GREATER CAMBRIDGE
SHARED PLANNING

North East Cambridge Area Action Plan

Proposed Submission

Topic Paper: Employment

DRAFT

Greater Cambridge Planning Service

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Contents

Introduction

This topic paper supports and complements the following employment policies included in the North East Cambridge Area Action Plan (AAP):

- Policy 12a: Business
- Policy 12b: Industry, storage and distribution

It sets out the national and local context for each of the policies, the evidence and data available on employment land supply and demand and the reasons for the preferred approach as set out in the policies in the AAP.

One of the five strategic objectives for the North East Cambridge AAP is for a "characterful, lively, mixed-use new district where all can live and work."

A key element of this will be the provision of mixed use, flexible and adaptable space for office, research and development and industrial businesses which will create a wide range of job opportunities for people living across North East Cambridge and the surrounding areas.

Background

North East Cambridge is a strategically important driver for economic growth in Greater Cambridge and nationally. Existing employment parks within the area form an important part of the Cambridge Cluster, the largest technology cluster in Europe, but the area also contains light and heavy industrial uses which are an important part of Cambridge's local economy.

NEC currently includes several employment areas, each with their own distinctive identity. The key larger sites include:

- Cambridge Science Park: A key office and R&D employment site for Greater Cambridge with a significant reputation internationally.
- St Johns Innovation Park: Provides a mix of high-quality research and development and office floorspace including St John's Innovation Centre, a prominent business incubator space for early stage knowledge-based companies.

- Cambridge Business Park: A successful and economically thriving business location primarily occupied by professional, technology, innovation and research and development companies in premium business floorspace.
- Nuffield Road Industrial Estate: An active employment site containing a mix of trade counter and local and strategic industrial uses of varying floorspace sizes.
- Cowley Road Industrial Estate: A traditional industrial estate containing a range structures and a mix of uses from heavy industrial uses to general office space.

There are also a number of smaller employment areas such as Trinity Hall Farm Industrial Estate, Orwell House, Merlin Place and car showroom units on Milton Road. Planning permission has also been granted for a new business development adjacent to Cambridge North Station and construction of the One Cambridge Square office development is underway.

Engagement

The AAP process has recognised that development at North East Cambridge will have an impact beyond the site boundary and is engaging stakeholders, including businesses and workers, constructively, actively and on an ongoing basis.

Landowners within the AAP area are also being regularly engaged through a monthly ‘Landowners Forum’, and key developers and members of the local community formed part of a series of design workshops to co-design the spatial framework.

The development process for the NEC Commercial Audit and Relocation Strategy, referenced later in this document, has included direct engagement with freeholders, leaseholders and businesses within the industrial and smaller office areas of the NEC site.

National Context

Paragraph 81 of the National Planning Policy Framework (2021) states that "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. The approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future."

Amendments to the Use Class Order were published on 20th July 2020 and came into force on 1st September 2020. The regulations create, amongst other things, a new use class: E – commercial and business services - which incorporates a number of previously separate use classes including A1 (shops), A2 (financial and professional), A3 (restaurants and cafes), B1(a) (offices), B1(b) (research and development), B1(c) (light industrial) as well as parts of D1 (non-residential institutions) and D2 (assembly and leisure). Transferring between uses within Use Class E does not require planning permission.

Sub regional Context

In the Cambridgeshire and Peterborough Devolution Deal with Government, a commitment was made by the Cambridgeshire and Peterborough local authorities and the then Greater Cambridgeshire and Greater Peterborough Local Enterprise Partnership (GCGP) to increase economic output by nearly 100% over 25 years (from March 2017) from £22bn to over £40bn.

Within the foreword to the Cambridgeshire and Peterborough Local Industrial Strategy (July 2019), Cambridge is described as "…the UK's driving force for human discovery". The document itself describes the city as "…a global leader in innovation and the commercialisation of new ideas" with Greater Cambridge "…characterised by high levels of output and skills, a rich mix of biomedical, pharmaceutical, artificial intelligence and other technology companies underpinned by two leading universities, one of which is amongst the greatest in the world."

One of the three priorities for the Cambridgeshire and Peterborough economy is to "Improve the long-term capacity for growth in Greater Cambridge by supporting the foundations of productivity" to "support the expansion of region's innovation powerhouse".

