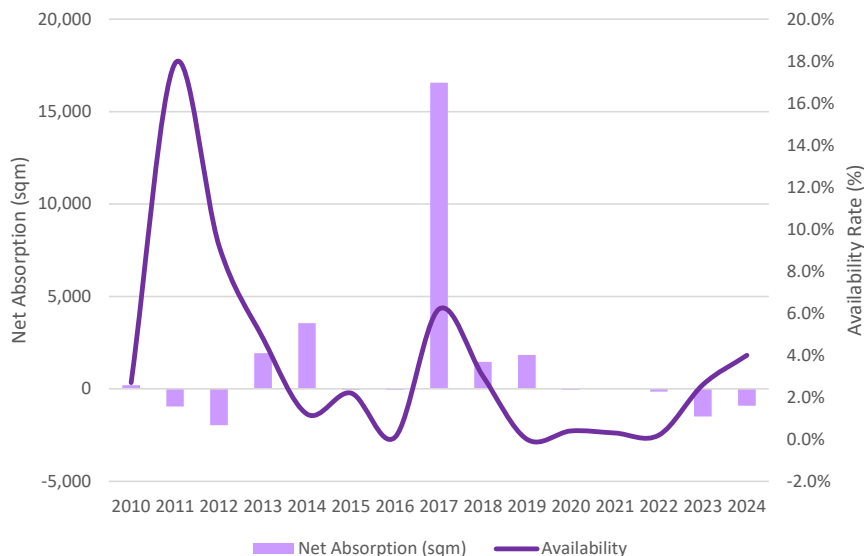
Source: CoStar (2025) | Lichfields analysis

Distribution

11.57

Regarding warehousing, net absorption of storage and distribution floorspace in Barrow has been broadly positive over the period 2010-2024, as shown in Figure 11.7. After peaking in 2017 at 16,561 sqm, net absorption has averaged 1,331 sqm. Availability rates peaked at 17.9% in 2011 before rapidly readjusting to more typical levels, and currently stand at 4.0% (in 2024).

Figure 11.7 Net absorption and availability rates for distribution space in Barrow, 2010 to 2024

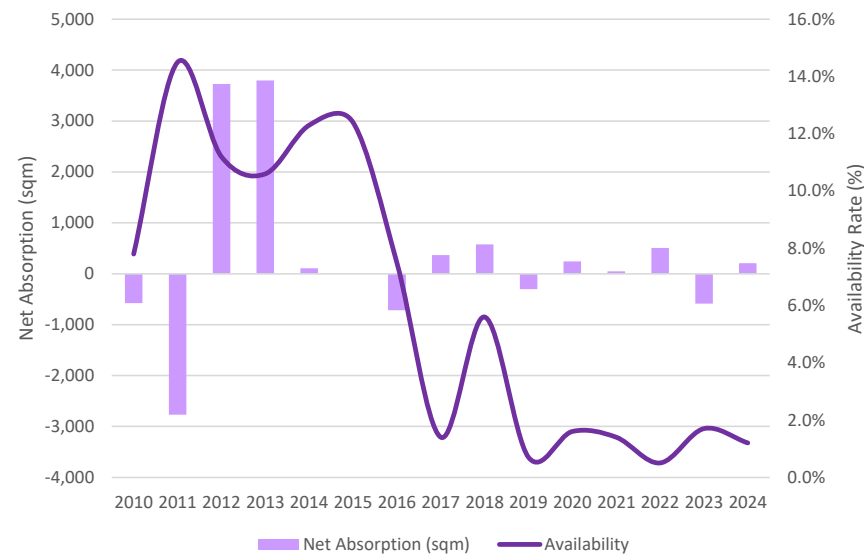


Source: CoStar (2025) | Lichfields analysis

11.58

As for Eden, the net absorption rate averaged 308 sqm over the past 15 years, peaking in 2012 and 2013 at around 3,750 sqm as shown in Figure 11.7. Net absorption rates have since been negligible. Vacancy rates also peaked between 2011 and 2015 before rapidly declining to a very low rate of just 1.2% in 2024.

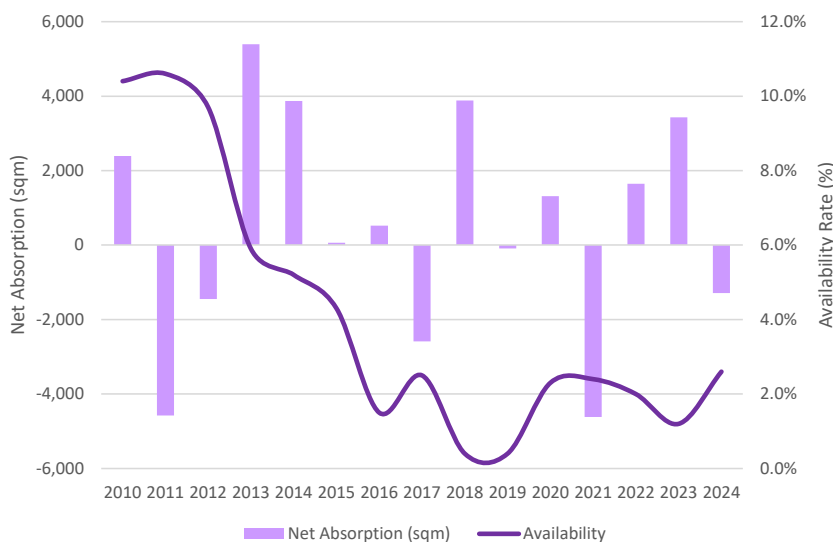
Figure 11.8 Net absorption and availability rates for distribution space in Eden, 2010 to 2024



Source: CoStar (2025) | Lichfields analysis

11.59 South Lakeland has seen significant fluctuations in the level of net absorption over the past 15 years, ranging from -4,619 in 2021, to +5,393 sqm in 2013 (Figure 11.9). Overall, the net absorption rate averaged 527 sqm over the past 15 years. Vacancy rates peaked at 10.6% in 2011 before declining to almost zero in 2018/2019, before rising slightly to 2.6% in 2024.

Figure 11.9 Net absorption and availability rates for distribution space in South Lakeland, 2010 to 2024



Source: CoStar (2025) | Lichfields analysis

11.60 If these trends in net absorption across Westmorland & Furness were to continue throughout the plan period (2025-2045) this would generate a requirement for an estimated 92,565 sqm of office, industrial and distribution floorspace by the end of the plan period, as shown in Table 11.18.

Table 11.18 Estimated net demand for office, industrial and distribution floorspace in Westmorland & Furness between 2025 and 2045 based on past net absorption trends

Sub Area	Type of space/Use Class	Annual average net absorption (sqm)	Total net absorption (sqm)
Barrow	Office E(g)(i)/(ii)	-76	-1,523
	Light/general industrial E(g)(iii)/B2	230	4,607
	Storage and distribution B8	1,331	26,622
	Total office, industrial and distribution	1,485	29,705
Eden	Office E(g)(i)/(ii)	502	10,039
	Light/general industrial E(g)(iii)/B2	922	18,444
	Storage and distribution B8	308	6,166
	Total office, industrial and distribution	1,732	34,649
South Lakeland	Office E(g)(i)/(ii)	22	435
	Light/general industrial E(g)(iii)/B2	862	17,239
	Storage and distribution B8	527	10,537
	Total office, industrial and distribution	1,411	28,211
Westmorland & Furness	Office E(g)(i)/(ii)	448	8,951
	Light/general industrial E(g)(iii)/B2	2,014	40,290
	Storage and distribution B8	2,166	43,325
	Total office, industrial and distribution	4,628	92,565

Source: CoStar (2025) | Lichfields analysis. N.B. Figures may not sum due to rounding.

Latent demand

- 11.61 As noted previously, a vacancy rate of around 8% is typically considered to represent a ‘normal’ market equilibrium whereby supply and demand are broadly in balance, while maintaining sufficient availability and choice for the market to function and churn¹⁵⁵.
- 11.62 CoStar data indicates that the availability rate for office space across the three former districts that now comprise Westmorland & Furness averaged between 5.1% and 6.5% in Barrow and South Lakeland, but a much greater level of 10.7% in Eden¹⁵⁶. In contrast, industrial premises saw an average vacancy rate of just 2.8%-3.7% over the same period, while the average vacancy in the storage and distribution sector ranged from 3.7%-6.0%.
- 11.63 Vacancy rates for industrial and distribution premises in the District have therefore been consistently below the 8% benchmark, indicating that these markets have been supply-constrained over the past decade, giving rise to suppressed or ‘latent’ demand as not all occupiers can find space to meet their needs. As a result, they are either forced to remain in their existing premises or find suitable premises elsewhere, leading to an opportunity cost in terms of jobs and investment in the District in addition to longer-distance and less sustainable journeys being required by workers and businesses to meet the needs of the local market.
- 11.64 Whilst vacancy in the office market averaged well above 8% in the Eden sub-area, it has recently declined to a low of just 2.0% in 2024, compared to 3.9% in Barrow and 4.6% in South Lakeland. This is likely attributable to the changing requirements of office-based companies since the pandemic, shifting toward higher-quality offices with smaller floorplates. As such, data for the past decade on availability and net absorption in the Westmorland & Furness office market suggest there is less demand for office spaces than for industrial and distribution premises.
- 11.65 This approach takes 8% availability¹⁵⁷ as the market equilibrium and estimates the extent of latent demand for each year in the period 2010-2024 as the additional supply required to reach this level of vacancy based on availability and net absorption data. The approach then broadly follows that taken by Savills in *Levelling Up: the Logic of Logistics* (2022), albeit in the interests of balance we consider it appropriate to also include those years where the market has been in surplus, i.e. the availability rate has been slightly above 8% and/or where the net latent demand is actually negative. This involves applying the 15-year absorption / availability average ratio for each of the three former constituent authorities to the total space required to reach 8% availability to estimate each year’s suppressed demand.
- 11.66 The average level of latent demand over the past decade is extrapolated over the plan period to provide an estimate of latent demand based on past trends, as shown in Table 11.19.

¹⁵⁵ Benchmark used in the GLA Land for Industry and Transport Supplementary Guidance (https://www.london.gov.uk/sites/default/files/gla_migrate_files_destination/SPG%20Land%20for%20Industry%20and%20Transport.pdf) and within the London Plan (2021) (https://www.london.gov.uk/sites/default/files/the_london_plan_2021.pdf).

¹⁵⁶ The vacancy rate is distinct from the availability rate, as the latter considers all space marketed, regardless of whether it is currently vacant or occupied. As such, availability rates will often be slightly higher than vacancy rates.

¹⁵⁷ The availability rate is applied in this instance as this includes both vacant space and space that will become vacant in the future.

Table 11.19 Latent demand for office, industrial and distribution uses in Westmorland & Furness, 2010-2024 (historic) and 2025-2045 (extrapolated)

Sub Area	Type of space/Use Class	Average annual latent demand 2010-2024 (sq.m)	Total latent demand 2025-2045 (sq.m)
Barrow	Office E(g)(i)/(ii)	189	3,779
	Light/general industrial E(g)(iii)/B2	2,282	45,650
	Storage and distribution B8	1,464	29,282
	Total office, industrial and distribution	3,936	78,711
Eden	Office E(g)(i)/(ii)	-248	-4,958
	Light/general industrial E(g)(iii)/B2	5,096	101,917
	Storage and distribution B8	230	4,594
	Total office, industrial and distribution	5,078	101,553
South Lakeland	Office E(g)(i)/(ii)	-128	-2,559
	Light/general industrial E(g)(iii)/B2	1,519	30,376
	Storage and distribution B8	3,193	63,858
	Total office, industrial and distribution	4,584	91,675
Westmorland & Furness	Office E(g)(i)/(ii)	-187	-3,738
	Light/general industrial E(g)(iii)/B2	8,897	177,943
	Storage and distribution B8	4,887	97,734
	Total office, industrial and distribution	13,598	271,939

Source: CoStar (2025) | Lichfields analysis. N.B. Figures may not sum due to rounding.

11.67

Table 11.23 summarises the net demand figure for strategic industrial and logistics floorspace across Westmorland & Furness, combining the annualised net absorption figure over the past decade with the suppressed demand figure, and multiplying this by the Plan period (20 years). It indicates that the net demand could total 358,519 sqm, or 91.13 ha.

Table 11.20 Latent demand for office, industrial and distribution uses in Westmorland & Furness, 2010-2024 (historic) and 2025-2045 (extrapolated)

Sub Area	Type of space/Use Class	Total Net Absorption 2025-45 (sqm)	Total latent demand 2025-2045 (sqm)	Total Requirement (sqm)
Barrow	Office E(g)(i)/(ii)	-1,523	3,779	2,256
	Light/general industrial E(g)(iii)/B2	4,607	45,650	50,256
	Storage and distribution B8	26,622	29,282	55,904
	Total	29,705	78,711	108,416
Eden	Office E(g)(i)/(ii)	10,039	-4,958	5,081
	Light/general industrial E(g)(iii)/B2	18,444	101,917	120,361
	Storage and distribution B8	6,166	4,594	10,760
	Total	34,649	101,553	136,202
South Lakeland	Office E(g)(i)/(ii)	435	-2,559	-2,124
	Light/general industrial E(g)(iii)/B2	17,239	30,376	47,615
	Storage and distribution B8	10,537	63,858	74,395
	Total	28,211	91,675	119,886
Westmorland & Furness	Office E(g)(i)/(ii)	8,951	-3,738	5,213
	Light/general industrial E(g)(iii)/B2	40,290	177,943	218,233
	Storage and distribution B8	43,325	97,734	141,059
	Total	92,565	271,939	364,504

Source: CoStar (2025) | Lichfields analysis. N.B. Figures may not sum due to rounding.

Estimating the Net Land Requirement

11.68 The next step involves translating floorspace into land requirements for office, industrial and warehousing uses. Land requirements have been calculated by applying appropriate plot ratio assumptions to the floorspace estimates:

- **Office/Industrial/Warehousing:** a plot ratio of 40% was applied, so that a 1 ha site would be needed to accommodate 4,000 sqm of employment floorspace for all of the main commercial / industrial uses.

11.69 The resulting net land requirements for the labour demand and labour supply scenarios are set out in Table 11.21. It ranges from a low of 38 ha (net) under the Past Take Up Scenario 3 up to as high as 126 ha net under the SM3 Scenario 2a.

Table 11.21 Westmorland & Furness net land requirements by labour demand and supply led scenarios (ha) 2025-45

	Scenario	Offices	Light Industrial	B2	B8	Total
Barrow	1) Experian October 2025	2.47	2.94	52.56	4.96	62.93
	2(a) SM3 379 dpa	2.59	3.13	54.03	5.15	64.90
	2(b) SM3 Aff Sens	1.41	1.32	39.59	3.26	45.58
	2(c) High Mig	0.15	-0.28	24.21	1.25	25.33
	2(d) Past Housing Delivery 104 dpa	0.25	-0.20	25.50	1.42	26.97
	3) Past Take Up	2.80	-0.31	2.25	16.54	21.28
	4) Market Signals – Net Absorption	0.56	12.56		13.98	27.10
Eden	1(a) Experian October 2025 inc. NPs	0.98	4.07	0.56	-1.31	4.30
	1(b) Experian October 2025 exc. NPs	1.22	2.84	2.00	-0.59	5.47
	2(a) SM3 326 dpa	2.91	7.70	5.55	5.39	21.56
	2(b) SM3 Aff Sens	2.93	7.74	5.60	5.47	21.74
	2(c) High Mig	2.63	7.17	4.82	4.18	18.80
	2(d) Past Housing Delivery 272 dpa	2.36	6.67	4.13	3.05	16.21
	3) Past Take Up	3.94	0.86	1.86	1.99	8.66
4) Market Signals – Net Absorption	1.27	30.09		2.69	34.05	
South Lakeland	1(a) Experian October 2025 inc. NPs	-0.20	7.97	-0.24	-0.02	7.52
	1(b) Experian October 2025 exc. NPs	-0.04	8.77	-0.97	1.03	8.79
	2(a) SM3 625 dpa	3.42	18.02	9.34	8.47	39.25
	2(b) SM3 Aff Sens	4.83	21.68	12.93	11.56	50.99
	2(c) High Mig	1.63	13.34	4.75	4.51	24.23
	2(d) Past Housing Delivery 278 dpa	-0.05	8.82	0.31	0.68	9.75
	3) Past Take Up	0.82	2.87	5.91	-1.36	8.5
4) Market Signals – Net Absorption	-0.53	11.9		18.6	29.97	
Westmorland & Furness	1) Experian October 2025 inc. NPs	3.25	14.98	52.88	3.63	74.75
	1(b) Experian October 2025 exc. NPs	3.65	14.55	53.59	5.4	77.19
	2(a) SM3 1,330 dpa	8.92	28.85	68.92	19.01	125.7
	2(b) SM3 Aff Sens	9.17	30.74	58.12	20.29	118.3
	2(c) High Mig	4.41	20.23	33.78	9.94	68.35
	2(d) Past Housing Delivery 654 dpa	2.56	15.29	29.94	5.15	52.93
	3) Past Take Up	7.56	3.42	10.02	19.89	38.44
4) Market Signals – Net Absorption	1.3	54.55		35.27	91.12	

Source: Lichfields Analysis. Note: Numbers may not sum due to rounding.

Flexibility Factor

- 11.70 To estimate the overall requirement of employment space that should be planned for in allocating sites, and to allow some flexibility of provision, it is normal to add an allowance as a safety margin for factors such as delays in some sites coming forward for development.
- 11.71 This margin, or flexibility factor, is a contingency adjustment, providing a modest additional land buffer so that supply is not too tightly matched to estimated demand, and so that shortages of land do not arise if future demand turns out to be greater than the forecasts. Such flexibility is sensible given the uncertainties in the forecasting process and the scope for delays in developing employment space.¹⁵⁸
- 11.72 The scale of the margin is a judgement call but tends to be reflective of the challenges in the local market based on past completions, ranging from 2 to 5 years. The former South-East England Planning Partnership Board [SEEPB] guidance on employment land assessments recommended an allowance that is equivalent to the average time for a site to gain planning permission and be developed, typically about two years.
- 11.73 Whilst five years is towards the upper end of the scale when it comes to a flexibility margin, given the success of emerging sectors (most notably BAE in Barrow), the strong housing requirement generated by the SM3 and the very large land area of Westmorland & Furness, with several discrete local market areas operating, we consider that in this instance **it is appropriate to allow for a safety margin equivalent to five years of past take-up.**
- 11.74 **A flexibility factor of 7,564 sqm of office floorspace (1.90 ha), 3,876 sqm light industrial floorspace (0.98 ha), 10,026 sqm for B2 (2.51 ha) and 20,760 sqm of warehousing floorspace (5.20 ha) was therefore applied over five years, as set out in Table 11.22.**

Table 11.22 Westmorland & Furness 5 year Flexibility Factor

Sub Area	Type of space/Use Class	Average Annual Take Up (sqm)	5-year safety margin added (sqm)	5-year safety margin added (ha)
Barrow	Office E(g)(i)/(ii)	560	2,798	0.70
	Light industrial E(g)(iii)	28*	142	0.04
	General industrial B2	450	2,252	0.56
	Storage and distribution B8	3,308	16,541	4.14
	Total	4,346	21,773	5.44
Eden	Office E(g)(i)/(ii)	789	3,945	0.99
	Light industrial E(g)(iii)	172	861	0.22
	General industrial B2	372	1,861	0.47
	Storage and distribution B8	399	1,993	0.50
	Total	1,732	8,660	2.17
South Lakeland	Office E(g)(i)/(ii)	164	821	0.21
	Light industrial E(g)(iii)	575	2,873	0.72
	General industrial B2	1,183	5,913	1.48
	Storage and distribution B8	445*	2,226	0.56
	Total	2,367	11,834	2.96
	Office E(g)(i)/(ii)	1,513	7,564	1.90

¹⁵⁸ This safety margin is separate from the consideration of the vacancy rate.

Sub Area	Type of space/Use Class	Average Annual Take Up (sqm)	5-year safety margin added (sqm)	5-year safety margin added (ha)
Westmorland & Furness	Light industrial E(g)(iii)	775	3,876	0.98
	General industrial B2	2,005	10,026	2.51
	Storage and distribution B8	4,152	20,760	5.20
	Total	8,445	42,267	10.57

Source: The Council (2025) | Lichfields analysis. N.B. Figures may not sum due to rounding.

*Gross figure used rather than net, which was negative.

- 11.75 Drawing together the results from each of the economic scenarios, the following table summarises the net land requirements across the Plan period factoring in 5-years of flexibility uplift. They range from 49 ha (Past Take Up) up to 136 ha (SM3 1,330 dpa).