The sectoral strengths and specialisms which the LIS will seek to make the most of include Life Sciences and Digital and information technologies alongside AgriTech and Advanced Manufacturing.

The Oxford-Cambridge Arc Economic Prospectus (October 2020) outlines the Arc's vision:

"By 2050, the Arc will be the world leading place for high-value growth, innovation and productivity. A global hub where ideas and companies are generated and thrive, home to exemplary models of 21st century development, with a high quality environment and outstanding quality of life, and with a strong economic focus that drives inclusive clean growth."

Two of the commitments made in the prospectus are to:

- Drive economic growth: To secure positive environmental, health and social change which improves the life-work opportunities of local people.
- Promote our world-class research, innovation and technology assets: To strengthen the UK's global profile.

It also states that "Inclusivity is central to the Arc and our ambition and values. We will reduce health and social inequality by creating opportunities, raising productivity through skills, infrastructure and placeshaping investments."

Corporate Strategies and Plans

An objective in the Cambridge City Council Corporate Plan 2019-2022 is "To plan for the sustainable growth of Cambridge, support the development of new communities and deliver services to our growing population."

One of the four priorities in the South Cambridgeshire District Council Business Plan is to support businesses of all sizes, including rural enterprise and farming, to help

create new jobs and opportunities near to where people live and support the local economy to recover post-pandemic.

Cambridge Anti-Poverty Strategy 2020-2023 Action Plan includes the action to "Explore opportunities to spread the benefits of economic growth through the development of the new Greater Cambridge Local Plan" and the performance measure "Local Plan evidence base considers the needs of deprived communities and opportunities to promote a range of different employment types as part of the evidence base".

Cambridge and South Cambridgeshire Local Plans and other related planning documents

- Cambridge Local Plan 2018
- South Cambridgeshire Local Plan 2018

North East Cambridge policies

Policy 15 (Cambridge Northern Fringe East and new railway station Area of Major Change) in the Cambridge Local Plan and Policy SS/4 (Cambridge Northern Fringe East and Cambridge North railway station) seek to enable the creation of a revitalised, employment focussed area centred on Cambridge North Station. The area is allocated for high quality mixed-use development, primarily for employment uses such as B1, B2 and B8, as well as a range of supporting commercial, retail, leisure and residential uses (subject to acceptable environmental conditions).

The policies states that the amount of development, site capacity, viability, timescales and phasing of development will be established through the preparation of an Area Action Plan (AAP) for the site.

Policy E/1 (New Employment Provision near Cambridge – Cambridge Science Park) in the South Cambridgeshire Local Plan states that appropriate proposals for employment development and redevelopment on Cambridge Science Park will be supported, where they enable the continued development of the Cambridge Cluster of high technology research and development companies.

Cluster development

Policy E/9 (Promotion of Clusters) in the South Cambridgeshire Local Plan states that development proposals in suitable locations will be permitted which support the development of employment clusters, drawing on the specialisms of the Cambridge area in the following sectors:

- Biotechnology and biomedical;
- Computer services;
- Electronic engineering;
- High-technology manufacturing;
- Information technology / telecommunications;
- Healthcare, teaching and research;
- Research and development;
- Clean Technology;
- Other locally driven clusters as they emerge.

New employment provision on the edge of Cambridge is highlighted as one of the areas particularly suited to cluster development. It is expected that this will include provision of a range of suitable units, including for start-ups, SMEs, and incubator units.

Protection of Business Space

Policy 41 (Protection of business space) in the Cambridge Local Plan states that there will be a presumption against the loss of any employment uses outside protected industrial sites. Development (including change of use) resulting in the loss of employment uses will not be permitted unless the loss is small and the redevelopment would facilitate the continuation of employment uses and modernise the buildings on the site. The site must also be vacant with no interest from future occupiers.

Policy E/14 (Loss of Employment Land to Non Employment Uses) in the South Cambridgeshire Local Plan seeks to protect existing employment sites. It states that the conversion, change of use or redevelopment of existing employment sites to

non-employment uses within or on the edge of development frameworks will be resisted unless one of a number of criteria listed in the policy is met. These criteria relate to the sites' continued appropriateness for employment use, the balance between benefits to the community and the impacts on jobs and employment land availability, and environmental problems generated by the existing employment use and the proposed alternative use.