Table 11.23 Net Land Requirements for Westmorland & Furness (including flexibility factor) for 2025 to 2045 (ha)

		Offices / R&D (ha)	Light Industrial (ha)	General Industrial (ha)	Warehousing (ha)	Total (ha)
1(a) Experian October 2025 inc. NPs	Net	3.25	14.99	52.88	3.63	74.75
	+ Flexibility Factor	5.14	15.96	55.39	8.82	85.31
1(b) Experian October 2025 exc. NPs	Net	3.65	14.56	53.59	5.40	77.19
	+ Flexibility Factor	5.54	15.52	56.10	10.59	87.75
2(a) SM3 1,330 dpa	Net	8.92	28.85	68.93	19.01	125.70
	+ Flexibility Factor	10.81	29.82	71.43	24.20	136.26
2(b) SM3 Aff Sens	Net	9.16	30.74	58.12	20.30	118.32
	+ Flexibility Factor	11.05	31.71	60.63	25.49	128.88
2(c) High Mig	Net	4.40	20.23	33.78	9.94	68.36
	+ Flexibility Factor	6.30	21.20	36.29	15.13	78.92
2(d) Past Housing Delivery 654 dpa	Net	2.57	15.28	29.94	5.15	52.93
	+ Flexibility Factor	4.46	16.25	32.45	10.34	63.49
3) Past Take Up	Net	7.56	3.42	10.03	17.18	38.19
	+ Flexibility Factor	9.45	4.39	12.53	22.37	48.75
4) Market Signals – Net Absorption	Net	1.30		54.55	35.27	91.12
	+ Flexibility Factor	3.19		58.03	40.46	101.67

Source: Lichfields analysis

Convert Net to Gross Floorspace Requirements

- 11.76 While the net employment space requirements presented in Table 11.23 represent the minimum recommended quantum of employment space to plan for in Westmorland & Furness over the plan period, **the Council will need to take a view on the extent to which additional space should be planned for over and above the net requirements, in order to allow for replacement of ongoing losses of employment space during the Local Plan period.**
- 11.77 There is usually a need to ensure that the stock of employment land allocated factors in a suitable allowance for the replacement of future losses of employment space that may be developed for other (non-office/industrial) uses over the plan period. This would provide some protection against the erosion of employment space over the plan period. This is a widely accepted approach in planning for future employment land needs.
- 11.78 Not all losses need necessarily to be replaced however, as some will reflect restructuring in the local economy as less space may be needed in some sectors in future. Nevertheless,

some replacement is needed to refresh the quality of the stock, provide choice and to avoid the employment land supply declining. This would be on the basis that the stock of employment land in Westmorland & Furness contains some older and/or poorer quality sites, that are less likely to meet future needs and are of a scale that reflect past industrial patterns rather than the amount of land needed in future.

- 11.79 As set out in Section 12.0, data provided to Lichfields by the Council indicates that losses have averaged **5,429 sqm, or 1.36 ha @40% plot ratio** per annum over the period 2014/15 to 2024/25:

Table 11.24 Westmorland & Furness Annual Average Losses of Employment Land 2014/15-2024/25

Type of space/Use Class	Barrow	Eden	South Lakeland	TOTAL
Office E(g)(i)/(ii)	596	293	530	1,419
Light industrial E(g)(iii)	91	15	415	3,070
General industrial B2	2,383		166	
Storage and distribution B8	219	5	716	940
Total	3,289	313	1,827	5,429

Source: The Council (2026) | Lichfields analysis.

- 11.80 It is important to question whether the past losses are of a scale that is generally reflective of the size of Westmorland & Furness's economy, and if not, whether this should be adjusted up/down to allow for a suitable degree of refurbishment to prevent the portfolio becoming increasingly unattractive to the market.
- 11.81 This alternative approach analyses the rate of 'churn', which would be equivalent to a proportion of Westmorland & Furness's existing stock per annum. A number of other ELRs have used a replacement figure of around 1% per annum¹⁵⁹, which would be the equivalent of the area's entire stock being replaced over a period of 100 years. This has been acknowledged as a valid alternative approach (to adjusting for anticipated future losses) when translating net employment land needs into a gross planning requirement. A 0.5% replacement level would be the equivalent of the entire stock being replaced over 200 years.
- 11.82 To put this into context, a widely used rule of thumb in the development industry suggests that modern industrial units often have a much shorter shelf life of just 30-35 years before they become obsolete to modern occupiers and require substantial refurbishment if not demolition and rebuild.
- 11.83 Other ELR studies¹⁶⁰ have noted that approximately 20% of historic completions have been achieved through (former) B-Use Class redevelopment (i.e. the re-use of formerly B-Use Class employment sites), with the remainder requiring new sites. This suggests that there will likely be a requirement for a high proportion of replacement activity on new sites to deliver new employment land supply to meet modern occupier needs.
- 11.84 Table 11.25 compares the rate of replacement needed for Westmorland & Furness's office/industrial stock. It assumes that 1% of the existing floorspace would be replaced per annum (based on the existing floorspace for the District using the latest Business Rates VOA data for 2023) and netting off a further 20% (assuming that 1 out of 5 sites will be recycled for employment use).

¹⁵⁹ See, for example, Lichfield District Council's Employment Land Review 2014 Update and work covering the areas of: The West of England Updated Employment Evidence (Bath and North East Somerset, Bristol, North Somerset and South Gloucestershire) November 2018; Greater Exeter Economic Development Needs Assessment (Devon County, East Devon, Exeter, Mid-Devon, Teignbridge and Dartmoor National Park) March 2017 and Dartmoor National Park Employment Land Review, January 2018.

¹⁶⁰ West of England Joint Spatial Plan Area Updated Employment Evidence (2018)

Table 11.25 Westmorland & Furness Loss Replacement Rate Analysis (2023)

	Use Class	Annual Replacement at 1%*	Annual Replacement at 0.5%*
Barrow	Office	448 sqm (0.11 ha)	224 sqm (0.06 ha)
	B2/B8	2,432 sqm (0.61 ha)	1,216 sqm (0.30 ha)
	Total	2,880 sqm (0.72 ha)	1,440 sqm (0.36 ha)
Eden	Office	408 sqm (0.10 ha)	204 sqm (0.05 ha)
	B2/B8	3,216 sqm (0.80 ha)	1,608 sqm (0.40 ha)
	Total	3,624 sqm (0.91ha)	1,812 sqm (0.45 ha)
South Lakeland	Office	760 sqm (0.19 ha)	380 sqm (0.10 ha)
	B2/B8	4,944 sqm (1.24 ha)	2,472 sqm (0.62 ha)
	Total	5,704 sqm (1.43 ha)	2,852 sqm (0.71 ha)
Westmorland & Furness	Office	1,616 sqm (0.40 ha)	808 sqm (0.20 ha)
	B2/B8	10,592 sqm (2.65 ha)	5,296 sqm (1.32 ha)
	Total	12,208 sqm (3.05 ha)	6,104 sqm (1.53 ha)

Source: Lichfields analysis/VOA Business Floorspace (2025)

*Using a standard 40% plot ratio to translate office/industrial floorspace to land and netting off 20% on-site replacement.

- 11.85 The Table indicates that the long-term rate of losses, 5,150 sqm per annum, is lower than the level that might be expected given the size of Westmorland & Furness's economy. Given its size, Westmorland & Furness would need to be replacing around **12,208 sqm / 3.05 ha** of employment land per annum to refresh all of the stock in 100 years, whilst redeveloping **6,104 sqm / 1.53 ha** per annum would take 200 years to regenerate all of the District's current stock, which is clearly a less than desirable outcome. The 5,150 sqm / 1.29 ha past trend rate of loss is below even the lower end of this range. Furthermore, as discussed in Section 12.0, Westmorland & Furness has a slightly higher proportion of poor-quality employment properties relative to the wider region. This means that there may be a higher share of existing premises that will not be suitable for the types of modern sectors that have recently established themselves in the District and which future economic strategy will seek to target.
- 11.86 Balancing these considerations, it is accepted that factoring an element of future losses is not an exact science. The following factors have therefore been balanced in reaching a judgement as to the appropriate level of loss replacement:
- The current rate of loss, at 5,429 sqm per annum, is lower than the level of employment land that would need to be replaced and would equate to around 0.36% of the entirety of Westmorland & Furness's stock if it were to be replaced annually.
 - Historic losses have included a number of relatively small employment sites, including the piecemeal development of small infill parcels. The loss of larger sites would potentially have a greater impact on the demand-supply balance at the local level.
 - Movements between the range of uses that fall within the E use class no longer require planning permission because they no longer constitute 'development', which could result in more office/light industrial land being lost than previously. The Permitted Development Rights streamlining 'office and light industrial E Classes to residential' conversion may therefore exacerbate losses over the short to medium term.
- 11.87 Mindful of the factors outlined above, it is considered that on balance, and, given the uncertainties involved, it is prudent to plan for a replacement figure equal to around **1,114 sqm / 0.28 ha of office space and 4,653 sqm / 1.16 ha of industrial space** in line with the mid-point between past trend losses and the 0.5% churn approach. This should be

monitored by the Council over the coming years and adjusted as necessary, split between the three former districts as follows:

- **Barrow:** 410 sqm / 0.10 ha per annum office loss replacement; 1,954 sqm / 0.49 ha per annum industrial loss replacement;
- **Eden:** 249 sqm / 0.06 ha per annum office loss replacement; 814 sqm / 0.20 ha per annum industrial loss replacement;
- **South Lakeland:** 455 sqm / 0.11 ha per annum office loss replacement; 1,885 sqm / 0.47 ha per annum industrial loss replacement; replacement.

11.88 This also takes into account the views of agents and developers on the need to replace and rejuvenate Westmorland & Furness's existing floorspace over the course of the plan period. Over 20 years, this would see the replacement of **28.8 ha, the vast majority of which would need to be in industrial use.**

11.89 In summary, the demand-led range of total gross land requirements to 2045, factoring in a 5-year margin of choice and loss replacement, results in the following demand projections for Westmorland & Furness.

11.90 The scenarios range from a low of 77.6 ha (Past Take Up) to the SM3 1,330 dpa Labour Supply (Scenario 2a) figure of 165.1 ha:

- 1 **Econometric demand-led projections: 114.1 ha – 116.6 ha;**
- 2 **Labour Supply projections: 92.3 ha – 165.1 ha;**
- 3 **Past Take Up: 77.6 ha; and**
- 4 **Net Absorption Trend: 130.5 ha.**

Table 11.26 Barrow Gross Employment Land Requirements 2025-2045

		Offices / R&D (ha)	Light Industrial (ha)	General Industrial (ha)	Warehousing (ha)	Total (ha)
1) Experian Oct 2025	Net	2.47	2.94	52.56	4.96	62.93
	+ Flexibility Factor	3.17	2.98	53.13	9.09	68.37
	+ Loss Replacement	5.22	3.31	61.77	9.89	80.19
2(a) SM3 379 dpa	Net	2.59	3.13	54.03	5.15	64.90
	+ Flexibility Factor	3.29	3.16	54.60	9.29	70.33
	+ Loss Replacement	5.34	3.49	63.25	10.08	82.15
2(b) SM3 Aff Sens	Net	1.41	1.32	39.59	3.26	45.58
	+ Flexibility Factor	2.11	1.36	40.16	7.40	51.02
	+ Loss Replacement	4.16	1.69	48.80	8.19	62.84
2(c) High Mig	Net	0.15	-0.28	24.21	1.25	25.33
	+ Flexibility Factor	0.85	-0.24	24.78	5.38	30.77
	+ Loss Replacement	2.90	0.09	33.42	6.18	42.59
2(d) Past Housing Delivery 104 dpa	Net	0.25	-0.20	25.50	1.42	26.97
	+ Flexibility Factor	0.95	-0.17	26.07	5.55	32.40
	+ Loss Replacement	3.00	0.16	34.71	6.35	44.22
3) Past Take Up	Net	2.80	-0.31	2.25	16.54	21.28
	+ Flexibility Factor	3.50	-0.28	2.81	20.68	26.71

		Offices / R&D (ha)	Light Industrial (ha)	General Industrial (ha)	Warehousing (ha)	Total (ha)
+ Loss Replacement		5.55	0.05	11.46	21.47	38.53
4) Net Absorption Trends	Net	0.56	12.56		13.98	27.10
	+ Flexibility Factor	1.26	13.16		18.12	32.53
	+ Loss Replacement	3.31	22.14		18.91	44.35

Source: Lichfields' analysis

Table 11.27 Eden Gross Employment Land Requirements 2025-2045

		Offices / R&D (ha)	Light Industrial (ha)	General Industrial (ha)	Warehousing (ha)	Total (ha)
1(a) Experian Oct 2025 incl. NPs	Net	0.98	4.07	0.56	-1.31	4.30
	+ Flexibility Factor	1.97	4.28	1.02	-0.81	6.47
	+ Loss Replacement	3.21	5.07	2.72	0.78	11.78
1(a) Experian Oct 2025 excl. NPs	Net	1.22	2.84	2.00	-0.59	5.47
	+ Flexibility Factor	2.20	3.06	2.47	-0.10	7.64
	+ Loss Replacement	3.45	3.84	4.16	1.50	12.95
2(a) SM3 326 dpa	Net	2.91	7.70	5.55	5.39	21.56
	+ Flexibility Factor	3.90	7.91	6.02	5.89	23.72
	+ Loss Replacement	5.14	8.70	7.71	7.48	29.03
2(b) SM3 Aff Sens	Net	2.93	7.74	5.60	5.47	21.74
	+ Flexibility Factor	3.92	7.95	6.07	5.97	23.91
	+ Loss Replacement	5.16	8.73	7.76	7.56	29.22
2(c) High Mig	Net	2.63	7.17	4.82	4.18	18.80
	+ Flexibility Factor	3.61	7.38	5.28	4.68	20.96
	+ Loss Replacement	4.86	8.16	6.98	6.27	26.27
2(d) Past Housing Delivery 272 dpa	Net	2.36	6.67	4.13	3.05	16.21
	+ Flexibility Factor	3.35	6.88	4.60	3.55	18.38
	+ Loss Replacement	4.59	7.66	6.29	5.14	23.69
3) Past Take Up	Net	3.94	0.86	1.86	1.99	8.66
	+ Flexibility Factor	4.93	1.08	2.33	2.49	10.83
	+ Loss Replacement	6.17	1.86	4.02	4.08	16.14
4) Net Absorption Trends	Net	1.27	30.09		2.69	34.05
	+ Flexibility Factor	2.26	30.77		3.19	36.22
	+ Loss Replacement	3.50	33.25		4.78	41.53

Source: Lichfields' analysis

Table 11.28 South Lakeland Gross Employment Land Requirements 2025-2045

		Offices / R&D (ha)	Light Industrial (ha)	General Industrial (ha)	Warehousing (ha)	Total (ha)
1(a) Experian Oct 2025 incl. NPs	Net	-0.20	7.97	-0.24	-0.02	7.52
	+ Flexibility Factor	0.00	8.69	1.24	0.54	10.48
	+ Loss Replacement	2.28	11.71	2.45	5.74	22.17
1(b) Experian Oct 2025 excl. NPs	Net	-0.04	8.77	-0.97	1.03	8.79
	+ Flexibility Factor	0.17	9.48	0.51	1.59	11.75
	+ Loss Replacement	2.44	12.50	1.71	6.79	23.45
2(a) SM3 625 dpa	Net	3.42	18.02	9.34	8.47	39.25
	+ Flexibility Factor	3.63	18.74	10.82	9.02	42.21
	+ Loss Replacement	5.90	21.75	12.02	14.23	53.90
2(b) SM3 Aff Sens	Net	4.83	21.68	12.93	11.56	50.99
	+ Flexibility Factor	5.03	22.40	14.41	12.12	53.95
	+ Loss Replacement	7.30	25.41	15.61	17.32	65.65
2(c) High Mig	Net	1.63	13.34	4.75	4.51	24.23
	+ Flexibility Factor	1.83	14.06	6.23	5.06	27.19
	+ Loss Replacement	4.11	17.07	7.44	10.27	38.89
2(d) Past Housing Delivery 278 dpa	Net	-0.05	8.82	0.31	0.68	9.75
	+ Flexibility Factor	0.15	9.53	1.79	1.23	12.71
	+ Loss Replacement	2.43	12.55	3.00	6.44	24.41
3) Past Take Up	Net	0.82	2.87	5.91	-1.36	8.25
	+ Flexibility Factor	1.03	3.59	7.39	-0.80	11.21
	+ Loss Replacement	3.30	6.60	8.60	4.40	22.91
4) Net Absorption Trends	Net	-0.53	11.9		18.6	29.97
	+ Flexibility Factor	-0.32		14.10	19.16	32.93
	+ Loss Replacement	1.95		18.32	24.36	44.63

Source: Lichfields' analysis

Table 11.29 Westmorland & Furness Gross Employment Land Requirements 2025-2045

		Offices / R&D (ha)	Light Industrial (ha)	General Industrial (ha)	Warehousing (ha)	Total (ha)
1(a) Experian Oct 2025 incl. NPs	Net	3.25	14.99	52.88	3.63	74.75
	+ Flexibility Factor	5.14	15.96	55.39	8.82	85.31
	+ Loss Replacement	10.71	20.08	66.94	16.41	114.14
1(b) Experian Oct 2025 excl. NPs	Net	3.65	14.56	53.59	5.40	77.19
	+ Flexibility Factor	5.54	15.52	56.10	10.59	87.75
	+ Loss Replacement	11.10	19.65	67.65	18.18	116.58
2(a) SM3 1,330 dpa	Net	8.92	28.85	68.93	19.01	125.70
	+ Flexibility Factor	10.81	29.82	71.43	24.20	136.26
	+ Loss Replacement	16.38	33.94	82.98	31.79	165.09
2(b) SM3 Aff Sens	Net	9.16	30.74	58.12	20.30	118.32
	+ Flexibility Factor	11.05	31.71	60.63	25.49	128.88
	+ Loss Replacement	16.62	35.83	72.18	33.08	157.71
2(c) High Mig	Net	4.40	20.23	33.78	9.94	68.36
	+ Flexibility Factor	6.30	21.20	36.29	15.13	78.92
	+ Loss Replacement	11.86	25.33	47.84	22.72	107.75
2(d) Past Housing Delivery 654 dpa	Net	2.57	15.28	29.94	5.15	52.93
	+ Flexibility Factor	4.46	16.25	32.45	10.34	63.49
	+ Loss Replacement	10.02	20.37	44.00	17.92	92.32
3) Past Take Up	Net	7.56	3.42	10.03	17.18	38.19
	+ Flexibility Factor	9.45	4.39	12.53	22.37	48.75
	+ Loss Replacement	15.02	8.52	24.08	29.96	77.58
4) Net Absorption Trends	Net	1.30		54.55	35.27	91.12
	+ Flexibility Factor	3.19		58.03	40.46	101.67
	+ Loss Replacement	8.76		73.70	48.05	130.50

Source: Lichfields' analysis

Reality Check

- 11.91 Clearly the levels of future demand for employment land projected by the various projections differ. The projections are largely trend-based; in particular, the past take up has been (at least partly) recorded during an unprecedented recession in the commercial market nationally. It is likely that the actual performance of Westmorland & Furness's economy and commercial property market will lie somewhere between the labour supply and econometric projections.
- 11.92 To provide a clearer steer as to what level of growth Westmorland & Furness should be planning for, it is important to apply reality checks.

Replacement of Losses

- 11.93 The scenarios considered in the preceding paragraphs include an allowance for the replacement of losses at 100% of past trends. This is considered appropriate, having regard to the scale and nature of historic losses and the lack of large-scale employment losses in the pipeline.

Post Covid Impact on Employment Densities

- 11.94 As set out earlier in this SHENA, it is accepted that the current Covid pandemic has dramatically altered working patterns, with the number of people working from home rising exponentially since lockdown. Many commentators are suggesting that there will be a permanent shift towards home working and the greater flexibility this affords people, with the need for office space in particular falling significantly. Examples could include the need for social distancing in terms of desk-spacing and layouts, less sharing of desks, and more communal space. Conversely, the impact may actually be to increase densities, with a higher proportion of the workforce working from home, and rotating the use of desk space to minimise the number of people in the office at any given point in time, which may actually have the effect of increasing densities.
- 11.95 The modelling currently assumes that one general office workforce job requires 12.5 sqm of employment floorspace (GEA). If employment densities were to decrease by, say, 20%, to 15 sqm, then the land requirements would only increase by a maximum of 1.8 ha overall.
- 11.96 Conversely, if more people were to work from home but still come into the office a few days a week, perhaps to a smaller office but with a similar number of staff as before, and employment densities actually increased by 20% (to 1 job per 10 sqm), then this would reduce the level of employment land needed by a similar amount.
- 11.97 Either way, our view remains that it is likely that there will be some long-term shift in working patterns as a result of the pandemic, it is still far too soon to say what the scale of that change on home working is likely to be. The sensitivity test demonstrates that there would have to be a fairly profound shift in office employment densities to have a significant impact on the level of employment land needed overall.

Demand / Supply Balance

Committed Supply of Employment Space

- 11.98 This analysis summarises the current forward supply of employment land, in the form of development allocations and sites with extant planning permissions, from a base date of 31st March 2025.