The policy also states that redevelopment proposals which propose the loss of all employment uses will need to be accompanied by clear viability or other evidence as to why it is not possible to deliver an element of employment development as part of the scheme.

Digital Infrastructure

Policy 42 (Connecting new developments to digital infrastructure) of the Cambridge Local Plan states that provision for high capacity broadband (such as ducting for cables) should be designed and installed as an integral part of development. It also requires telecommunications infrastructure to be capable of responding to changes in technological requirements over the period of the development.

Policy TI/10 (Broadband) in the South Cambridgeshire Local Plan states that new development (residential, employment and commercial) will be expected to contribute towards the provision of infrastructure suitable to enable the delivery of high speed broadband services across the district.

As a minimum, suitable ducting to industry standards should be provided to the public highway that can accept fibre optic cabling or other emerging technology. Other forms of infrastructure, such as facilities supporting mobile broadband and Wi-Fi, should be included where possible and viable.

Shared spaces

Policy E/10 (Social Spaces in Employment Areas) in the South Cambridgeshire Local Plan permits appropriately scaled leisure, eating and social hub facilities in business parks and employment areas where:

- The use is ancillary or complementary to existing or proposed B-Use Classes, and supports the functionality of the employment area;
- The use will not have unacceptably adverse effects on existing businesses or future business use of the site;
- The facility is intended primarily to meet the needs of workers in the business park, and does not attract significant levels of visitor traffic into the area.

Evidence: Greater Cambridge Employment Land and Economic Development Evidence Study

The evidence section of this topic paper takes the Greater Cambridge Employment Land and Economic Development Evidence Study (November 2020) prepared by GL Hearn with Cambridge Econometrics, SQW and Iceni Projects and:

1. Draws out salient North East Cambridge (NEC) information from the consultant's analysis of the Greater Cambridge Property Market.

2. Lists the individual NEC employment sites reviewed by the consultants and provides details of their assessment.

3. Briefly summarises conclusions of the Greater Cambridge Employment Land and Economic Development Evidence Study in relation to forecasting, supply and demand.

4. Draws out the consultant's conclusions regarding the role of North East Cambridge in providing space for future employment development and sectoral opportunities.

5. Reproduces the Densification of existing urban areas option from the Greater Cambridge Local Plan strategic spatial options appraisal: Employment (GL Hearn, with SQW, Cambridge Econometrics, and Iceni Projects) November 2020 and outlines the Preferred Option proposed in the Greater Cambridge Local Plan First Proposals document.

6. Identifies the key 'draws' to NEC for office, R&D and industrial uses.

A majority of the analysis provided is taken from the Greater Cambridge Employment Land and Economic Development Evidence Study. On the limited occasions where additional comments are made, the fact that they are not sourced directly from the report is clearly referenced.

The data collection and analysis for the Evidence Study was largely produced in Autumn / Winter 2019 prior to the COVID-19 pandemic. As a result, the underlying data reflects a position prior to any implications of COVID-19.

We know that COVID-19 is continuing to have a very significant impact on many aspects of our lives, including on where and how we live and work, and that this is likely to have implications for long term planning. However, at this time, it is very difficult to estimate the long-term effects.

Evidence will be prepared to consider the potential longer-term quantitative impacts of COVID-19 prior to the Draft Plan stage of the Greater Cambridge Local Plan in 2022 to ensure that we understand any implications for the objectively assessed need for jobs and homes.

The report was also prepared prior to the introduction of Use Class E which amalgamates a number of previous use classes including B1a, b and c. In reporting the information provided in the Greater Cambridge Employment Land and Economic Development Evidence Study, references to the B1 use classes are retained. However, in the conclusion to the topic paper, where possible, references to the B1 a, b and c class uses are removed and office, R&D and light industrial uses are referred to instead.

North East Cambridge within the Greater Cambridge Property Market

Overall analysis

The consultant's analysis of the Greater Cambridge property market draws upon CoStar (a provider of commercial property data, information and analysis) and EGi data (a provider of commercial property intelligence), commercial property databases with detailed transaction information, and expert local agent consultations to provide

a picture of the market in terms of take-up, availability and supply in the office, R&D and industrial markets.