Barrow

- 11.99 The committed stock of employment space in Barrow comes from two key sources:
- 1 Allocated employment sites: sites allocated for development under Policy EC12: *Provision of Employment Land* and Policy DS4: *Opportunity Areas* in the adopted Barrow Local Plan (2016-2031) and Local Plan Policies map; and
 - 2 Sites with extant planning permission for employment use as f 31st March 2025.
- 11.100 The Local Plan (adopted 4th June 2019) identified an employment land supply totalling 41.5 ha across 10 sites under Policy EC12, and a further 18.12 across 5 Opportunity Areas, although it is noted in Policy DS4 of the adopted Local Plan that not all of this land will necessarily be used for employment:

“Land identified as an Opportunity Area on the Proposals Map is considered to be a regeneration opportunity site suitable for a mix of housing, employment, culture, leisure, open space and tourism development sensitive to its location and surrounding land uses, with the objective of regenerating the area with a high standard of design and sense of place.”

- 11.101 This has played out in practice, with some of the land identified in Policy DS4 coming forward for no employment uses such as a Bingo Hall (site OPP5) and a Costa Drive thru (part of site OPP4). As of 31st March 2025, the Local Plan allocations have therefore reduced slightly, down from 59.62 ha to **56.07 ha**. The remaining 16.3 ha on the 4 outstanding Opportunity Areas may not come forward for office, industrial or warehousing floorspace in their entirety, and therefore the actual deliverable supply that ultimately comes forward is likely to be lower than this (see Table 11.30).
- 11.102 In addition to the extant allocations, there are a number of sites with extant planning permission for employment uses that have yet to be built out as of 31st March 2025. These include:
- **Extension to Devonshire Dock Hall, Barrow** - to comprise two new buildings, link corridor, new gate house, security gate, alterations to site access, cycle shelters, security fencing and associated hard landscaping, infrastructure and related works. **B2: 10,365 sqm**
 - **Devonshire Dock Quay, Michaelson Road** - involving the erection of an extension to Devonshire Dock Quay, Nuclear Berthing Support facility, Control of Works office, Electrical Substation. **B2: 9,654 sqm**
 - **Kimberly Clark, Park Road, Barrow** - Alterations and extensions to the existing paper mill buildings. **B2: 4,843 sqm**
 - **BAE Systems, Bridge Road, Barrow** - Erection of a two storey modular facility including business support facility, office accommodation and welfare provisions. **E(g)i: 1,901 sqm**
 - **BAE Systems, Bridge Road, Barrow** - Erection of a steam generation facility. **B2: 1,102 sqm**
 - **BAE Systems (Building 36) Michaelson Road, Barrow** - 11,054 sqm B2 to be replaced with 23,078 sqm B2 with net total of **12,024 sqm B2**
- 11.103 Including 12 other much smaller sites that would involve the gain (or loss) of employment floorspace, this means that (excluding allocations) there could be a net additional:
- 742 sqm of office/R&D floorspace;
 - 233 sqm of light industrial floorspace;
 - 24,601 sqm general industrial floorspace; and,
 - 13,952 sqm of warehousing floorspace.

Table 11.30 Barrow: Total Local Plan Allocations and Other Employment Land Commitments (as of 31st March 2025)

Ref	Site Name	Employment Use	Local Plan (ha)	Remaining (ha)	Status
LOCAL PLAN ALLOCATIONS (EC12)					
EMR1	Remaining Part of Furness Business Park, Barrow	B1, B2	0.4	0.48	Pl. app B20/2022/0733 Change of Use from Vacant Land to 24-Hour Manned Secure Storage Compound - Approved 17/03/23.
EMR3	Waterfront Business Park, Barrow	B1, B2 (within Local Enterprise Zone; B1, B2, B8 outside)	18.5	17.63	Land remaining is whole site area minus the Harding Rise development.
EMR5	Land East of Park Road, Barrow	B1, B2, B8	7	7	Part of the site has planning permission for 8 employment units. Planning ref B09/2021/0999.
EMR6	Land West of Robert McBride, Park Rd, Barrow	B1, B2, B8	6.4	6.4	Planning permission at the northern part of the site for a 30MW hydrogen electrolyser and associated buildings (Ref B09/2022/0869).
EMR7	Land South of Kimberly Clark, Park Road, Barrow	B1, B2, B8	4.9	4.1	Builders merchant has spread into part of the site. Land remaining figure deducts this from total site area.
EMR8	Land West of County Park Industrial Estate, Park Road, Barrow	B1, B2, B8	1.5	1.46	Vacant
EMR11	Ulverston Road, Dalton	B1, B2	0.4	0.3	Part of the site has planning permission for an Islamic Centre (community centre and prayer hall (Planning Ref B13/2019/0763)). This is under construction. Land remaining figure deducts this from total site area.
EMR12	Land at Billings Road, Dalton	B1, B2	1.4	1.4	Vacant
EMR13	Former Training Centre, North Scale, Walney	B1, B2	0.5	0.5	Vacant
EMR15	Land Opposite Phoenix Court, Barrow	B1, B2	0.5	0.5	Vacant
Sub-Total			41.5	39.77	
LOCAL PLAN OPPORTUNITY AREAS (DS4)					
OPP1	Land at Channelside (South), Barrow	Regeneration opportunity sites suitable for a mix of housing, employment, culture, leisure, open space and tourism development sensitive to its location and surrounding land uses.	2.30	1.2	Alternative Provision Unit has been built on part of the site (Ref B28/2020/9004). Land remaining figure deducts this from total area.
OPP2	Former Golf Driving Range, Walney Road, Barrow		6.68	6.68	Vacant
OPP3	Salthouse Mills, Barrow		7.96	7.96	Some small employment uses here; however whole site needs full redevelopment. Application in 2021 for Cert. of Lawfulness of Proposed Use or Development for the proposed erection of 2 industrial units (Ref B26/2020/0753). Land remaining is full site allocation.
OPP4	Phoenix Road (by Travelodge), Barrow		0.68	0.46	Costa Drive-thru development on part of the site. Land remaining figure deducts this from total site area.
OPP5	Former Kwik Save, Holker Street, Barrow		0.5	0	Site redeveloped to Bingo Hall.
Sub-Total			18.12	16.3	
TOTAL			59.62	56.07	

Source: Westmorland & Furness Council (2025)

11.104 Bringing this together indicates that there could be a total of 39.77 ha of allocated employment sites remaining, 16.3 ha of Opportunity Area allocations, and 39,528 sqm / 9.88 ha of extant planning permissions remaining to be built out as of 31st March 2025, or **65.95 ha forward supply in total.**

Eden

11.105 The committed stock of employment space in the former Eden District area comes from two key sources:

- 1 Allocated employment sites: sites allocated for development in the adopted Eden Local Plan (2014-2032) and Local Plan Policies map; and
- 2 Sites with extant planning permission for employment use as of 31st March 2025.

11.106 The Local Plan (adopted 11th October 2018) made provision for a total of 27.3 ha of employment land in Policy EC1 up to the year 2032. The current state of play is summarised in Table 11.31, which indicates that of the 27.3 ha, just 13.34 ha remains available as of 31st March 2025.

11.107 In addition to the extant allocations, there are a number of windfall sites with extant planning permission for employment uses that have yet to be built out as of 31st March 2025. The larger sites include:

- **Land off Mill Lane** - to comprise the erection of new office accommodation under application 22/0788. **Office: 0.844 ha**
- **Plot 1, land north of Eden Business Park, Cowper Road** - reserved matters application for access, appearance, landscaping, layout and scale for Plot 1, attached to outline permission (ref. 21/0295). **E(g)/B2/B8: 0.8 ha**
- **Land north of Eden Business Park, off Cowper Road** - outline application (ref. 22/0747) for B2, B8 and E(g) development, with all matters. **B2/B8/E(g): 7.3 ha**
- **Land north of Eden Business Park** - outline application (ref. 21/0295) for use class B2, B8 and E(g) development, with all matters reserved. **B2/B8/E(g): 2.6 ha**
- **Land Southwest of Mile Lane** - reserved matter approval (ref. 22/0520) for B2, B8 and E(g) development. **B2/B8/E(g): 3.3 ha**
- **Land north of Mile Lane** - full planning permission (ref. 21/0355) for the erection of an industrial building for research and development to include workshop, test areas, offices, exhibition space, cafe/coffee shop and an underground car park alongside site works to include gated entrances, turning heads, set-down areas and an overflow car park. **B2/E(g): 2.8 ha**
- **Land at A6 and B5305, Junction 41** - outline planning permission (ref. 22/0989) for B2, B8 and E(g) development. **B2/B8/E(g): 7.7 ha**
- **Bells Of Lazonby Ltd, Edenholme Bakery, Lazonby** – full planning permission (ref. 2023/1105/FPA) for extension of main bakery building, extension of gluten free bakery building, erection of a storage building, and reconfiguration of internal access road and car parking area, including associated operations. **E(g): 3.6 ha**

11.108 Including a number of other much smaller sites that would involve the gain (or loss) of employment land (totalling 1.02 ha), this means that (excluding allocations) there could be

a net additional **29.96 ha** of employment land. Including the aforementioned undeveloped allocations brings Eden's forward supply up to **43.30 ha** as of March 2025.

Table 11.31 Eden: Total Local Plan Allocations (as of 31st March 2025)

Ref	Site Name	Employment Use	Settlement	Remaining (ha)	Status
LOCAL PLAN ALLOCATIONS					
Site 24	Skellgillside Workshops off A689 (north)	N/A	Alston	1.43	No applications or developments currently
Site 19	Cross Croft Industrial Estate	B1	Appleby	0	New build detached industrial unit completed by Cannon Hire Haulage Limited (app. 15/1043). North eastern section of the land is still vacant and there are no applications.
Site 21	Former Dairy Site, Drawbriggs Lane	B1	Appleby	0.5	Research and development and modular office buildings owned by Barrnon Ltd. There are still vacant parts of the site.
Site 23	Shire Hall, The Sands	A1, B1 and D1	Appleby	0	A former courtroom listed building. Currently occupied by Highblade Cables Ltd, Mike Addison Opticians, The Limes Dental practice, Appleby NHS Dental practice and a hairdresser (Riverside Studios).
Site 40	Trading Estate and Grand Prix Club	A5 and Sui Generis	Brough	2.07	A hot food takeaway occupies a minimal part of the land. Grand Prix Coach Services occupies a large part of the site.
Site 33	Land adj to Kirkby Stephen Business Park, St Luke's Road	B1, B2 and B8	Kirkby Stephen	1.95	Large parts of the site (western side) are still undeveloped but there are a very large number of businesses in operation here including Eden Valley Tyres Ltd, MHB Motorcycles, JS Winder (tool and plant hire), Royal Mail and Gaynham, King and Mellor solicitors.
Site MPC	Land adj to Skirsgill Depot (area adj. Skirsgill depot)	N/A	Penrith	3.29	No applications or developments currently
Site 2A	Eden Business Park Phase 2	B1, B2, B8 and E	Penrith	2.2	Development ongoing and live applications on this site. Companies here include M Webster building contractors, Edwin Thompson Properties, Woggle Goggle swimming pool amongst others. Some land is owned by the residents. Application 2024/2057/FPA was approved for the erection of new base building for Penrith Mountain Rescue and Cumbria Ore and Mines Rescue Unit. Application 2023/1128/FPA for the construction of day nursery and pre-school use class E.
Site 38(b)	Tebay Old Railway Sidings	N/A	Tebay	1.9	National Grid - Energy Alliance storage depot and office accommodation are located here, as well as Moss Precision Engineering
Siter 26	High Mill (mixed use)	E(g)(iii) and C3	Alston	0	Former engineering works. App. 19/0604 approved for change of use of northern part of site to 2 residential units. App. 2023/1195/FPA approved for land use E(g)(iii) - Applicants, Creators Cortex Ltd, who wish to let out for a range of workshop units. This site is currently under construction.
TOTAL				13.34	

Source: Westmorland & Furness Council (2025)

11.109 The above figures exclude the two National Park areas. However, we understand that there are no extant permissions / allocations for employment land in those parts of both the LDNP and YDNP that extend into Eden District.

South Lakeland

- 11.110 By way of context, the 2010 South Lakeland Core Strategy, Policy CS7.1 - *Meeting the Employment Requirement* and CS7.2 - *Type of Employment Land Required and Sectoral Split*, required the allocation of a total of 60 ha of Land in the Local Plan area, giving an annual average allocated supply and delivery target of 4 hectares per annum (based on Arup's 2005 Employment Land and Premises Report (2005).
- 11.111 LSH's Employment Land Review¹⁶¹ (February 2012) informed the South Lakeland Land Allocations DPD. It recommended a lower total land requirement target of 36 ha for the plan period 2010 - 2015 and an annual target of 2.40 ha. That said, the amount of land allocated in the Land Allocations DPD Policies LA1.6 - *Strategic Employment Sites*; LA1.7 - *Business and Science Parks*; and LA1.8 - *Local Employment Allocations* included an enabling allocation at Cropper's Burneside. In addition, together with employment elements on mixed use allocation sites, this amounted to just over 60 ha allocated (60.95 ha).
- 11.112 At the current time of writing therefore, the committed stock of employment space in the former South Lakeland local planning authority area comes from three key sources:
- 1 Allocated employment sites: sites allocated for development in the adopted South Lakeland Local Plan Land Allocations DPD and Policies map;
 - 2 Allocated employment sites: sites allocated for development in the adopted Arnside and Silverdale National Landscape (formerly AONB)DPD and Policies map; and,
 - 3 Sites with extant planning permission for employment use as of 31st March 2025.
- 11.113 The Local Plan Land Allocations DPD (adopted December 2013) made provision for employment land based on the Core Strategy's requirement for the development of 4 ha per annum of land for employment between 2010 and 2025, making a total of 60ha.
- 11.114 The current state of play is summarised in Table 11.32, which indicates that of the around 65 ha allocated, **41.29 ha** remains available as at 31 March 2025.
- 11.115 In addition to the extant allocations, there are a number of (non-allocated) windfall sites with extant planning permission for employment uses that have yet to be built out as of 31st March 2025. These total 17,606 sqm gross (4.4 ha @40% plot ratio) / 13,675 sqm net of losses (3.42 ha).
- 11.116 This means that, taking into account remaining allocations (41.29 ha) and undeveloped windfall sites (3.42 ha) and adding these together, there could be **44.71 ha** of net additional employment land available in South Lakeland as of March 2025.

Table 11.32 South Lakeland (outwith National Parks) : Total Local Plan Allocations and land remaining/available (as at 31 March 2025)

¹⁶¹ <https://www.southlakeland.gov.uk/media/6123/ever02-000-emp-land-rev-feb-12.pdf>

Site Name	Employment Use	Sub-Area	Allocated (ha)	Remaining (ha)	Status
SOUTH LAKELAND LOCAL PLAN - LAND ALLOCATIONS DPD - Arnside & Silverdale AONB DPD ALLOCATIONS					
Land at Canal Head, Ulverston, Phase 1	General B Use	Furness Peninsula	2.1	0.00	Completed in 2013/14 Trittech International Ltd
Land adjacent Scroggs Wood	General B Use	Kendal	17.9	11.20	No planning application submitted.
Land at Lightburn Road, Ulverston	B1, B2, B8.	Furness Peninsula	3.1	0.27	The undeveloped part of the site (Plot B6) remains part of supply and understood to be available.
East of Burton Road, Kendal	B1	Kendal	6.52	6.52	No permission in place. Part of supply and understood to be available.
Land South of K Shoes, Natland	B1, B2, B8	Kendal	1.00	1.00	Part of supply and understood to be available (although no permission).
Land at Shap Road Industrial Estate	B1, B2, B8	Kendal	0.34	0.00	Understood to be no longer available for employment development and hence part of the supply.
Land North of Meadowbank Business Park, Kendal	B1, B2	Kendal	5.15	5.15	Part of supply and understood to be available: SL/2019/0743 - Hybrid application - full Hybrid application: 1. Full Application for motor dealership (sui generis) including workshops, access roundabout, spine road and internal compartmentation area access junctions. 2. Outline Planning Application all matters reserved, apart from access, for employment business park (indicatively B1/B2 6400m2 and B8 2500m2). 2024/0681/RMA Application for Approval of Reserved Matters for a vehicle workshop with MOT bay and associated works – Withdrawn.
Land Adjacent to Bridge End Business Park, Park Road, Milnthorpe	B1, B2	Kendal	1.81	0.00	Understood to be no longer available for employment development and hence part of the supply
Land adjacent to Mainline Business Park, Ackentwaite Nr. Milnthorpe	B2, B8	Kendal	8.07	8.07	Part of supply and understood to be available.
Croppers, Burneside	B1, B2	Kendal	1.2	0.00	Understood to be no longer available for employment development and hence part of the supply
Land North of Gatebeck Lane, Gatebeck	B2, B8	Kendal	3.13	3.13	Part of supply and understood to be available: Allocated and Hybrid application: Full Planning Application (Phase 1) for the erection of 2 employment buildings (use class B2 (general industrial) and B8 (storage or distribution) with associated vehicular access, parking and turning, landscaping, surface water drainage and re-profiling of land and installation of package treatment plant for foul drainage.
Land at Milnthorpe Road, Holme	B1, B2	Kendal	2.58	2.32	Part of supply and understood to be available.
Land at Elmsfield Park, Holme	B2, B8	Kendal	3.04	3.06	Part of supply and understood to be available.
Phase 1, Low Mill Tannery, Ulverston	B1, B2, B8	Furness Peninsula	0.72	0.00	Completed 2016/2017. No longer available for employment development and hence part of the supply

Site Name	Employment Use	Sub-Area	Allocated (ha)	Remaining (ha)	Status
SOUTH LAKELAND LOCAL PLAN - LAND ALLOCATIONS DPD - Arnside & Silverdale AONB DPD ALLOCATIONS					
Land West of Foxfield Road, Broughton-in-Furness	General B Use	Furness Peninsula	0.47	0.00	Understood to be no longer available for employment development and hence part of the supply.
North of Kendal Road, Kirkby Lonsdale	B1/B2	Kendal	1.00	0.00	Planning permission (SL/2022/0335) granted 07/04/2022 for 37 dwelling houses on part of site previously outlined for employment. Therefore, site now considered not available for employment use, although technically still allocated. Houses being developed out on the employment allocation site 2023/24.
Green Dragon Farm, Burton in Kendal	Mixed use housing / employment allocation	Kendal	0.75	0.00	Understood to be no longer available for employment development and hence part of the supply.
Berner's Pool, Grange over Sands	Mixed use employment / leisure and other uses.	Cartmel Peninsula	0.3	0.00	Understood to be no longer available for employment development and hence part of the supply.
Land South of Allithwaite Road, Kents Bank	Mixed use allocation includes employment (B1 and B2 uses) in allocation. B8 uses not permitted.	Cartmel Peninsula	1.5	0.00	Understood to be no longer available for employment development and hence part of the supply.
Guide's Lot, Grange over Sand	Allocated in Policy LA3.3 for B1.	Cartmel Peninsula	0.57	0.57	Part of supply and understood to be available.
Land on Sandside Road and Quarry Lane, Storth	-	Kendal	3.1	N/A	The AONB DPD allocations don't have to include employment use so not included in employment land availability calculations until / unless granted planning permission.
Station Yard, Arnside	General B Use	Kendal	1.03	N/A	
TOTAL			66.38	41.29	

Source: Westmorland & Furness Council (2025) Land Available spreadsheet supplied to Lichfields

- 11.117 The above figures exclude the two National Park areas.
- 11.118 Discussions with Officers from both the LDNPA and YDNPA indicate that there are a number of undeveloped allocations / extant permissions in the Dales and particularly the Central Lakes sub-areas that have an element of employment use. These are summarised in Table 11.33.

Table 11.33 South Lakeland (within National Parks) (as at 31 March 2025)

Site Name	Employment Use	Sub-Area	Allocated (ha)	Remaining for Employment (ha)	Status
Toll Bar Extension, Sedbergh	Class E and B8 uses	Dales	0.49	0.49	The only allocated employment site in the YDNP Local Plan located in the Westmorland & Furness area.
Land north of Kendal Fell Quarry	General Employment	Central Lakes	4.41	4.41	Not started. 15,435 sqm employment

Site Name	Employment Use	Sub-Area	Allocated (ha)	Remaining for Employment (ha)	Status
Land at High Plumgarths	General Employment	Central Lakes	3.13	3.13	Not started. 10,955 sqm employment
Land to west of Danes Crescent, Staveley	General Employment	Central Lakes	0.24	0.24	7/2020/5555 application refused. 840 sqm employment
Land at Orrest Head Farm, Windermere	Mixed	Central Lakes	9.05	0.3*	Not started. 1,200 sqm employment; 3,800 sqm tourism
Old Magistrates Court, Windermere	Mixed	Central Lakes	0.32	0.2*	Not started. 700 sqm employment; 420 sqm retail/leisure/commercial
Kendal Fell Quarry	Mixed	Central Lakes	13.75	4.58*	Not started. 61,000 sqm retail/leisure/commercial
MacDonalds Hotel Car Park, Bowness	Mixed	Central Lakes	0.17	0.05*	Not started. 595 sqm retail/leisure/commercial
Former Kirkstone Quarry, Skelwith Bridge	Mixed	Central Lakes	0.51	0.17*	Not started. 1,636 sqm retail/leisure/commercial
Bowness Bay and the Glebe Regeneration site	Mixed	Central Lakes	36.39	0.42*	Some elements of scheme delivered. 5,000 sqm retail/leisure/commercial
Field to north of existing Playdales building, Haverthwaite	General Employment	Central Lakes	0.59	0.59*	Not started. 2,065 sqm employment
Field adjacent doctors surgery, `	General Employment	Central Lakes	1.01	1.01	Not started. 3,535 sqm employment
Land to the north of the Barkers Timber Yard, Backbarrow	General Employment	Central Lakes	1.69	1.69	Not started. 5,915 sqm employment
The Croft Hotel & Apartments, Hawkshead	Mixed	Central Lakes	0.44	0.09*	7/2024/5178 application approved. 1,100 sqm retail/leisure/commercial
TOTAL			72.19	17.37	

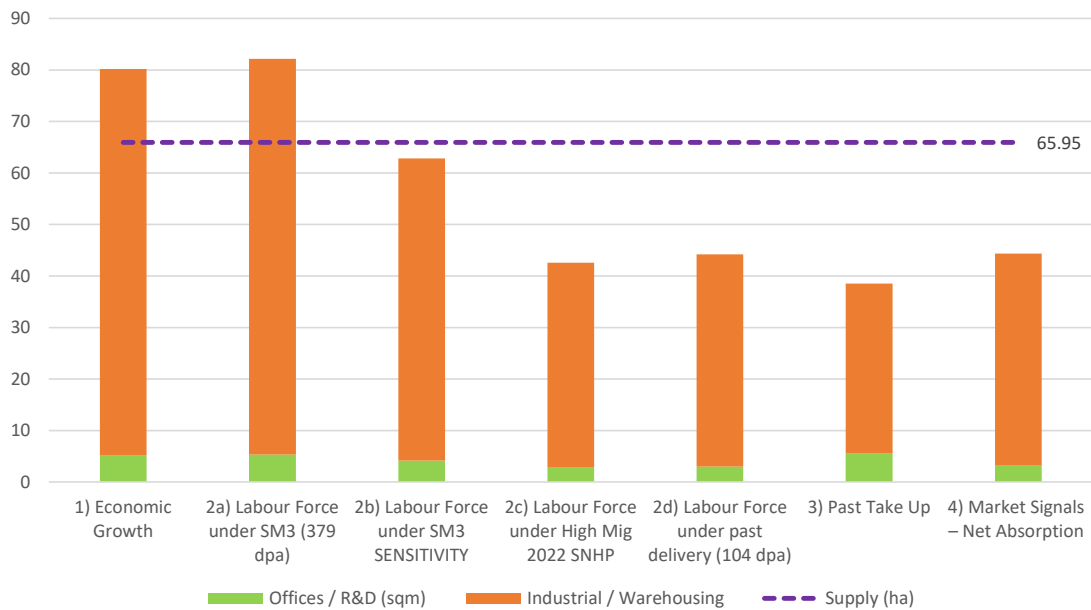
Source: YDNPA / LDNPA Officers (2026). *Estimated, based on proportion of floorspace identified for employment.

- 11.119 The YDNPA confirmed that only has one allocated employment site in the Westmorland & Furness area, which is the Toll Bar extension at Sedbergh. That is for **0.49ha** (Class E and B8 uses).
- 11.120 The LDNPA has 13 allocations / sites with extant planning permission that are likely to contain an element of officer, industrial or warehousing floorspace. This has been estimated at **16.88 ha**.
- 11.121 Combined, the two Tables above indicate that South Lakeland District may have a total forward supply of **62.08 ha** of employment land in total.

Demand / Supply Balance

- 11.122 As discussed above, there is currently a maximum forward supply of around 171 ha of employment land across the District, of which around 66 ha is located in Barrow; 43 ha in Eden and the remaining 62 ha in South Lakeland. A comparison of the needs assessment is presented in the four charts below, setting this forward supply against the range of requirements to identify the scale of any quantitative shortfall.

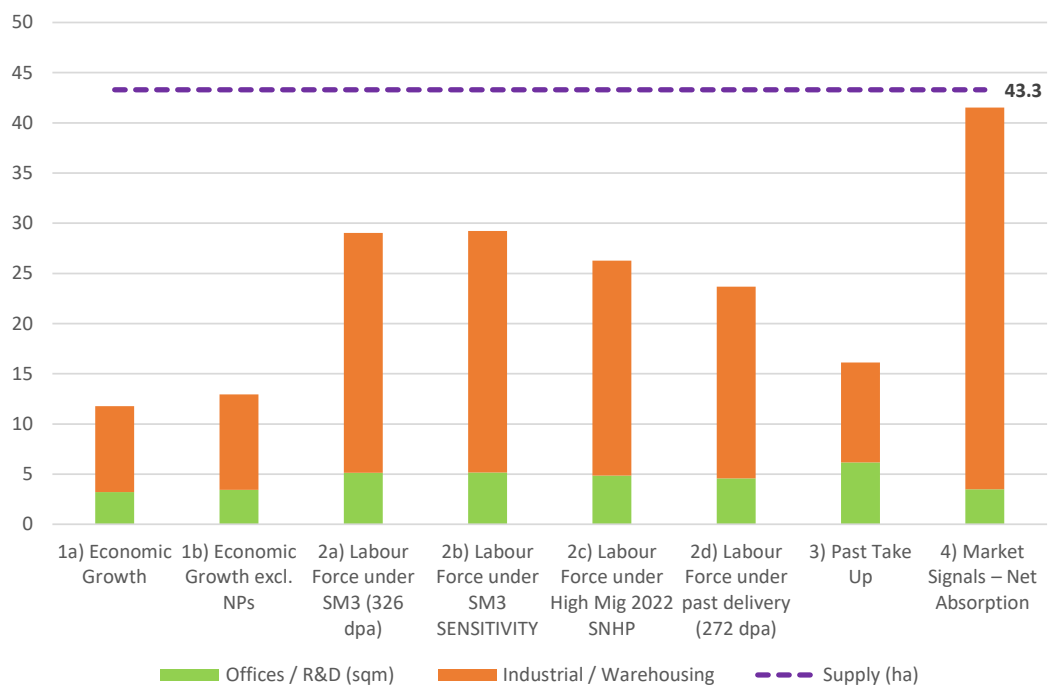
Figure 11.10 Demand / Supply balance in Barrow, 2025-2045 (ha)



Source: Lichfields / the Council 2025

- 66 ha of forward supply in Barrow compares to a range of 39-82 ha of need. Based on the SM3 labour supply figure (at the upper end of the scale) there would be a quantitative shortfall of around **-16 ha** of employment land.

Figure 11.11 Demand / Supply balance in Eden, 2025-2045 (ha)



Source: Lichfields / the Council 2025

- 43 ha of forward supply in Eden compares to a range of 12-42 ha of need. Based on the SM3 labour supply figure (at the mid-point of the scale) there would be a quantitative

over supply of around +14.3 ha of employment land.

Figure 11.12 Demand / Supply balance in South Lakeland, 2025-2045 (ha)



Source: Lichfields / the Council 2025

- 62 ha of forward supply in South Lakeland compares to a range of 22-66 ha of need. Based on the SM3 625 dpa labour supply figure (at the upper end of the scale) there would be a quantitative shortfall of around **-3.6 ha** of employment land.

Figure 11.13 Demand / Supply balance in Westmorland & Furness, 2025-2045 (ha)



Source: Lichfields / the Council 2025

- Overall, the 171 ha of forward supply across the whole of Westmorland & Furness compares to a range of 78-165 ha of need. Based on the SM3 labour supply figure (at

the upper end of the scale) there would be a modest quantitative over supply of around **6 ha** of employment land.

- 11.123 Nevertheless, whilst there is a reasonable alignment with the forward supply, there is still likely to be a qualitative shortfall and a need for new sites across the District, even assuming that all of the sites come forward as planned which is unlikely to happen in practice (particularly given that Barrow's forward supply includes four Opportunity Areas, totalling 16.3 ha, that may not come forward for office, industrial or warehousing floorspace in their entirety).
- 11.124 There are a range of qualitative indicators that also suggest that much of the existing stock is of a relatively poor quality and likely to be in need of replacing within the next few years.
- 11.125 **It should also be noted that the forecasting approach in this SHENA focusses on indigenous employment land needs. Any need for strategic B8 logistics addressing a 'bigger than local' need would likely be in addition to these requirements.**
- 11.126 Given the constraints on land availability noted above, it is vital that the Local Plan economic policies and land allocations continue to support economic growth and provide choice and flexibility in the land and property market. This would assist in meeting latent market demands from smaller SME occupiers and assist with safeguarding the local economy. The opportunities arising from the growth off the 'modern economy' are addressed in detail in the next section of this report.

12.0 Meeting the Needs of the Modern Economy

Introduction

- 12.10 The ‘modern economy’ forms part of the Government’s drive to achieve a greater quantum of commercial development in high-growth sectors. To achieve this, the NPPF now requires LPAs to proactively support and encourage the development of these sectors through the planning system, in both policymaking and decision-making.
- 12.11 In Paragraph 86c, the NPPF states that planning policies should:
- “...pay particular regard to facilitating development to meet the needs of a modern economy, including by identifying suitable locations for uses such as laboratories, gigafactories, data centres, digital infrastructure, freight and logistics.”*
- 12.12 Within the supporting NPPF consultation guidance and outcome¹⁶², paragraph 3 of Chapter 7 defines the four “key industries” of the modern economy:
- Laboratories;
 - Gigafactories (battery cell manufacturing plants);
 - Digital infrastructure (including data centres); and,
 - Freight and logistics.
- 12.13 The modern economy is characterised by these four industries and their associated land uses. In terms of employment land implications, ‘digital infrastructure’ is taken to refer to data centres.
- 12.14 This section of the SHENA reviews the development potential for the ‘modern economy’ uses identified within the NPPF. It considers the existing representation of these modern economy sectors in Westmorland & Furness before subsequently reviewing their growth potential within the area and the extent to which their particular location drivers indicate potential for future growth and the associated planning policy implications.
- 12.15 The assessment within this report draws upon Lichfields’ specially designed framework, based on three stages of analysis:
- 1 Define the modern economy;
 - 2 Identify areas of growth potential; and,
 - 3 Establish planning and delivery implications.
- 12.16 The modern economy sectors cannot necessarily be analysed using a conventional ‘predict and provide’ approach, or by using forecasts, owing to the often rapidly evolving nature of the need for space for the modern economy. As such, the framework applies a comprehensive approach that is sensitive to the individual attributes of each modern economy sector, acknowledging the synergies between these sectors and the wider local and national economy.

¹⁶² MHCLG (2024) Consultation: Proposed reforms to the national planning policy framework and other changes to the planning system. Available at: <https://www.gov.uk/government/consultations/proposed-reforms-to-the-national-planning-policy-framework-and-other-changes-to-the-planning-system/proposed-reforms-to-the-national-planning-policy-framework-and-other-changes-to-the-planning-system>

- 12.17 The framework pays particular attention to the comparative local advantages within individual sectors of the modern economy, recognising that the objective of development in the modern economy is to support the national growth agenda. As such, emphasis should be placed on development that supports modern economy sectors for which Westmorland & Furness demonstrates strong existing supply and demand conditions, in addition to future growth potential.
- 12.18 This section therefore considers the existing representation of these sectors in Westmorland & Furness and reviews the extent to which there is potential for future growth within the area. The strategic requirements of planning for most of the modern economy sectors (except for laboratories which are included as a class E research and development use) could be considered to be in addition to the indigenous requirements for employment floorspace and land.
- 12.19 This Section does not provide estimates of floorspace requirements for each of the ‘modern economy’ land uses but instead provides an initial ‘scoping’ exercise by considering the existing representation of these sectors in Westmorland & Furness and reviews the extent to which their particular location drivers indicate potential for future growth and clustering.

Defining modern economy industries

- 12.20 The modern economy as defined within the NPPF relates to land uses rather than defined economic activities. For example, the activities conducted in a laboratory can vary greatly between ‘wet labs’ focusing on life sciences and pharmaceuticals and ‘dry labs’ specialising in computing and robotics.
- 12.21 While a focus on land use is appropriate for planning purposes, it needs to be ‘translated’ to typical industrial definitions to establish the existing footprint and growth potential of the modern economy in a particular area. Official statistics from the ONS and other government sources are primarily based on the 2007 Standard Industrial Classification (SIC 2007) system, and data from these sources are required to gain a deeper picture of prevailing conditions and for analysing industry forecasts.
- 12.22 Table 12.1 presents the SIC 2007 group definitions which are applied throughout this Section. These sectors represent a best-fit for the direct activities associated with the modern economy. It should be noted that no one data source will be able to provide a fully comprehensive view of the existing presence or future growth potential of the modern economy sectors. As such, these SIC definitions are applied to a range of datasets.
- 12.23 It is also important to establish upstream and downstream linkages and interdependencies within the modern economy supply chains. Identifying the presence of these activities is important to understanding the locational factors for modern economy businesses, as clusters do not solely relate to firms within the same sector, but also those within the wider industry supply chains. These supply chains are identified using input-output tables from the ONS¹⁶³ which show supply and use linkages between the outputs of different industries in the economy.
- 12.24 Within the Lichfields framework, industries that feed into the four modern economy industry groupings are defined as ‘Tier 2’ feeder industries to the modern economy. The

¹⁶³ Office for National Statistics (ONS) (2025) UK input-output analytical tables: industry by industry

Tier 1 sectors are provided in Table 12.1, and the Tier 2 sectors for each modern economy industry are shown in Appendix 1.

Table 12.1 Modern Economy Sectors

Industry	Sector (SIC 3-digit)
Laboratories	72.1: Research and experimental development on natural sciences and engineering
Gigafactories	27.2: Manufacture of batteries and accumulators 29.1: Manufacture of motor vehicles
Digital Infrastructure	63.1: Data processing, hosting and related activities; web portals
Freight	49.2: Freight rail transport 49.4: Freight transport by road and removal services 50.2: Sea and coastal freight water transport 50.4: Inland freight water transport 51.2: Freight air transport and space transport
Logistics	52.1: Warehousing and storage 52.2: Support activities for transportation

Source: Lichfields

Baseline Position

- 12.25 The factors influencing supply of, and demand for, the modern economy industries are not limited in their geographic scale: many factors are UK-wide, if not global. This section considers the key factors influencing demand for the individual modern economy sectors in turn, analyses the existing concentration and distribution of each sector and reveals the spatial interrelationships between them where relevant.

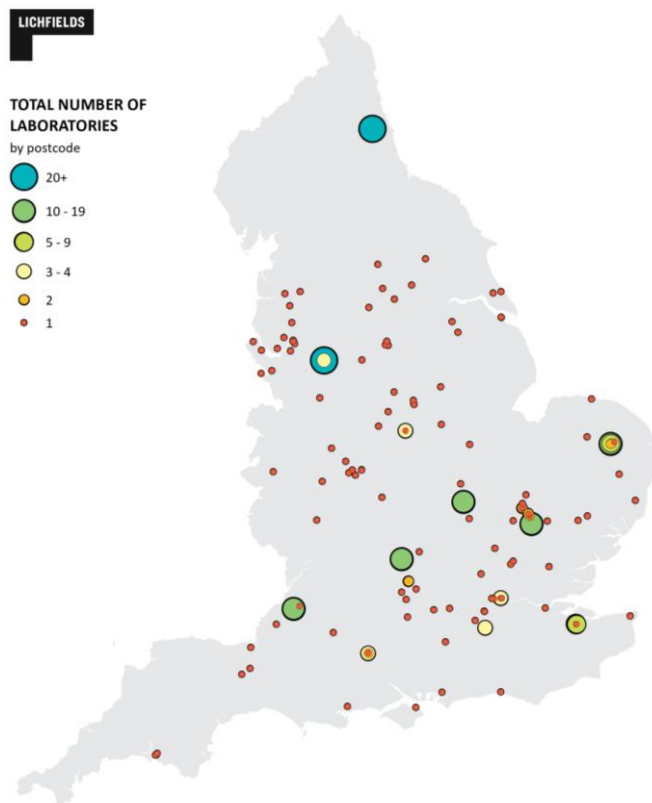
Laboratories

- 12.26 The laboratories sector can be broadly divided between ‘wet labs’ focusing on medicine, pharmaceuticals, and life sciences and ‘dry labs’ specialising in robotics, computing and related activities. The split of laboratory demand between wet and dry labs is in a state of flux. While London in particular has seen high demand for wet lab space in recent years¹⁶⁴, advances in Artificial Intelligence [AI] technology have increased demand for dry lab spaces in the life sciences sector¹⁶⁵. Globally, demand for laboratories in the life sciences sector stems from a growing and ageing population in tandem with rapid technological and scientific advancement.
- 12.27 Figure 12.1 shows the locations of laboratories in England based on VOA rating list records. We note that the VOA list is not exhaustive and may exclude laboratories within the public or education sector, for example at hospitals and universities. This demonstrates the prevalence of the life sciences ‘Golden Triangle’ between Oxford, Cambridge and London. Other clusters are present in and around major university cities including Manchester, Bristol, Norwich and Newcastle.

¹⁶⁴ MedCity London (2024) London Lab Showcase: MedCity Report July 2024

¹⁶⁵ JLL (11 December 2024) From wet to dry: How AI is shaking up laboratory design. Available at: <https://www.jll.co.uk/en/trends-and-insights/investor/from-wet-to-dry-how-ai-is-shaking-up-laboratory-design>

Figure 12.1 Location of laboratories in England



Source: VOA, 2023

12.28 As defined above, for the purposes of this SHENA, laboratory-related businesses fall within SIC group 72.1: *Research and experimental development on natural sciences and engineering*.

12.29 Based on this definition, analysis of ONS Inter-Departmental Business Register [IDBR] (2024) data indicates that there are seven Tier 1 laboratory-related businesses in Westmorland & Furness.¹⁶⁶ Whilst analysis of IDBR data indicates that there are seven Tier 1 laboratory-related businesses in Westmorland & Furness, these fall into ‘other research and experimental development on natural sciences and engineering.’ Further analysis of these businesses indicates that they are unlikely to comprise the type of hi-tech research laboratory activity envisaged by the Modern Economy definition.

Gigafactories

12.30 Gigafactories are large-scale manufacturing facilities for the production of batteries for electric vehicles [EVs]. The growth in demand for EVs in the UK has gained pace in recent years as we approach the 2030 phase-out date for new petrol and diesel vehicles¹⁶⁷.

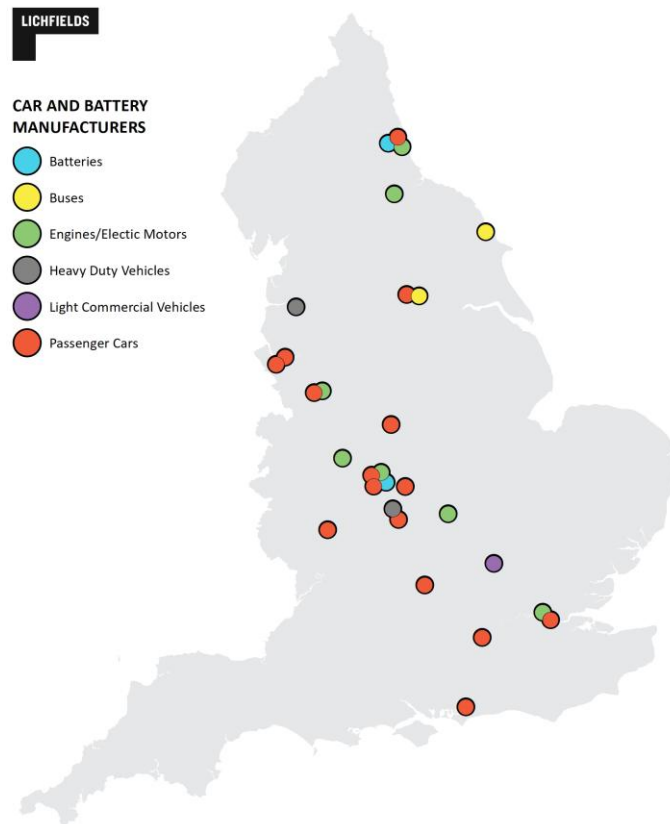
¹⁶⁶ Please note: IDBR data only includes PAYE enterprises and not VAT-only enterprises. Due to this, some enterprises may not be included in the analysis of IDBR data.