A summary of their conclusions regarding market activity in each category is provided below.

Office: The analysis of office deals across the Greater Cambridge area shows the focus of activity being Cambridge city centre, North East Cambridge, and along key transport corridors such as the A11, A14 and M11. Larger deals tend to be standalone near motorway junctions as opposed to smaller deals which cluster in urban areas or in industrial parks.

Industrial: Industrial deals are primarily further away from the city centre and along key transport corridors such as the A11, A14 and M11. Industrial deals within Cambridge are concentrated mostly in the North and East such as at Cowley Road and Nuffield Road Industrial Estates near Cambridge North Station. Larger deals tend to be more prevalent in specific parks in South Cambridgeshire.

R&D: Deals tend to congregate in existing research parks across South Cambridgeshire and in North East Cambridge. Specific parks identified include Cambridge Science Park, Cambridge Business Park and St Johns Innovation Park.

The report breaks down the R&D market into a little more detail. It identifies three different types of R&D Space.

1. Activities that are typically more technology, design, and artificial-intelligence orientated.

Business requirements are very similar to office spaces in Cambridge. Typically, this means that floorspace densities are between 80 (7.4) to 100 sq. ft (9.2 sqm) per person, which includes facilities like meeting rooms and breakout spaces. 80 sq. ft (7.4 sqm) requirements come from companies with a lot of hot desking and less meeting rooms, whereas 100 sq. ft (9.2 sqm) is for companies that require individual desks.

2. R&D activities that have a more extensive dry lab space.

Their desk requirements are like the former group, but also include the addition of an additional shared storage space or workshop. Thus, space requirements tend to be around 120 sq. ft (11.1 sqm) per person but can be higher. A dry lab might have large experimental equipment but minimal chemicals, or instruments for analysing data produced elsewhere.

3. Wet labs - is a type of laboratory where it is necessary to handle various types of chemicals and potential "wet" hazards, so the room has to be carefully designed, constructed, and controlled to avoid spillage and contamination.

Historically, wet lab space was separate from the desk. Such an example could be an office in Cambridge Science Park taking on an additional lab space outside of the park. Analysis of local data indicates that wet labs maintain higher densities at around 25-30 sqm per employee.

It is possible to conclude from the consultant's overall analysis of the property market in Greater Cambridge, that North East Cambridge is a key location for all three employment uses.

Detailed sub market analysis

Having considered Greater Cambridge as a whole, the report goes on to divide it into four areas. These areas are based on CoStar office submarkets. For ease of analysis, the Costar "Northern Cluster" boundary is amended by the consultants to be contiguous with the North East Cambridge boundary. The other areas are: "Prime Central", "Rest of Cambridge City", and "South Cambridgeshire".

For each submarket area, the report analyses office, industrial and R&D floorspace take-up, availability and supply. Agent analysis and coverage of key deals and supply pressures were used to help to underscore the key market differences in each submarket. The analysis of the NEC submarket is captured below:

North East Cambridge Office Market

Office take-up

The graphs in Figures 1 and 2 are taken from the report. Whilst there is no specific NEC commentary provided, Figure 1 appear to indicate a fairly consistent take up of floorspace in the NEC area each year since 2012. Figure 2 shows the number of deals each year. There appear to be relatively fewer deals in both North East and the Prime Central area compared to the other areas. A comparison between figures 1 and 2 suggests that the deals in NEC are fewer but with more in the larger size bands. This is borne out by the consultant's analysis of office size bands (see Figure 3 below).