¹⁶⁷ Department for Transport (6 January 2025) Written statement to Parliament: Phasing out the sale of new petrol and diesel cars from 2030 and support for zero emission vehicle (ZEV) transition. Available at: <https://www.gov.uk/government/speeches/phasing-out-the-sale-of-new-petrol-and-diesel-cars-from-2030-and-support-for-zero-emission-vehicle-zev-transition> [Accessed 1 April 2025]

12.31 Figure 12.2 shows the locations of car and car battery manufacturers in England. At present, the UK has just one operational gigafactory, located in Sunderland and owned by AESC, Nissan’s EV battery partner. This facility opened in 2012 to produce batteries for the Nissan LEAF and covers a floor area of 25,000 sqm, with a production capacity of 1.8 GWh per year¹⁶⁸. There are three gigafactories due to open in 2025 and 2026, namely an additional AESC plant in Sunderland, Agratas in Somerset, and the UK Battery Innovation Campus in Coventry, taking UK capacity to approximately 66 GWh per annum. The new AESC gigafactory is to be significantly larger than the existing Sunderland site, with a capacity of 15.8 GWh per annum and covering an area of just under 200,000 sqm.

12.32 The Faraday Institution estimates that the UK will require at least six gigafactories by 2030 and a further four by 2040 to meet forecast battery demand of 200GWh per annum¹⁶⁹, assuming an average plant capacity of 20 GWh per annum. As the demand for gigafactories is intrinsically related to the demand for EVs, many proposed gigafactories are located in established car manufacturing hubs. However, given the physical scale of gigafactories, this is not always the case: the Tata Group Agratas facility, supplying JLR and covering an area 35% larger than Wembley Stadium, is to be located at the Gravity Smart Campus in Somerset despite the nearest JLR plant being in Birmingham. This demonstrates that the scale and urgency of demand for batteries in the energy transition can spatially decouple gigafactories from car manufacturing plants.

Figure 12.2 Car and battery manufacturers in England (ACEA, 2025)



Source: ACEA, 2025

¹⁶⁸ The Faraday Institution (2024) UK electric vehicle and battery production potential to 2040

¹⁶⁹ Ibid

Digital Infrastructures

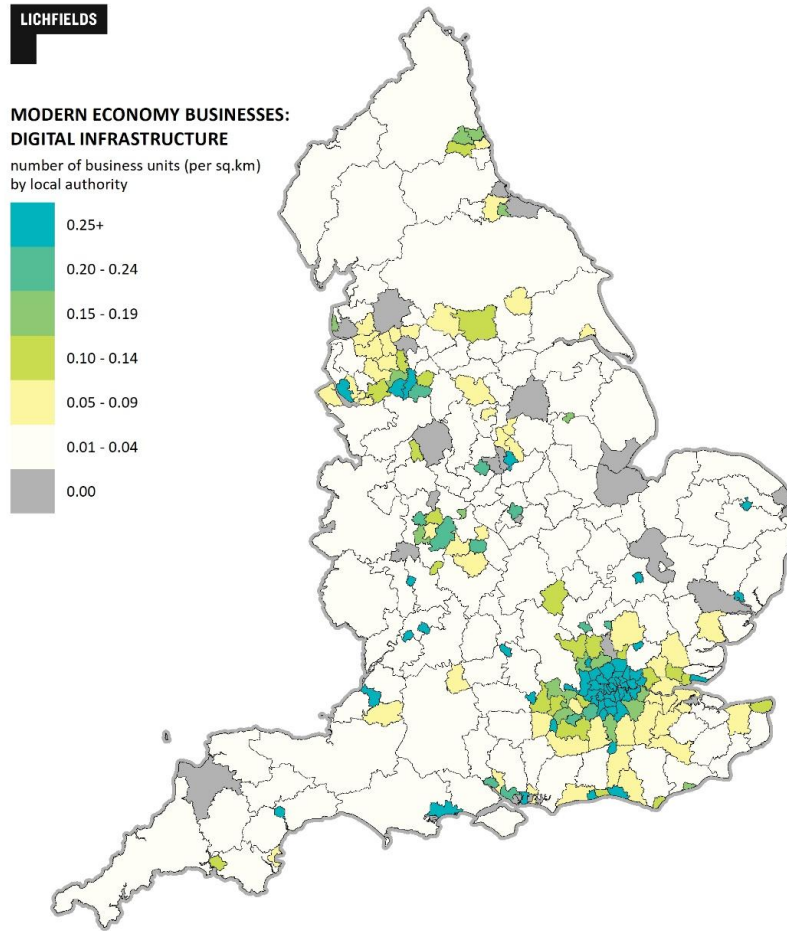
- 12.33 As defined above, for the purposes of this study, ‘Tier 1’ digital infrastructure businesses are those within SIC Group 63.1: data processing, hosting and related activities; web portals. As such, these businesses cover a range of activities, with some related to data centres while others are within the wider data processing and management sectors.
- 12.34 Data centres will form a key focus when planning to meet the future digital infrastructure needs of both businesses and consumers. Data centres are physical locations storing computing machines and related hardware¹⁷⁰. Increasing digitalisation and demands on cloud storage, coupled with the growing use of AI and other intensive computing processes, has led to a sharp rise in demand for data centres. Globally, data centre capacity is projected to grow by 15% in 2025, yet this will not be sufficient to meet growing demand¹⁷¹.
- 12.35 Digital infrastructure is not dissimilar to conventional infrastructure networks, particularly in that the further data travels, the longer it will take; this is known as latency. As the primary sources of demand for data centres are businesses located in major cities, to minimise latency data centres will cluster within and around these cities; this clustering is also seen within the broader digital infrastructure sector.
- 12.36 Figure 12.3 illustrates the number of Tier 1 digital infrastructure business units per sq.km by local authority in England, based on data from the ONS. The dominance of London as the primary digital infrastructure hub in the country is apparent, while other clusters are emerging in the Manchester-Liverpool region and the West Midlands.
- 12.37 Cloud Service Providers rely on networks of data centres, which are locationally constrained by ‘Availability Zones’ formed of one or more data centres. Each Availability Zone has its own power supply to reduce the likelihood of simultaneous failure¹⁷². This is a further factor influencing the spatial clustering of data centres at present and is particularly prevalent in Slough and East London, which are clearly a considerable distance away from Westmorland & Furness.

¹⁷⁰ AWS (n.d.) What is a Data Centre? Available at: <https://aws.amazon.com/what-is/data-center>

¹⁷¹ JLL (2025) 2025 Global Data Centre Outlook. Available at: <https://www.jll.co.uk/en/trends-and-insights/research/data-center-outlook>

¹⁷² CloudConstruct (n.d.) What is an availability zone? Available at: <https://cloudconstruct.co.uk/aws/what-is-an-availability-zone/>

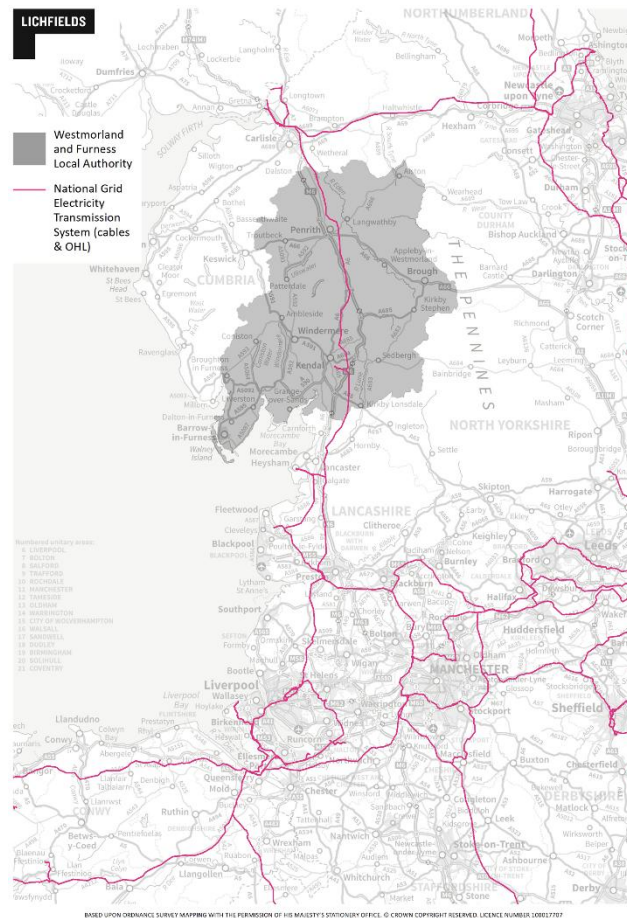
Figure 12.3 Tier 1 digital infrastructure business units per sq.km by local authority, England



Source: ONS, 2024

- 12.38 There are currently no existing data centres located in Westmorland & Furness or Cumbria more widely according to CoStar data extracted in December 2025.
- 12.39 Data centres, and the growing number of ‘hyperscale’ data centres, have significant space and power requirements that influence where demand is realised. The National Grid’s electricity transmission network, shown in Figure 12.4, demonstrates the proximity of Cumbria’s key towns to the network, and particularly around Carlisle and along the A69 through to Newcastle. There is one transmission system line which passes directly through Westmorland & Furness.

Figure 12.4 Electricity transmission network in Cumbria and the North West



Source: National Grid, 2025

Freight and Logistics

- 12.40 Demand for freight and logistics manifests itself in warehousing, storage and distribution centres, in addition to transport hubs and infrastructure. One key source of the growing demand for freight and logistics solutions is of course the rise of e-commerce, in part accelerated by the Covid pandemic lockdowns. As a facilitator to other industries, and an established sector in its own right, the freight and logistics industry is both a growth enabler and a critical growth driver.
- 12.41 In terms of the modern economy, the role of freight and logistics' can be taken to relate to the next generation of warehousing and distribution centres. New 'smart' warehouses are powered by advanced robotics and AI, transforming supply chains and distribution networks, but also placing a new layer of requirements on the specification of class B8 spaces¹⁷³.
- 12.42 Demand for these facilities is spread across the country, with more acute demand at key transport interchanges. There is only one motorway in Cumbria with the M6 running north-south across the County, connecting the nearby cities of Carlisle to the north and

¹⁷³ Ocado Intelligent Automation (2024) Warehouse Robots: Essential Guide to Modern Robotics in the Warehouse. Available at: <https://ocadointelligentautomation.com/insights/warehouse-robots>

Lancaster to the south, as well as providing connectivity to other key cities in the North West including Preston, Wigan, and Warrington. Other major road links include to the east with the A66 and A69 which head towards Northumberland and Durham, with the A66, A590 and A595 comprising the extent of the county's strategic road network [SRN].

- 12.43 The previous M6 Strategic Connectivity Study for Cumbria County Council and the Local Enterprise Partnership identified that the SRN with the greatest level of freight demand (measured by tonnage levels) is the A590 (towards Ulverston) and M6, A595 (A66 to A596) and the A66 (M6 to A595).¹⁷⁴ Whilst the County does not benefit from direct east-west rail connectivity, it is still relatively well served in terms of station provision, with the West Coast Mainline comprising the main Scotland-to-England route for rail freight. Looking forward the study acknowledged road travel is the main asset, notably for sectors such as advanced manufacturing and logistics. However, if Cumbria is to improve its global connectivity, the study notes that ports and airport connectivity will need to be improved for the import and export of goods.
- 12.44 There are some strategic distribution units within Westmorland & Furness, notably the Resolution Building, a 2,600 sqm logistics warehouse opened by BAE Systems¹⁷⁵; the 15,031 sqm Eden Valley water bottling plant (Armanthwaite, Eden); and 15,879 sqm warehousing at Penrith Junction 41 in Eden.¹⁷⁶
- 12.45 Analysis of IDBR data indicates that there are 70 Tier 1 freight and logistics-related sectors located in Westmorland and Furness which primarily deliver activities related to road transportation, support services and warehousing.

Existing Clusters and Supply Chain

- 12.46 Existing clusters also have an influence on the locational decisions of businesses within the modern economy industries. Clusters of firms in the same industry and of those within the supply chain or wider ecosystem enable actors to benefit from agglomeration economies (economic efficiencies from co-location).
- 12.47 The UK Innovation Clusters Map from the Government's Department for Science, Innovation and Technology [DSIT] provides a useful tool for identifying clusters of modern economy sectors¹⁷⁷. The industry groupings applied to the innovation clusters use Real-Time Industrial Classifications [RTIC] from The DataCity¹⁷⁸ based on IDBR data, Innovate UK, and UK Research and Innovation [UKRI], among other sources.
- 12.48 The RTIC sectors relate to emerging industries that are not fully covered by the SIC system, last updated in 2007. RTICs are grouped into 48 'emerging' sectors, including sectors for Artificial Intelligence, Advanced Manufacturing and Data Infrastructure that are separate from the broader SIC code they would typically be classified under. This also includes sectors identified in the Modern Industrial Strategy. Figure 12.5 presents the existing innovation clusters of RTIC and Industrial Strategy sectors in the UK. Whilst no clusters

¹⁷⁴ Cumbria County Council (2016) West of M6 Strategic Connectivity Study

¹⁷⁵ VOA (2023)

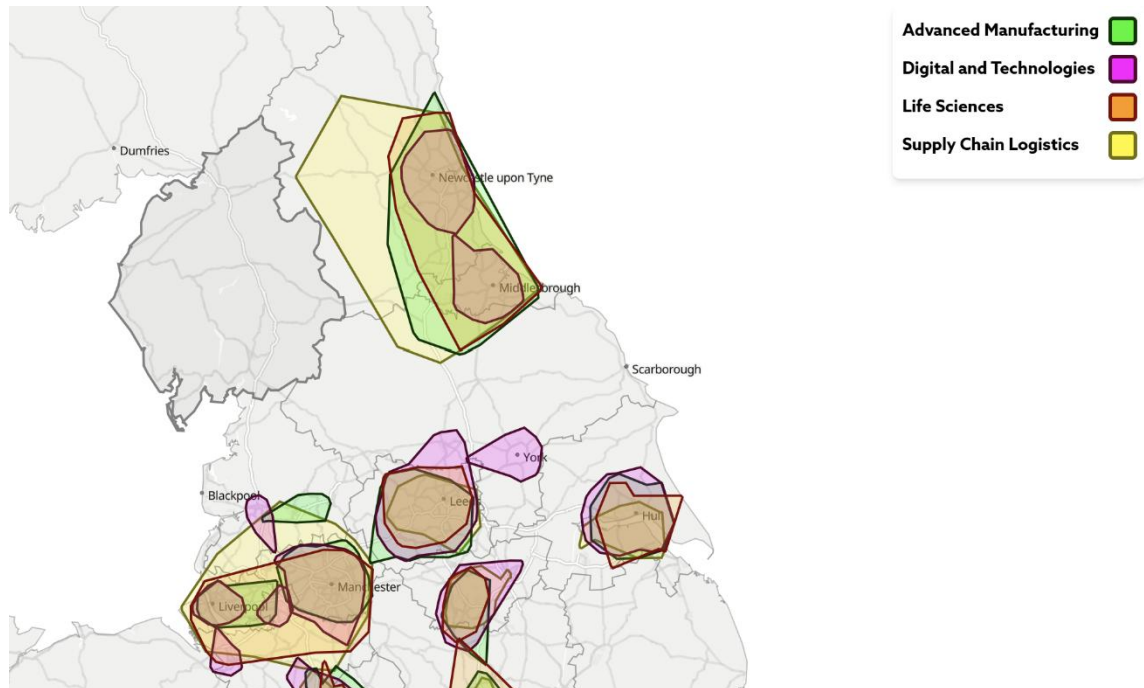
¹⁷⁶ CoStar (2025)

¹⁷⁷ Department for Science, Innovation and Technology (DSIT) (2024) The Innovation Clusters Map. Available at: <https://www.innovationclusters.dsit.gov.uk/>

¹⁷⁸ The Data City (n.d.) Available at: <https://thedatacity.com/>

are identified within Cumbria, clusters exist near to the County including supply chain logistics to the east of the County.

Figure 12.5 Innovation Clusters



Source: DSIT (2025)

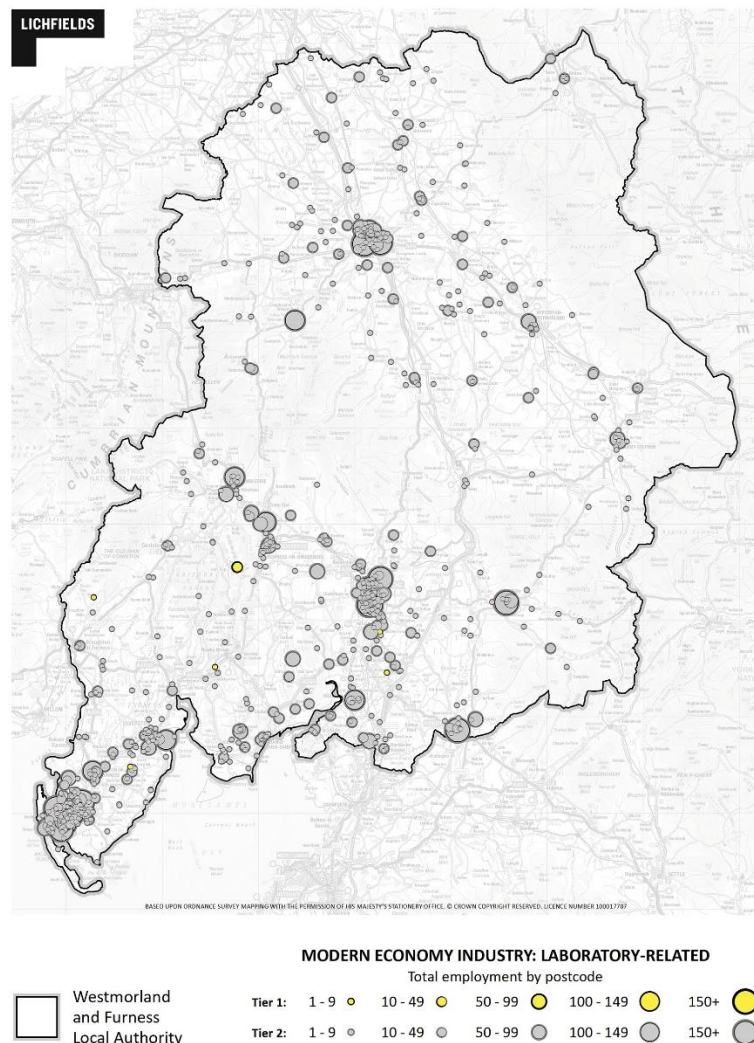
- 12.49 The type and location of clusters depend on the availability of resources (including land and labour) for the sector: ‘knowledge-intensive’ activities in the laboratories sector are more likely to require access to “*large and diverse labour pools and therefore concentrate in denser urban environments and occupy a smaller spatial footprint*”¹⁷⁹.
- 12.50 Meanwhile, gigafactories, data centres and logistics will require both land and skilled labour. Industries such as these, which require more space, “*are more likely to co-locate in suburban locations where office parks and manufacturing sites are more prevalent*”. This is similarly noted in the 2025 *Oxford to Cambridge: Science, Innovation and Technology Business Premises Study*¹⁸⁰, which highlights that Science, Innovation and Technology [SIT] businesses prefer to be located within clusters with high-quality, modern facilities and nearby amenities, in addition to good public transport accessibility.
- 12.51 However, the RTIC sector clusters do not capture all facets of the modern economy as set out within the NPPF. SIC-based definitions – established earlier in this Section can be used to map both Tier 1 and Tier 2 supply chain businesses, as shown in Figure 12.6 to Figure 12.9. These maps reveal areas with a strong presence of businesses supporting the modern economy that are most prevalent in Westmorland & Furness, particularly in freight and logistics. It is important to note that only certain activities within these Tier 2 businesses, upstream or downstream, will be directly linked to the modern economy.

¹⁷⁹ DSIT (2024) Identifying and describing UK Innovation clusters, DSIT Research Paper No. 2024/001

¹⁸⁰ Icen Projects (2025) Oxford to Cambridge: Science, Innovation and Technology Business Premises Study, Oxford to Cambridge Pan-Regional Partnership

- 12.52 Many of the businesses identified within the Tier 2 **laboratory**-related sector in Westmorland & Furness specialise in manufacturing, engineering, education-related or administration. However, some of these businesses will provide office-based or professional-related services, or warehouse space, rather than laboratories for research and development purposes.
- 12.53 Figure 12.6 presents the clustering of Tier 1 and Tier 2 laboratory-related businesses. Whilst Tier 1 firms are clustered towards Ambleside, there is a wider spread of Tier 2 firms with particular concentrations in-and-around Barrow, Kendal and Penrith.