Figure 1: Office Take-up by Submarket (sqm)

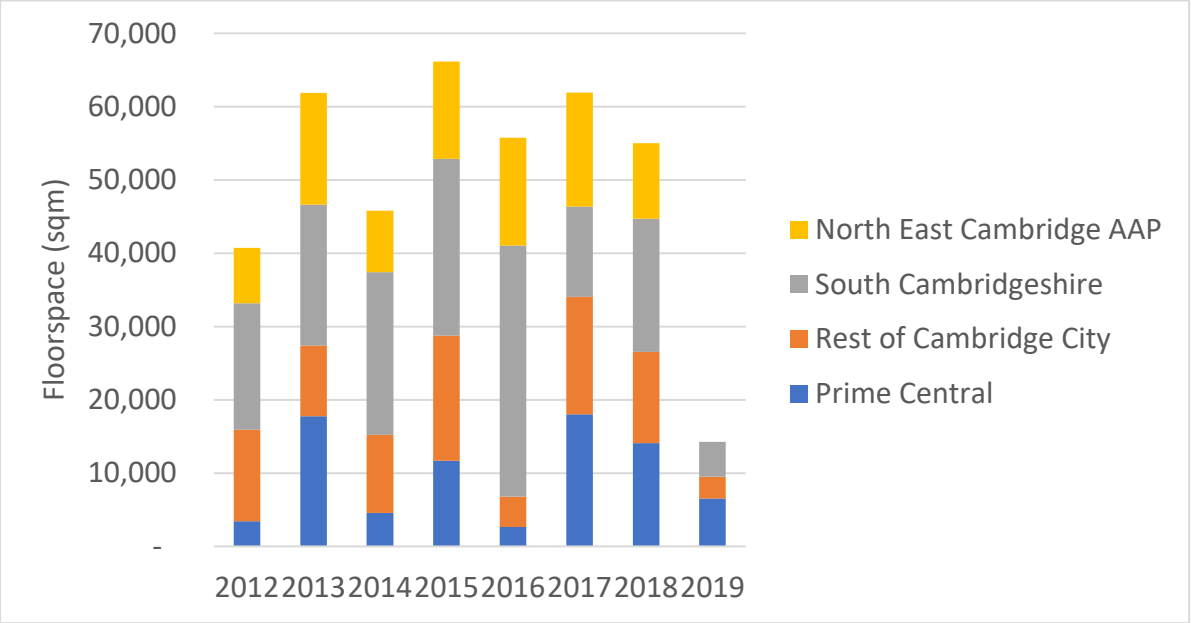


Figure 2: Office Take-up by Submarket by Number of Deals

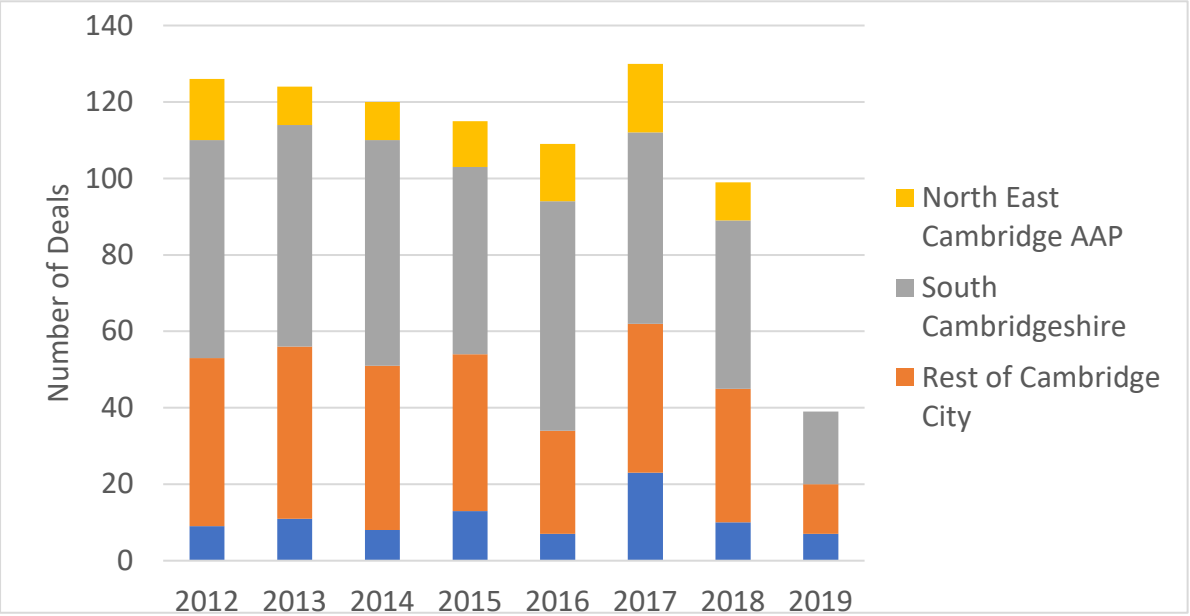


Table 1: Office Take-Up by Size Band by Submarket, 2012-19

Size Band	North East Cambridge AAP	Prime Central	Rest of Cambridge	South Cambridgeshire
0-185 sqm	18%	23%	56%	62%
185-500 sqm	29%	28%	30%	22%
500-1,000 sqm	26%	25%	10%	9%
1,000-5,000 sqm	25%	22%	3%	6%
5,000-10,000 sqm	2%	2%	0%	1%
10,000+ sqm	0%	0%	0%	0%

Office size bands

A comparison of the size of the office deals in each area by the consultants (Table 1) concludes that, like the Prime Central area, deals tend to be much more evenly distributed across size bands in North East Cambridge, although (as referred to above) overall deal counts in both areas were much lower. Deals in South Cambridgeshire and the Rest of Cambridge tend to be focused in the smaller size