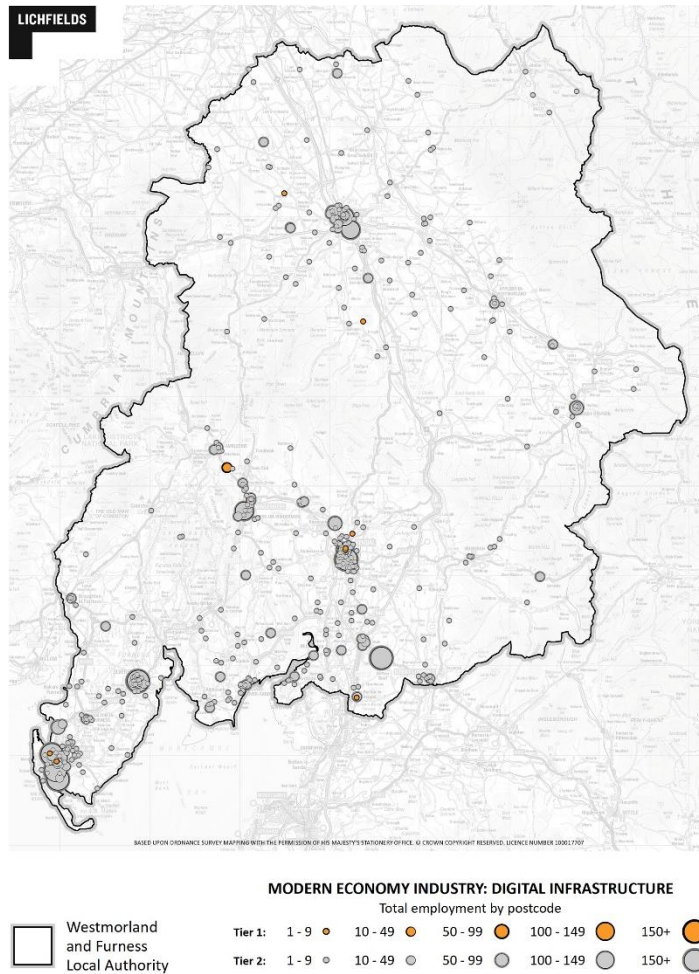
Figure 12.6 Tier 1 and 2 laboratory-related business units in Westmorland & Furness



Source: ONS IDBR, 2024

- 12.54 Shown in Figure 12.7, firms within the **digital infrastructure** supply chain are clustered around the key urban areas of Westmorland & Furness, especially Barrow, Ulverston, Kendal and Penrith. This is likely reflective of the office-based nature of these firms, with the most prominent businesses within the supply chain operating in management consultancy, accounting and auditing, or facility support activities.

Figure 12.7 Tier 1 and 2 digital infrastructure business units in Westmorland & Furness

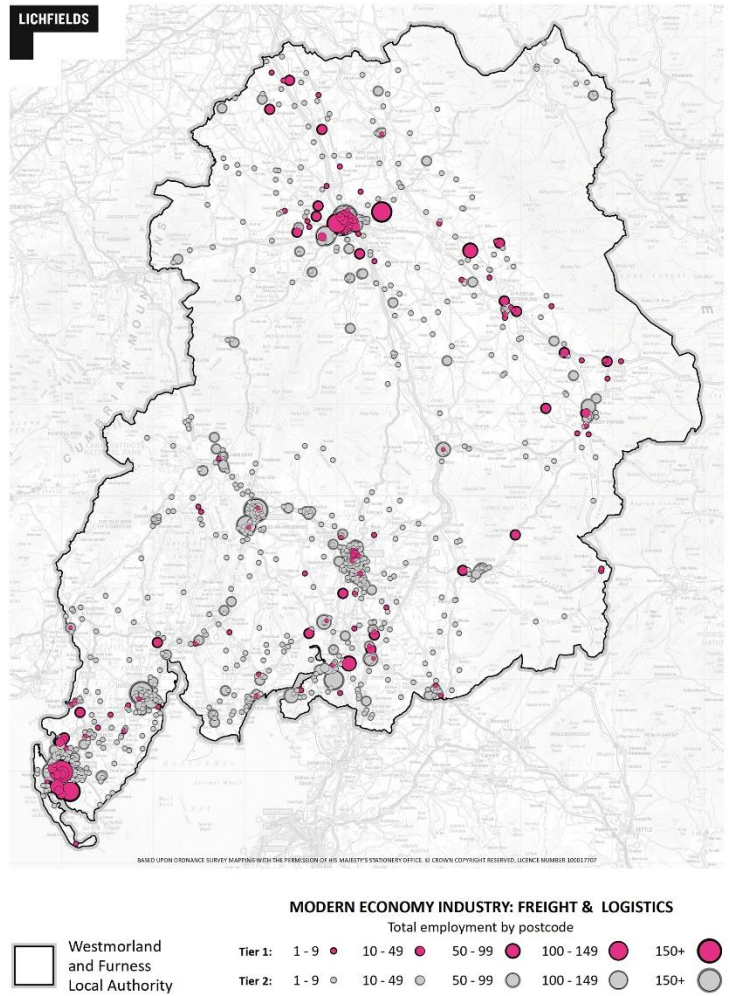


Source: ONS IDBR, 2024

12.55

As the most established modern economy presence within Westmorland & Furness, there are many businesses within the wider **freight and logistics** supply chain. These are shown in Figure 12.8. Most prominently, these operate in business support, road transport-related services including removals, and wholesale supplies. These businesses tend to follow a similar pattern to Tier 1 firms, clustering nearby and in-and-around the key transport hubs, particularly the strategic road network (especially the M6, A66 and A591) and the Port of Barrow. This is likely to reflect the activities of the Tier 1 and Tier 2-related firms which relates to road transport, removals and wholesales which will likely require goods to be transported and shipped.

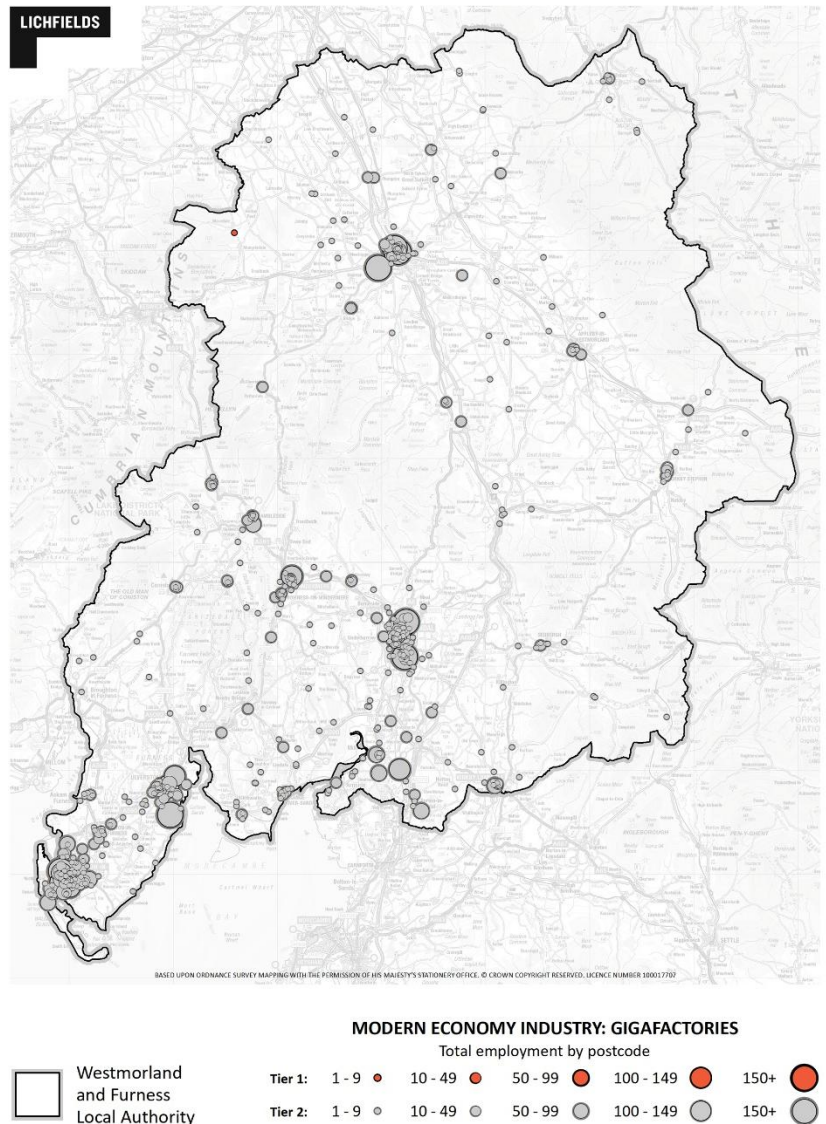
Figure 12.8 Tier 1 and 2 freight and logistics business units in Westmorland & Furness



12.56

As shown in Figure 12.9, there are a limited number of businesses in Westmorland & Furness directly related to car and battery manufacturing (a proxy for **gigafactories**); however, there is an established wider supply chain ecosystem across the study area. Most predominant are Tier 2-related firms specialising in manufacturing of motor vehicles. These are largely centred around Barrow, Kendal and Penrith. The presence of these firms in Barrow in particular is unsurprising given the strategic importance of manufacturing and engineering to the area as a source of employment and activity.

Figure 12.9 Tier 1 and 2 gigafactory-related business units in Westmorland & Furness



Source: ONS IDBR, 2024

Employment and Labour Supply

Historic Trends

- 12.57 Figure 12.10 shows employment in (Tier 1) modern economy industries, as defined above, in Westmorland & Furness and nationally between 2016 and 2024.
- 12.58 A total of 2,590 jobs, representing 2.2% of total employment in Westmorland & Furness, are within the broad modern economy industries. As shown, freight and logistics dominates the employment figures in Westmorland & Furness, representing 96.5% of modern economy roles in the District in 2024. Gigafactory-related employment is more limited and formed 0.4% of total modern economy jobs in 2024, while digital infrastructure and laboratories accounted for a very modest proportion and 1.2% and 2.9% of employment.

Figure 12.10 Employment by modern economy industry by year, Westmorland & Furness



Source: ONS BRES, 2025

12.59 This distribution results from the nature of freight and logistics as a well-established industry across Cumbria and within England more widely, in addition to the labour-intensity of their operations. Meanwhile, both data centres and gigafactory-related activities (i.e., EV battery manufacturing) are relatively new to the UK economy. While laboratories are not a new form of land use, the life sciences sector has seen increased interest in recent years but tends to be heavily concentrated in a handful of locations nationwide such as Cambridge, Manchester City, Greater London and Oxfordshire.

12.60 Overall, employment in the modern economy industries in Westmorland & Furness declined (-9.3%) over the period 2016-2024 more considerably than the overall decline in employment seen across all sectors (-1.8%). The largest decline in Westmorland & Furness was seen in the gigafactories sector, with employment declining by -8.3% year-on-year over the period based on the sectors compound annual growth rate. This contrasts with the national level, where average annual gigafactories employment decline was 01.0% year-on-year over the period.

12.61 Employment in freight and logistics-related industries in Westmorland & Furness also declined over this period by -1.2% year-on-year with employment peaking at 2,900 in 2021,

likely a reflection of the height of Covid and the increased demand due to lockdown measures and shopping patterns. In the laboratory-related industries, the sector has continued to see a decline over this period returning to 2016 levels of employment or 50 people employed in the sector. Those working in digital infrastructure-related industries in Westmorland & Furness decreased by -1.9% year-on-year to only 30 people employed in 2024.

Comparative Advantage

- 12.62 The modern economy uses are identified within the NPPF, and the growth sectors more broadly within the Industrial Strategy, for their ability to drive economic growth and development at the national level. When planning for the modern economy, the requirements are generally calculated in a manner separate to the indigenous local needs assessment set out in Section 11.0 of this report, and the figures therein will not inform the location or scale of development. Instead, it falls to local authorities to decide how they can take proactive decisions within the planning system that enable and facilitate the national growth agenda.
- 12.63 To maximise efficiencies, and hence the potential economic benefits, an area should assess its comparative advantage in providing for the modern economy industries, and in what form.
- 12.64 This requires consideration of the demand and supply conditions across the country to establish:
- a Where best to locate development for the distinct industries of the modern economy; and,
 - b Which industries each local authority should be most proactively supporting.
- 12.65 This approach recognises that no area will be able to effectively support all modern economy industries – given their varying industrial, spatial and skills requirements – but that each area can take a proactive stance to support the modern economy in the sectors most aligned to their local economy.
- 12.66 To assess Westmorland & Furness’ potential to host modern economy industries, in addition to the research and analysis presented previously, Lichfields’ bespoke framework for planning for the modern economy has been applied. The framework brings together demand and supply factors to assess the relative suitability – the comparative advantage – of individual local authorities to host the modern economy industries, based on the definitions outlined above.¹⁸¹
- 12.67 This draws on a range of data sources and mapping inputs including:
- the existing stock of data centres, laboratories and warehouses across England from the VOA and CoStar;
 - statistics on air and sea freight tonnage from the Department for Transport [DfT], and the locations of key rail freight interchanges from Network Rail;
 - the locations of motorway junctions as a proxy indicator for road freight; and,

¹⁸¹ Due to data availability, Lichfields has taken an average across the three former districts of Barrow-In-Furness, Eden and South Lakeland and presented the average rank for the three local authorities to assess Westmorland and Furness.

- the locations of major car and battery manufacturing plants from ACEA.

12.68 This has been triangulated with data from the ONS, including UK business counts and Census 2021 occupations data as a proxy for skills.

12.69 The results of the framework correspond to a high-medium-low ranking of opportunity on both the demand-side and supply-side, which are brought together to provide an overall ranking out of all local authorities in England. Demand-side factors include the number of premises and business units in the industry per sq.km (as an indicator of existing demand), while the supply-side considers the labour skills profile and, for relevant industries, transport and freight linkages.

12.70 As shown in Table 12.2, Westmorland & Furness largely scores low on both demand and supply conditions for most modern economy sectors, with the (perhaps surprising) exception of gigafactories which scores medium on supply relative to many other local authority districts in England. Overall, however, this results in low rankings, placing Westmorland & Furness overall in the bottom 30% of authorities at 292nd on the Lichfields assessment.

Table 12.2 Comparative advantage of Westmorland & Furness in the modern economy industries

Modern Economy Industry	Demand conditions	Supply conditions	Overall ranking (/308 authorities)
Laboratories	Low	Low	Low
Gigafactories	Low	Medium	Medium
Digital infrastructure	Low	Low	Low
Freight and Logistics	Low	Low	Low
Overall Ranking (out of 308 authorities)	Low	Low	Low

Source: ONS (2021) / Lichfields Analysis

12.71 The demand score factors in both Westmorland & Furness District and the wider Westmorland & Furness TTWA. In general, Westmorland & Furness has a relative lack of favourable demand and supply conditions for the other modern economy sectors, placing limits on its potential comparative advantage. This includes having a virtually non-existent supply of existing laboratory units. There is also a limited supply of related skills in the sector, with only 2.42% of existing occupations possessing the skills required.

12.72 Whilst Westmorland & Furness' scores medium in terms of its gigafactory comparative advantage, this is largely attributable to the supply side factors, specifically the occupational profile of those in employment. Around 5.2% of those in employment work in occupations which would be suitable for the sector, including production management, engineering and retail and wholesale.

12.73 That said, wider supply-side factors demonstrate a weaker comparative advantage. In particular, the lack of airport and rail freight terminals limits its transport capabilities to meaningfully support the gigafactory sector. On average, around 40.4% of Westmorland & Furness' land is constrained¹⁸² (rising to 46.9% in Eden) which furthers limits the supply potential. Similarly, there is low comparative advantage in terms of demand-side factors with only 0.8% of total businesses units in Westmorland & Furness supporting the sector.

¹⁸² Based on an analysis of the land-take designated as 'Footnote 7' environmental constraints in the NPPF24.

- 12.74 When it comes to freight and logistics, only 1.6% of existing businesses units in the District comprise freight or logistics-related units, which is low relative to other local authorities nationally. Similarly, Westmorland & Furness generally lacks the occupational profile required for the sector, which only comprises 0.5% of its current employment base indicating a weaker supply-side condition for the sector. As above, the lack of airport and rail freight terminals also suppresses its comparative advantage.
- 12.75 Westmorland & Furness also has a relatively weak comparative advantage across the digital infrastructure sector, primarily due to the lack of related business units (0.6%) which is unsurprising given there are no recorded existing data centres within Westmorland & Furness. Whilst it may contain many characteristics of the skill set for the sector, it is still performing relatively poorly (3.19%) when compared to many other local authorities across England.

Industry Outlook

Laboratories

- 12.76 The short to medium term national outlook for the life sciences sector – the key industry most closely associated with (wet) laboratory space – is strong, with demand for space outstripping current available supply¹⁸³. Investor sentiment in the laboratory sector has been positive, buoyed by public sector support with the UK continuing to have the second-highest budget allocation for health R&D among comparator countries¹⁸⁴.
- 12.77 CBRE estimates suggest that approximately 185,000 sqm (2 million sq. ft) of laboratory space was to be delivered in 2024, primarily within the Cambridge-Oxford-London ‘Golden Triangle’.
- 12.78 Meanwhile, Savills cites that R&D investment strategies are placing increased focus on technology development, including hardware and software, which is driving firms toward major cities – especially London – in order to tap into the existing labour pool at technology companies¹⁸⁵. This is driven by the rise of AI and its applications in scientific research. However, in London and across the Golden Triangle, poor housing affordability is likely to constrain further the ability of life sciences and laboratory-based firms to attract skilled labour from elsewhere in the UK and overseas.
- 12.79 At the Westmorland & Furness level, Experian’s projections of employment growth in the pharmaceuticals sector (as the closest proxy to laboratories) between 2025 and 2045 expects employment to grow by 100 employees or 50%. Compared to the other modern economy sectors, this represents a notable increase.

Gigafactories

- 12.80 The demand (and hence outlook) for gigafactories is closely linked to the EV market. AutoTrader’s *Road to 2030* report highlights strong year-on-year growth in EV sales in the UK between 2019 and 2024, reaching 382,000 new EV registrations in 2024, up 21% on

¹⁸³ CBRE (2023) UK Real Estate Market Outlook 2024

¹⁸⁴ Office for Life Sciences (2024) Life sciences competitiveness indicators 2024: summary. Available at: <https://www.gov.uk/government/publications/life-sciences-sector-data-2024/life-sciences-competitiveness-indicators-2024-summary>

¹⁸⁵ Savills (2024) Life Sciences: Trends and Outlook. Available at: https://www.savills.co.uk/research_articles/229130/359450-0

2023¹⁸⁶. The UK is now the third-largest EV market globally by volume of transactions. However, at present battery manufacturing is not domestic, with the exception of the AESC (Nissan) plant in Sunderland.

- 12.81 As highlighted above, the Faraday Institution projects a need for domestic production capacity of 200 GWh per annum by 2040, compared to the UK's current capacity of just 2 GWh per annum¹⁸⁷.

Figure 12.11 Existing and confirmed future gigafactories in England



Source: Faraday Institution/Lichfields research

- 12.82 As shown in Figure 12.11, confirmed capacity is to be located in Sunderland and Somerset, while battery manufacturer Volklec has recently announced plans to begin producing batteries at the UK Battery Industrialisation Centre [UKBIC] near Coventry¹⁸⁸. Together, these three facilities would have a production capacity of just under 66 GWh per annum, however, this falls far short of the Faraday Institution's estimated required UK capacity of 110 GWh by 2030.
- 12.83 Nevertheless, this does not preclude Westmorland & Furness, or Cumbria more generally, from participating in the gigafactory and EV ecosystem. The growth of the industry in the UK is not solely dependent on developing manufacturing plants but also on establishing the domestic supply chain, both upstream (e.g., raw materials and cell components) and downstream (e.g., recycling).

¹⁸⁶ AutoTrader (2025) Road to 2030. Available at: <https://autotraderroadto2030.co.uk/>

¹⁸⁷ The Faraday Institution (2024) UK electric vehicle and battery production potential to 2040

¹⁸⁸ BBC News (26 February 2025) Battery firm announces gigafactory plan. Available at: <https://www.bbc.co.uk/news/articles/c4gdx4dg41o>

- 12.84 To support the development of the gigafactory and electric vehicle industries at the national scale, Westmorland & Furness / Cumbria should focus on how it can provide suitable employment land sites across office and light industrial uses. In particular, given its specific strengths and presence locally, supporting its manufacturing and engineering business base to work more closely within the gigafactory and EV ecosystem.

Data Centres

- 12.85 Projections of data centre market growth to 2030 range between 19% and 27% at the international level, with strong growth prospects for 2025 of 22% year-on-year in Europe. AI places significant demand on data centre capacity – already taking up 25% of global data centre workloads – and is continuing to build momentum. It is estimated that approximately 70% of future demand is for data centres capable of hosting advanced AI, and by 2030 up to 65% of AI workloads will be hosted within ‘hyperscale’ data centres, primarily those belonging to Cloud Service Providers [CSPs]^{189,190}.
- 12.86 While there is no established definition of a ‘hyperscale’ data centre, floorspace is typically not the defining metric: instead, data centres are often measured by their power consumption or cooling loads¹⁹¹. Average data centre power consumption increases with demand, and as such, grid infrastructure has become a binding constraint on data centre development. According to RLB, the power density of data centres has doubled from 2kW per sqm to 4kW per sqm in recent years¹⁹². Rising energy demand, and hence heat generation, may also fundamentally alter the design of data centres in a shift to liquid cooling from conventional heating, ventilation and air conditioning [HVAC] systems.
- 12.87 The future of technology is fundamentally uncertain: there is extensive discourse surrounding whether the data centre as we know it today will soon become obsolete, or whether advances in technology will allow us to host the same workloads in significantly smaller spaces. The latter has already been reflected in the emergence of smaller ‘edge’ data centres, located close to end-users, designed to reduce latency and take the strain from hyperscalers¹⁹³. Common across the data centre sector is a need to plan against obsolescence, by ensuring facilities are built with a lifecycle approach and are suitable for retrofit¹⁹⁴.
- 12.88 London and its surroundings represent one of the largest clusters of data centres, both nationally and internationally. London’s existing profile as the primary data centre hub nationally (particularly within the Slough-Hayes corridor and across East London) makes it a prime location for future investment in data centre development, due to the geographical clustering effects associated with data centre activity and associated infrastructure.

¹⁸⁹ McKinsey (2024) AI power: Expanding data centre capacity to meet growing demand. Available at: <https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/ai-power-expanding-data-center-capacity-to-meet-growing-demand> [Accessed September 2025]

¹⁹⁰ CBRE (27 May 2025) *Data Centre Take-up in Europe to Reach New Peak in 2025*. Available at: <https://www.cbre.co.uk/press-releases/data-centre-take-up-in-europe-to-reach-new-peak-in-2025> [Accessed September 2025]

¹⁹¹ Nicholson, R. (10 July 2024) Data centre growth seen in scaled schemes and retrofits. RCIS Journal. Available at: <https://www3.rics.org/uk/en/journals/construction-journal/data-centre-demand-retrofit.html>

¹⁹² RLB (2024) Data Centre Trends Report 2024. Available at: <https://www.rlb.com/europe/insight/data-centre-trends-report-2024/>

¹⁹³ JLL (2023) Why smaller data centres are taking off. Available at: <https://www.jll.co.uk/en/trends-and-insights/cities/why-smaller-data-centers-are-taking-off>

¹⁹⁴ JLL (2024) Why data centres could hit obsolescence sooner than you think. Available at: <https://www.jll.co.uk/en/trends-and-insights/investor/why-data-centers-could-hit-obsolescence-sooner-than-you-think>

- 12.89 A review of local planning applications in Westmorland & Furness has identified no applications including the provision of a data centre or associated floorspace as of December 2025. In addition, analysis of data provided by CoStar indicates that there are no data centres which are under construction or proposed in Westmorland & Furness.

Freight and Logistics

- 12.90 The sector has a considerable footprint across the national economy, contributing £185 billion to UK GVA. Logistics UK cites that *“with appropriate investment, policy changes and the right partnerships with government”*, the sector could add £7.9 billion per year to GDP by 2030 from productivity gains¹⁹⁵.
- 12.91 BDO highlights the growing role of AI, digital and cybersecurity within the transport and logistics industry, which will optimise route planning, inventory management, and deliver cost savings, while also boosting the resilience of the industry¹⁹⁶. As a result, labour requirements within the sector are shifting, resulting in increased demand for higher-skilled, manager- and director-level roles. With regard to land use and development implications, e-commerce is set to continue to place emphasis on the speed of delivery, with ‘micro-fulfilment’ centres enabling same-day or faster deliveries.
- 12.92 Efficiency, reliability, resilience and environmental sustainability are key focuses of the ‘technology and data-enabled opportunities’ within the national *Future of Freight* long-term plan¹⁹⁷. Such an approach also aligns with paragraph 87b of the NPPF, which requires planning policies and decisions to make provision for *“storage and distribution operations at a variety of scales and in suitably accessible locations that allow for the efficient and reliable handling of goods, especially where this is needed to support the supply chain, transport innovation and decarbonisation”*.
- 12.93 Looking forward, Experian projects that the freight and logistics sector will grow by 100 jobs or 2.3% over the plan period. Given the location of Westmorland & Furness, with a relatively limited SRN compared to other locations in the country, it is likely to be on the periphery of strategic logistics provision going forward due primarily to its location and the rural nature which results in a large level of constrained land. That is not to say that it has no role whatsoever, with potential for growth in its Tier 2 or supply-chain related businesses posing an opportunity to grow the sector.

Conclusions

- 12.94 Following the new direction of national policy, the objective of this section of the SHENA has been to establish the current level of representation of the modern economy within Westmorland & Furness’ economy, where the greatest growth potential lies, and how local economic growth and development can be supported.

¹⁹⁵ Logistics UK (11 June 2024) Logistics sector primed for future growth says Logistics UK. Available at: <https://logistics.org.uk/media/press-releases/2024/june/logistics-sector-primed-for-future-growth-says-log>

¹⁹⁶ BDO (2024) 2025 Predictions for the Transport and Logistics Industry. Available at: <https://www.bdo.co.uk/en-gb/insights/advisory/risk-and-advisory-services/2025-predictions-for-the-transport-and-logistics-industry>

¹⁹⁷ Department for Transport (DfT) (2022) Future of Freight: A long-term plan

12.95 The Industry Outlook is as follows:

Laboratories

- There is strong industry and developer interest in the life sciences sector across the UK, driving demand for both wet and dry laboratory facilities, particularly within the ‘Golden Triangle’ between Cambridge, Oxford and London. The pharmaceuticals sector has a very limited presence in Westmorland & Furness. Westmorland & Furness also ranks poorly in terms of both demand and supply-related conditions for attracting future laboratory businesses.

Gigafactories

- New gigafactory developments have been confirmed in Sunderland and Somerset, as car manufacturers strike a balance between co-location with car manufacturing plants and the large space requirements for gigafactories. However, the capacity of these sites, in addition to the commencement of battery manufacturing at UKBIC in Coventry later in 2025, will fall well short of the projected national annual requirement for 2030⁷³¹⁹⁸.
- While development of a full-scale gigafactory is unlikely to be on the horizon for Westmorland & Furness owing to the constraints identified previously, it does contain high levels of expertise and established presence within advanced manufacturing and engineering, as well as the occupational skills profile, which could be harnessed to support the wider supply chain.

Data Centres

- There are a growing number of data centres across London and the South East and these are starting to move northward. However, there is a lack of data centre presence within Westmorland & Furness or the wider Cumbria region, with no data centres either currently in for planning or under construction.

Freight and Logistics

- The sector has a considerable footprint across the UK and is expected to continue its expansion due to the growing need for e-commerce. Data from CoStar and the VOA highlights the presence of some strategic warehouse units across Westmorland & Furness, with units existing in Barrow and Eden. The majority of these centre around road transportation given the lack of east to west rail connectivity and need for improved sea and airport-related freight interchanges. Nevertheless, there is still an opportunity for future growth given the proximity to the SRN and the presence of Tier 2 supply chain related firms and the specialisms in advanced manufacturing.

Policy Implications

12.96 In light of the December 2024 update to the NPPF, planning policy and decisions should consider Westmorland & Furness’ role in supporting the modern economy, and the national growth agenda more widely, through exploiting Westmorland & Furness’ comparative advantages and associated economic growth potential.

¹⁹⁸ DSIT (2024) The Innovation Clusters Map. Available at: <https://www.innovationclusters.dsit.gov.uk/>

- 12.97 As part of building a strong, competitive economy in Westmorland & Furness, planning policy could pay attention to the spatial and locational requirements of both established and emerging industries. It is already recognised that Westmorland & Furness has existing potential within manufacturing. Analysis of the modern economy has identified that Westmorland & Furness is reasonably well positioned to support further development of freight and, to a lesser extent, logistics, particularly as part of the wider supply chain.
- 12.98 While the focus of this report has been primarily placed upon paragraph 86c of the NPPF regarding considering the needs of the modern economy, it is pertinent to consider paragraph 86d, which states that planning policies should “*seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment*”. As such, reducing any potential barriers to private sector investment in the modern economy, including planning constraints, infrastructure connections, and providing incentives, may form a central priority of Westmorland & Furness’ emerging economic strategy and overarching policy landscape.
- 12.99 To meet the requirements of the 2024 NPPF, the plan-making process will need to consider how it can most effectively encourage these emerging sectors to grow further. A combination of evidence, including a detailed review of land suitable for development, in combination with relevant economic evidence, could release land for the modern economy, in turn supporting economic prosperity at the local level.

13.0 Conclusions and Recommendations

Introduction

- 13.1 This SHENA has been prepared by Lichfields on behalf of the Council to provide the housing and economic evidence base to support policy development as the Council prepares its new Local Plan (2025-2045) in light of the recent boundary change which replaced Barrow Borough, South Lakeland District and Eden District, and parts of Cumbria County Council with a Unitary Authority.
- 13.2 This SHENA will form a key part of the housing and employment land needs case underpinning the emerging Local Plan's strategic policies over the Plan period of 2025-2045.
- 13.3 The approach taken analyses the new SM3 housing need for the District and what this means for helping to ensure that each community in the District has access to the right type, size and tenure of housing. The report also identifies employment land requirements for the District, with a focus on office, industrial and warehousing needs over the next 20 years, with a comparison of the existing forward supply of employment land to understand whether there is presently a shortfall. The employment land need / supply analysis includes those parts of the LDNP and YDNP that overlap with Westmorland & Furness District's boundaries.
- 13.4 The study has also sought to understand other key economic matters such as the planned growth resulting from the AUKUS programme, as well as the energy investment potential in the Furness peninsula, and to provide growth options to consider with their workforce implications and associated impact on housing requirements.
- 13.5 A key element of the work has involved disaggregating needs across the former Authority areas and the sub-areas under the planning auspices of the Council, including those parts of the Authority area which is the planning responsibility of the LDNPA and YDNPA, which will only require a level of development to meet immediate indigenous needs.
- 13.6 The key conclusions of the analysis are summarised below.

Local Housing Need

- 13.7 The LHN for the District as generated by the standard method in the NPPF and PPG results in a figure of **1,330 dpa over the period 2025-2045**. This represents a very substantial uplift on the previous SM2 housing need figure of 210 dpa due to a move away from a demographic-led projection to a stock-based one. The PPG sets out that there is an expectation that the standard method will be used and that any other method will be accepted in exceptional circumstances only.
- 13.8 The analysis indicates that the SM3 figure of 1,330 dpa would exceed the level of growth under all of the demographic-led scenarios using the most recent 2022-based SNPP and its variants; it would also be able to sustain a level of job growth (over 30,000) that would be in excess of even the most optimistic job forecast of +13,300 over the next 20 years; and Council Officers reported that there is no unmet housing need from neighbouring areas that

should be met in Westmorland & Furness other than where the National Park boundaries overlap with the Council's.

13.9 It is concluded that the very challenging LHN generated by the Government's SM3 of 1,330 dpa would nevertheless be appropriate for Westmorland & Furness moving forward. It should be noted that the analysis relates to housing need; it does not set the housing requirement, which is a policy choice for the Council to make.

13.10 Given the size and complexity of the District, it may be appropriate to apply the outputs from either Scenarios A1 (SM3 with the Council AR) or A2 (SM3 with sub-area specific ARs) to the sub-areas. The outputs are summarised in Table 13.1:

Table 13.1 SM3 split by Sub-Area

	0.8% stock	A1: SM3, the Council AR		A2: SM3, Sub-Area ARs	
		AR	LHN	AR	LHN*
Inner Barrow	121	6.96	166	2.4	105
Outer Barrow	155	6.96	213	4.4	135
BARROW TOTAL	276	6.96	379		240
Penrith and Surrounds	127	6.96	175	7.9	172
Appleby and Kirkby Stephen	78	6.96	107	7.4	99
Alston	10	6.96	13	6.5	11
North Eastern Lakes	12	6.96	17	13.0	27
Westmorland Dales	11	6.96	15	11.0	20
EDEN TOTAL	238	6.96	326		328
Kendal and Surroundings	201	6.96	276	9.0	305
Cartmel Peninsula	37	6.96	51	9.2	58
Furness Peninsula	80	6.96	109	8.0	108
Central Lakes	118	6.96	161	12.9	256
Dales	20	6.96	27	10.3	35
STH LAKES TOTAL	455	6.96	625		762
Westmorland & Furness TOTAL	969	6.96	1,330		1,330

Source: Lichfields *Note: rebalanced on a proportionate basis to ensure the total comes to 1,330 dpa.

13.11 Our view is that Scenario A1 would be the most appropriate stance to take, with an indicative break down as follows:

- Westmorland & Furness: 110 dpa;
- LDNP: 178 dpa; and,
- YDNP: 42 dpa

13.12 The NPPF states that within the overall housing requirement for their whole area, strategic policy-making authorities should set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations.

13.13 How to distribute its housing requirement is of course a policy choice for the Council to make on the basis of planning considerations, although we note that consistent stakeholder

feedback during the course of this study has indicated that due to the sheer size of Westmorland & Furness, housing (and indeed employment land) provision should be located as close as possible to where the needs arise.

- 13.14 This latest evidence on the LHN forms the starting point for any requirement figure for neighbourhood areas. It is suggested that the Council should work on the basis of a straightforward and easy to understand approach that can be consistently replicated on the basis of each neighbourhood taking its 'fair share' of overall needs where these arise.
- 13.15 This could be on the basis of the total number of dwellings located in each Output Area within the defined Neighbourhood Plan area boundary (based on the 2021 Census), combined together and adjusted to 0.8% of the stock, with a straightforward 6.96 AR uplift (equal to +37%).
- 13.16 However, as recommended by the NPPF [paragraph 70], this starting point figure may also be influenced by the Council's most recently available planning strategy for the area. In addition, the PPG¹⁹⁹ brings into play other qualitative considerations such as the neighbourhood plan area's characteristics; relevant evidence on land supply such as the HELAA; and the area's role in providing services.
- 13.17 In certain circumstances therefore, the Council may advise the Neighbourhood Forum in question that their housing requirement should be slightly higher or lower than the LHN as derived by the SM3 approach defined above to meet certain defined policy objectives or to reflect that area's role in the overall settlement hierarchy. This would need to be considered on a case-by-case basis, with the approach set out above representing the default starting point.

Affordable Housing Needs

Net Annual Housing Need for Affordable/Social Rent

- 13.18 The net annual need based on current data over the period 2025 to 2045 for the whole of the District amounts to between 963 and 1,201 homes for affordable/social rent (depending on the income multiplier used). This reflects gross household formation and therefore does not account for household dissolutions, with the implication that needs are likely to be 'worst case' under this approach as it could include some double counting. It also assumes that the backlog need will be addressed in full in the first 5 years of the Plan. Strongest levels of affordable housing rental need are identified for South Lakeland and to a lesser extent, Barrow in Furness.
- 13.19 If the backlog were to be removed over the full 20-year plan period (rather than in the first 5 years of the Plan), then the net annual affordable housing need would reduce to between 640 and 877 dpa.
- 13.20 If the annual supply of social re-lets is increased to take into account the uncertainty regarding internal transfers, then the annual requirement could fall still further, to between 527 and 665 dpa; however, this sensitivity test is questionable as it is highly probable that a very significant proportion of the households in question will transfer to another social housing provider based in Westmorland & Furness, rather than moving further afield (as

¹⁹⁹ PPG 41-101-20190509

typically the distance moved is much lower for social housing tenants than in the private sector).

- 13.21 As a final sensitivity test, if the lower household growth associated with the 2022-based SNHP rather than the SM3 were applied, and reducing the backlog over 20 years with a higher 32% assumption applied to gross income, then the net annual need for Westmorland & Furness would fall to 525 dpa (split 159 dpa in Barrow, 115 dpa in Eden and 251 dpa in South Lakeland). This would represent the most optimistic scenario modelled.

Net Annual Affordable Housing Need for Purchase

- 13.22 The analysis assessed households who want to move towards ownership tenures, but may be unable to, even if their needs are currently being met in the private rented sector. The net annual requirement for intermediate housing is essentially zero in Barrow in Furness due to the comparatively low house prices relative to private renting. However, for Eden, the need for shared ownership properties ranges from 26 dpa to 41 dpa depending on the income ratio applied, whilst for South Lakeland the net unmet need is higher, at between 130 dpa and 146 dpa.
- 13.23 Table 13.2 brings this all together and sets out our suggested split of affordable housing to rent/buy. The Table reflects the fact that affordable and social rent are more affordable than intermediate homes in Barrow (although not in Eden and South Lakeland) and that due to low house prices, there is a significantly greater need for social/affordable rented properties than shared ownership in this part of Westmorland & Furness.

Table 13.2 Suggested Social/Affordable Rent and Intermediate Indicative Split

		Measure	Annual Housing Need (net)		Split of households in need (rounded)	Indicative Policy Split (%)
			25% / 4x income	32% / 4.5x income		
Barrow	Affordable Homes to Rent	Social Rent	434	355	96%	95%
		Affordable Rent	0	32	4%	5%
	Affordable Homes to Purchase	Discounted Housing	0	0	0%	0%
		Intermediate housing				
ALL			434	387	100%	100%
Eden	Affordable Homes to Rent	Social Rent	165	111	61%	60%
		Affordable Rent	59	48	24%	25%
	Affordable Homes to Purchase	Discounted Housing	26	41	15%	15%
		Intermediate housing				
ALL			250	200	100%	100%
South Lakeland	Affordable Homes to Rent	Social Rent	426	336	62%	60%
		Affordable Rent	117	80	16%	15%
	Affordable Homes to Purchase	Discounted Housing	130	146	23%	25%
		Intermediate housing				
ALL			673	563	100%	100%

Source: Lichfields' analysis

Housing Type, Tenure and Size of Housing Required

13.24

This SHENA has explored the different types of housing which are likely to be required in Westmorland & Furness to 2045. Our findings can be summarised as follows:

- All household types in all areas of Westmorland & Furness are projected to grow to 2045, with the exception of households with dependent children, the number of which is expected to fall in all three of the constituent former authorities.
- Barrow differs from Eden and South Lakeland (and wider regional/national trends) in that younger households under 65 are where projected growth is particularly focussed. Most of Eden's growth is expected to be in households aged 65+, whilst growth is set to be more evenly balanced in South Lakeland.
- Overall, Barrow is expected to grow by 7,159 households to 2045 (+22.7%), with 6,178 new households aged under 65. However, the number of households with dependent children is projected to decline by 939 or 12.6% over this period.
- Eden is projected to grow by 6,011 households or 23.3% to 2045, with 4,069 new households aged 65+ and 2,791 households under 65. Households with dependent children are expected to fall by 849 or 16.1%.
- South Lakeland is projected to grow by 11,234 or 23.0%, with 6,379 new households aged 65+ and 6,221 new households aged under 65. Households with dependent children are expected to fall by 1,365 or 14.3%.
- Based on overall household growth and existing occupancy patterns, the evidence maintains the clear orientation in the private market towards larger households requiring at least 3-bedroom properties, with a greater need for smaller 1- and 2-bedroom homes in the social sector.
- In general, the markets in Eden and South Lakeland are likely to be geared more towards 3 and 4+ bed properties, with a need for smaller properties in Barrow.
- Housing waiting list information shows that most households in need of affordable housing required 1-bedroom dwellings, with most of the remainder requesting 2-bed properties. The need for 1-bedroom social properties is particularly high in Barrow.

13.25

The suggested household mix ranges in Eden and South Lakeland are relatively consistent. This takes into account the fact that although older households are likely to make up the majority of future household growth, these often remain in their large family home, are the least active in the housing market and tend to occupy housing larger than they 'need'.

Table 13.3 Estimated overall need/demand by size and suggested housing mix for Westmorland & Furness

		1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Barrow	Market Housing	35-45%		40-45%	15-25%
	Social Housing	75-85%		15-20%	5-10%
Eden	Market Housing	20-30%		35-40%	30-40%
	Social Housing	55-75%		25-30%	5-10%
South Lakeland	Market Housing	30-40%		35-40%	25-35%
	Social Housing	55-75%		25-30%	5-10%

Source: Lichfields based on MHCLG/ONS

Housing Needs of Specific Groups

The Private Rented Sector

- 13.26 PRS in Westmorland & Furness has increased in size significantly in recent years and it is therefore necessary to review its future role. Whilst it is not appropriate to simply ‘net off’ households in need living in private rented housing from the overall affordable housing requirement figure (due to a variety of reasons including the associated greater insecurity of tenure), in practice it makes an important contribution to filling the often sizeable gap between affordable housing supply and demand. Data from the DWP in respect of the number of households eligible for Housing Entitlement under the new Universal Credit indicates that as of August 2025, there were 3,962 housing benefits claimants in Westmorland & Furness, of whom 1,346 are currently meeting their needs in the private rental market in the District. This equates to 34.0% of all claimants and indicates that there are a significant number of households living in private rented accommodation who are reliant to a greater or lesser extent on housing benefit. PRS therefore plays a significant role in helping households in constrained circumstances to meet their housing needs independently, and for addressing the slack between affordable housing need and provision
- 13.27 **Build to Rent [BtR] schemes** in Westmorland & Furness could cater for needs in the private rented sector, particularly for those on low to middle incomes who may desire an alternative to traditional rental options (i.e. buy-to-let landlords). There is likely to be strong growth in households ages under 65 in Barrow, with more mixed growth between younger and older households in Eden and a focus on older household growth in South Lakeland. This suggests that Barrow may be a good location for BtR development and should contribute towards meeting the needs of smaller households, potentially linked to the needs of BAE at its Barrow shipyards with a number of younger skilled workers moving into the area. In contrast, it is likely that any BtR schemes in the in Eden and particularly South Lakeland would be much more modest in scale and scope. 20% is generally a suitable benchmark for the level of affordable private rent homes to be provided (and maintained in perpetuity) in any build to rent scheme. If the Council wishes to take a different proportion in certain areas - such as Barrow - given the challenges facing viability in that area in particular, it should justify this using the evidence emerging from this local housing need assessment and set the policy out in its emerging Local Plan. Similarly, the guidance on viability permits developers, in exception, the opportunity to make a case seeking to differ from this benchmark.

Student and Purpose-Built Student Accommodation

- 13.28 The two main sources of future student accommodation needs are The University of Cumbria [UoC], which has a growing presence in Barrow, and Lancaster University [LU], who are investing in Furness College.
- 13.29 UoC operates Pears Cumbria School of Medicine in Carlisle, which currently recruits 58 students a year, with an aim to recruit 90 students a year from 2027/2028. The University of Cumbria has provided a briefing on future accommodation needs based on target recruitment numbers for students recruited at the Barrow Campus and those required to be on placement in Barrow for extended periods of time (primarily medical students). The

projection indicates a need for **62 student bedspaces in 2025/26, rising to 390 bedspaces by 2035/36.**

Families and Other Households with Children

- 13.30 The number of **families and other households with children** is expected to decline across all areas of Westmorland & Furness over the plan period 2025-2045. The pattern of decline is similar across the three former authorities, with households with one dependent child expected to decline the most, and slightly smaller declines for larger families. Overall, households with dependent children are projected to decline by -12.6% in Barrow in Furness; by -16.1% in Eden; and by -14.3% in South Lakeland.

The Needs of Older People

- 13.31 In line with these national trends, the number of older people living in Westmorland & Furness is projected to increase by 19.0% by 2045. In the context of ageing both more widely and in the District specifically, meeting needs of older people will be a key element of meeting overall needs over the period to 2045 (and beyond). Lichfields' analysis suggests that between 2025 and 2045, the estimated need for elderly C3 housing units could range from **between 2,631 and 4,091** across the whole of Westmorland & Furness. The level of undersupply by former authority is split as follows:
- **867** and **1,176** units in Barrow;
 - **943** and **1,341** units in Eden; and,
 - **821** and **1,574** units in South Lakeland.
- 13.32 In addition, Lichfields projects that a further **439** elderly residents in Westmorland & Furness will reside in communal establishments (predominantly in care homes without nursing).
- 13.33 In addition to the needs of residents living in communal establishment accommodation (C2), there is a need to ensure that suitable provision is made for those living in private housing who do not require care home facilities but may have specific needs, for example for adaptable and accessible homes. **It is recommended that c.40% of new general housing is provided to Part M4(2) standards.** It is important to note that there will be overlap between the need for adaptable and accessible homes and the identified need for elderly housing (i.e., Extra Care and Sheltered Housing).
- 13.34 Policy HS5 of the Eden Local Plan 2014-2032 requires 20% of new housing on sites of 10 or more new homes to meet M4(2) standards. In South Lakeland however, Policy DM11 of the South Lakeland Development Management Policies Development Plan Document (2019) requires **all** new homes to meet M4(2) standards. South Lakeland Council made a strong case for this policy²⁰⁰, and objected to the Government's backtracking on its previous intention to make M4(2) standards mandatory for all new homes through new Building Regulations²⁰¹ on the basis that M4(2) homes are suitable for everyone, not just those with mobility issues.

²⁰⁰ <https://www.southlakeland.gov.uk/media/4174/updated-optional-housing-standards-evidence-paper-aug-2017.pdf>

²⁰¹ <https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes>

13.35 **It is therefore a matter for the Council to consider going above the 40% minimum recommendation and taking the 100% M4(2) requirement forward as per the South Lakeland approach which has received backing from the Local Plan Inspector.**

13.36 Given the ageing population over the Plan period, on this basis we recommend that **between 5% and 10%** of new affordable homes should meet the M4(3) requirement for wheelchair users, albeit this is likely to overlap with some of the need for adaptable and accessible homes for older people. The Council should keep the housing waiting list under review, and if possible, collect information on whether a household specifically needs a wheelchair accessible dwelling.

Self / custom build

13.37 Regarding self/custom build, **in the context of Westmorland & Furness, as of the end of December 2025, the Council had 62 individuals on the self-build register. Of these, 13 individual applications on the register were made in the 2025 monitoring period.**

Service Families

13.38 **At the current time, there is no need to identify any specific additional requirements for Service Families in the District.**

Children Looked After and Care Leavers

13.39 There were **261 children being looked after in Westmorland & Furness as of the 31st March 2025** at a rate of 11.4 per 10,000, with 184, or 70.5%, of these being under the age of 16²⁰². This is lower than the regional and national comparators with 18.9 CLA per 10,000 regionally and 13.9 per 10,000 nationally. 164 CLA in Westmorland & Furness were in foster placements, 44 in secure homes and children's homes, and 14 CLA in the District were UASC as of March 2024.

13.40 The Council's *Westmorland & Furness Cared for Children and Care Experienced Young People's Sufficiency Strategy 2025-2028* notes that **the number of external homes and places registered in Westmorland & Furness exceeds local demand.** However, while there are many private residential homes within our area, not all of these offer the models of care that the Council needs for its children and therefore do not meet the sufficiency needs for the Council's cohort, and often care for children from across the country. In 2026 a private children's home with school on site is closing their residential provision leaving a potential gap for children with complex SEND needs.

Future Employment Land Needs

13.41 Lichfields undertook an updated analysis of employment land needs in the District, beginning with an overview of the current economic context, supported by discussions with key stakeholders and local commercial agents, including a 2025 Business Survey undertaken by the Council.

²⁰² DfE (2025): Statistics: looked-after children <https://www.gov.uk/government/collections/statistics-looked-after-children>

- 13.42 Stakeholders considered that many local and small businesses struggle to find units to occupy, with many sites taken up quickly by larger firms. Whilst locations such as Barrow may have high availability and vacancy rates within their office stock, this is often driven by availability and vacancies within larger units rather than smaller units, which agents felt were in short supply, dated and/or were of poor quality. Furthermore, stakeholders commented on the lack of space available for businesses wanting to grow and expand without relocating outside of the local area. However, the importance of remaining local was a point emphasised by commercial agents who advised that, whilst a firm may be willing to relocate within a small radius (i.e. from Barrow to Millom), they are unlikely to relocate further (i.e. from Barrow to Penrith or Kendal).
- 13.43 The factors underpinning this analysis included a reliance on the local workforce, with many unwilling or unable to travel further afield; the distance between sub-areas with one commercial agent commenting that many sub-areas are distinct locations for businesses; the importance of meeting the need of businesses within their existing locations or sub-areas; and the quality of transport and road infrastructure with some of the key road networks (i.e. A590) regarded as in poor condition or already congested, and public transport not necessarily able to connect sub-areas within a reasonable commute-time.
- 13.44 This qualitative analysis was supplemented by a quantitative Economic Development Needs Assessment Exercise. In line with the requirements of the PPG, Lichfields modelled a range of scenarios including:
- **Employment forecasts (Labour Demand)**, using Experian's Local Market Quarterly Forecast for 2025, as adjusted following discussions on the key growth sectors identified by BAE and Council Officers relating to the Barrow shipyard. This generates a net additional job growth target of +13,300 over the 20-year plan period to 2045 over the whole of the Westmorland & Furness administrative area, including those parts of the LDNP and YDNP that extend into the District. Paradoxically perhaps, the net job growth is higher once the National Park areas are excluded, growing by 14,500 workforce jobs 2025-2045. This emphasises the challenges that both National Parks face in terms of a declining labour force and the knock-on effects this has for economic growth.
 - **Demographically derived assessments of growth in the Labour Supply.** This stage involves translating forecasts of population growth or planned housing levels into numbers of working-age and economically active residents requiring jobs, splitting these into E(g)(i) B Class jobs and then applying job/floorspace ratios as for the job-based estimate.
 - **Past Take-Up of employment land.** The final scenario projects forward past annual take-up rates of employment land by type using the Council's monitoring data and net absorption rates from CoStar.
- 13.45 Making an allowance for losses to translate net projections to gross requirements, as well as making a suitable adjustment for a margin of choice equal to five-years' worth of take up (given the size of the District and the discrete markets within), the demand-led range of total gross land requirements to 2045 results in the following demand projections for the District:
- **Econometric demand-led projections: 114.1 ha – 116.6 ha;**

- **Labour Supply projections: 92.3 ha – 165.1 ha;**
- **Past Take Up: 77.6 ha; and**
- **Net Absorption Trend: 130.5 ha**

Table 13.4 Westmorland & Furness Gross Employment Land Requirements 2025-2045

		Offices / R&D (ha)	Light Industrial (ha)	General Industrial (ha)	Warehousing (ha)	Total (ha)
1a) Experian Oct 2025 incl. NPs	Net	3.25	14.99	52.88	3.63	74.75
	+ Flexibility Factor	5.14	15.96	55.39	8.82	85.31
	+ Loss Replacement	10.71	20.08	66.94	16.41	114.14
1b) Experian Oct 2025 excl. NPs	Net	3.65	14.56	53.59	5.40	77.19
	+ Flexibility Factor	5.54	15.52	56.10	10.59	87.75
	+ Loss Replacement	11.10	19.65	67.65	18.18	116.58
2a) SM3 1,330 dpa	Net	8.92	28.85	68.93	19.01	125.70
	+ Flexibility Factor	10.81	29.82	71.43	24.20	136.26
	+ Loss Replacement	16.38	33.94	82.98	31.79	165.09
2b) SM3 Aff Sens	Net	9.16	30.74	58.12	20.30	118.32
	+ Flexibility Factor	11.05	31.71	60.63	25.49	128.88
	+ Loss Replacement	16.62	35.83	72.18	33.08	157.71
2c) High Mig	Net	4.40	20.23	33.78	9.94	68.36
	+ Flexibility Factor	6.30	21.20	36.29	15.13	78.92
	+ Loss Replacement	11.86	25.33	47.84	22.72	107.75
2d) Past Housing Delivery 654 dpa	Net	2.57	15.28	29.94	5.15	52.93
	+ Flexibility Factor	4.46	16.25	32.45	10.34	63.49
	+ Loss Replacement	10.02	20.37	44.00	17.92	92.32
3) Past Take Up	Net	7.56	3.42	10.03	17.18	38.19
	+ Flexibility Factor	9.45	4.39	12.53	22.37	48.75
	+ Loss Replacement	15.02	8.52	24.08	29.96	77.58
4) Net Absorption Trends	Net	1.30		54.55	35.27	91.12
	+ Flexibility Factor	3.19		58.03	40.46	101.67
	+ Loss Replacement	8.76		73.70	48.05	130.50

Source: Lichfields' analysis

13.46

The analysis went on to analyse the current forward supply of employment land, in the form of development allocations and sites with extant planning permissions, from a base date of 31st March 2025. There is currently a maximum forward supply of around 171 ha of employment land across Westmorland & Furness (including in the National Park areas), of which around 66 ha is located in Barrow; 43 ha in Eden and the remaining 62 ha in South Lakeland.

Figure 13.1 Demand / Supply balance in Westmorland & Furness, 2025-2045 (ha)



Source: Lichfields / the Council 2025

13.47 **Overall, the 162 ha of forward supply across the whole of Westmorland & Furness compares to a range of 78-165 ha of need (which also includes the relevant parts of the two National Parks). Whilst the level of need that the Council seeks to address would be a policy choice for the Council to take, we would recommend that strong consideration should be given to ensuring full alignment between the Council’s housing and employment land aspirations. In this regard, and based on the SM3 labour supply need figure of 165 ha (at the upper end of the scale) there would be a small quantitative over supply of around 6 ha of employment land.**

13.48 However, whilst there is a reasonable alignment with the forward supply, there is still likely to be a qualitative shortfall and a need for new sites across the District, even assuming that all of the sites come forward as planned which is unlikely to happen in practice (particularly given that Barrow’s forward supply includes four Opportunity Areas, totalling 16.3 ha, that may not come forward for office, industrial or warehousing floorspace in their entirety).

13.49 There are also a range of qualitative indicators that also suggest that much of the existing stock is of a relatively poor quality and likely to be in need of replacing within the next few years.

13.50 As to the appropriate split of office, industrial and warehousing land within the overall 80-164 ha range, further detail is provided in Table 13.4, with a clear need for additional light and general industrial land in particular. However, Lichfields would caution against the Council restricting the type of employment use that might be acceptable on particular employment land sites unless there are very specific circumstances suggesting such an approach is necessary.

13.51 As noted in the draft NPPF (2025):

“Given changing commercial property requirements, development plans should not be overly prescriptive about the types of uses that would be acceptable on particular sites (other than where there is a clear and justified rationale for being specific about acceptable uses at the plan-making stage).” [page 40]

13.52 It should also be noted that the forecasting approach in this SHENA focusses on indigenous employment land needs. **Any need for strategic B8 logistics addressing a ‘bigger than local’ need would likely be in addition to these requirements.**

The Needs of the Modern Economy

13.53 The final section of the SHENA reviewed the development potential for the ‘modern economy’ uses identified within the NPPF. It considered the existing representation of these modern economy sectors in Westmorland & Furness before subsequently reviewing their growth potential within the area and the extent to which their particular location drivers indicate potential for future growth and the associated planning policy implications. It established the current level of representation of the modern economy within Westmorland & Furness’s economy, where the greatest growth potential lies, and how local economic growth and development can be supported.

13.54 The industry outlook was as follows:

Laboratories

13.55 There is strong industry and developer interest in the life sciences sector across the UK, driving demand for both wet and dry laboratory facilities, particularly within the ‘Golden Triangle’ between Cambridge, Oxford and London. The pharmaceuticals sector has a very limited presence in Westmorland & Furness. Westmorland & Furness also ranks poorly in terms of both demand and supply-related conditions for attracting future laboratory businesses.

Gigafactories

13.56 New gigafactory development have been confirmed in Sunderland and Somerset, as car manufacturers strike a balance between co-location with car manufacturing plants and the large space requirements for gigafactories. However, the capacity of these sites, in addition to the commencement of battery manufacturing at UKBIC in Coventry later in 2025, will fall well short of the projected national annual requirement for 2030.

13.57 While development of a full-scale gigafactory is unlikely to be on the horizon for Westmorland & Furness owing to the constraints identified previously, it does contain high levels of expertise and established presence within advanced manufacturing and engineering, as well as the occupational skills profile, which could be harnessed to support the wider supply chain.

Data Centres

13.58 There are a growing number of data centres across London and the South East and these are starting to move northward. However, there is a lack of data centre presence within

Westmorland & Furness or the wider Cumbria region, with no data centres either currently in for planning or under construction.

Freight and Logistics

- 13.59 The sector has a considerable footprint across the UK and is expected to continue its expansion due to the growing need for e-commerce. Data from CoStar and the VOA highlights the presence of some strategic warehouse units across Westmorland & Furness, with units existing in Barrow and Eden. The majority of these centre around road transportation given the lack of east to west rail connectivity and need for improved sea and airport-related freight interchanges. Nevertheless, there is still an opportunity for future growth given the proximity to the SRN and the presence of Tier 2 supply chain related firms and the specialisms in advanced manufacturing.

Policy Implications

- 13.60 In light of the December 2024 update to the NPPF, planning policy and decisions should consider Westmorland & Furness' role in supporting the modern economy, and the national growth agenda more widely, through exploiting Westmorland & Furness' comparative advantages and associated economic growth potential.
- 13.61 As part of building a strong, competitive economy in Westmorland & Furness, planning policy could pay attention to the spatial and locational requirements of both established and emerging industries. It is already recognised that Westmorland & Furness has existing potential within manufacturing. Analysis of the modern economy has identified that Westmorland & Furness is reasonably well positioned to support further development of freight and, to a lesser extent, logistics, particularly as part of the wider supply chain.
- 13.62 While the focus of this report has been primarily placed upon paragraph 86c of the NPPF regarding considering the needs of the modern economy, it is pertinent to consider paragraph 86d, which states that planning policies should "*seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment*". As such, reducing any potential barriers to private sector investment in the modern economy, including planning constraints, infrastructure connections, and providing incentives, may form a central priority of Westmorland & Furness' emerging economic strategy and overarching policy landscape.

Appendix 1 Lichfields' PopGroup modelling Assumptions

	Standard Method (1,330 dpa)	2022-based SNPP	2022-based SNPP + Variants	2022-based SNPP 2024 MYPE adjust	Experian BAE Jobs Growth	Past Housing Delivery
Model period	2025-2045, in line with the emerging plan period.					
Base population	2025 population by gender and single year of age projected forward from 2024 MYPE.	2025 population by gender and single year of age projected forward from 2022-based SNPP.	2025 population by gender and single year of age as set out in 2022-based SNPP variants.	2025 population by gender and single year of age projected forward from 2024 MYPE.	2025 population by gender and single year of age projected forward from 2024 MYPE.	
Births	Calculated by PopGroup using Total Fertility Rate [TFR] taken from 2022-based SNPP.	Number of births (by gender) inputted from 2022-based SNPP.	Number of births (by gender) inputted from 2022-based SNPP variants.	Calculated by PopGroup using TFR taken from 2022-based SNPP.	Calculated by PopGroup using TFR taken from 2022-based SNPP.	
Deaths	Calculated by PopGroup using Standard Mortality Rate [SMR] taken from 2022-based SNPP.	Number of deaths (by age and gender) inputted from 2022-based SNPP.	Number of deaths (by age and gender) inputted from 2022-based SNPP variants.	Calculated by PopGroup using SMR taken from 2022-based SNPP.	Calculated by PopGroup using SMR taken from 2022-based SNPP.	
Domestic Migration	Calculated by PopGroup to achieve population growth required to reflect the stated housing constraints.	Number of in and out internal and cross border migrants (by age and gender) inputted from 2022-based SNPP.	Number of in and out internal and cross border migrants (by age and gender) inputted from 2022-based SNPP variants.	Number of in and out internal and cross border migrants (by age and gender) inputted from 2022-based SNPP.	Calculated by PopGroup to achieve population growth required to reflect the stated economic/housing constraints.	
International Migration	Calculated by PopGroup to achieve population growth required to reflect the stated housing constraints.	Based on number of in and out international migrants (by age and gender) inputted from 2022-based SNPP; PopGroup applied adjustment to reflect population constraint.	Based on number of in and out international migrants (by age and gender) inputted from 2022-based SNPP variants; PopGroup applied adjustment to reflect population constraint.	Based on number of in and out international migrants (by age and gender) inputted from 2022-based SNPP; PopGroup applied adjustment to reflect population constraint.	Calculated by PopGroup to achieve population growth required to reflect the stated economic/housing constraints.	
Household formation rates	2022-based Household formation rates.					
Population not in households	Institutional population taken from 2022-based SNHP. Figures provided as absolute numbers for those up to and including the age of 74 and percentages for people over that age. This allows for changes in the elderly population in institutional care where there is a change in the population over the age of 75.					
Second home / vacancy rate	Adjustment for second and vacant homes based on an assessment of Council Tax Base data for 2024. The figure for this period has been held constant throughout the modelling period.					
Economic activity rate	Age and gender specific economic activity rates based on projections that were published by the Office for Budget Responsibility in July 2018 and adjusted to reflect the local baseline rates of economic activity.					
Labour Force (LF) ratio	<p>The labour force ratio is worked out using the formula: (A) Number of employed workers living in area less unemployed ÷ (B) Number of workers who work in the area (number of jobs). It therefore implicitly captures both commuting patterns and 'double-jobbing' (where one person may occupy more than one job).</p> <p>Applying the economic activity rates to the base population in 2025 gives an estimate of the total labour force as at 2025, less unemployed workers. This is then compared with the total number of jobs (as given by Experian in its BAE Job growth projection) to create the labour force ratio which is held constant across the remainder of the period.</p>					

	Model-based estimates for unemployment for Barrow, Eden and South Lakeland have been obtained from ONS, and held constant over the remainder of the plan period.					
Unemployment	Model-based estimates for unemployment for Barrow, Eden and South Lakeland have been obtained from ONS, and held constant over the remainder of the plan period.					
Constraints	Dwellings constrained to reflect SM3 requirement for the three former districts (adding up to 1,330 dpa).	Population constrained to reflect 2022-based SNPP.	Population constrained to reflect 2022-based SNPP and variants.	No constraints applied after 2024 MYPE.	Jobs constrained to reflect the level of growth identified by each of the forecast models.	Dwellings constrained to reflect Past delivery in the Council (715 dpa).