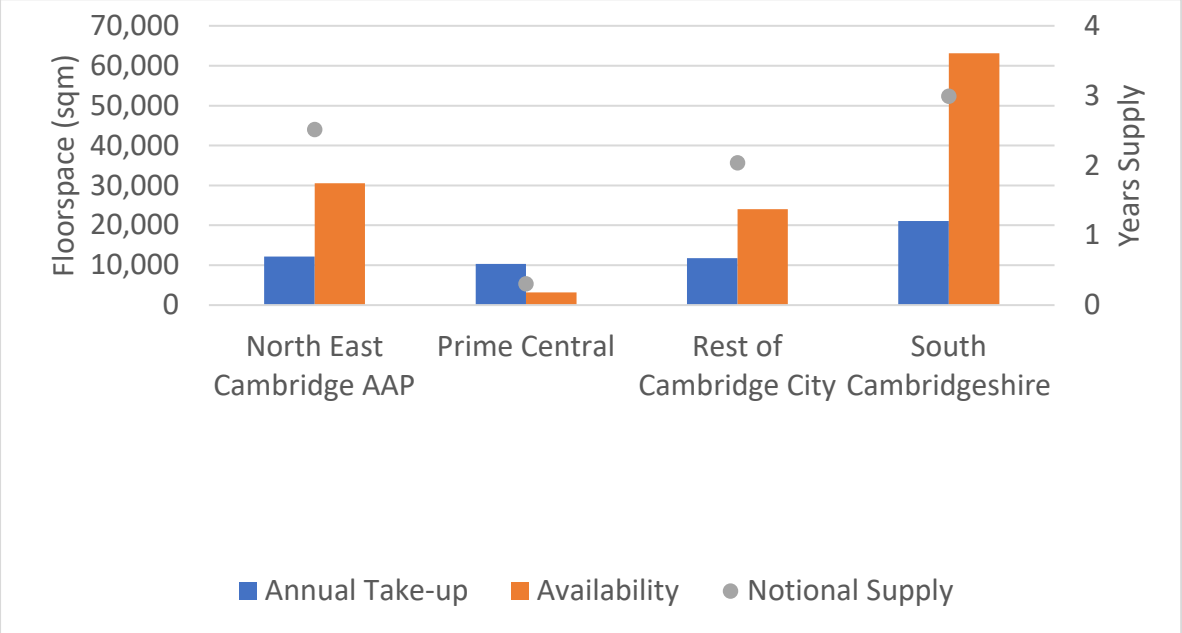
bands. The report goes on to state that the typical NEC occupier centres more around research and development.

Notional supply

The consultants calculate the Years supply or Notional supply of office space in North East Cambridge. This provides an indication of how long it would take for all of the existing available office floorspace to be taken up. The calculation divides the total amount of floorspace advertised as available on CoStar in August 2019 (this differs from committed supply as determined by planning authority monitoring data where allocations are not yet available to businesses as not built nor having planning permission) by the average annual take-up recorded on CoStar for the same area.

For NEC, the figures indicate that at August 2019 there was 30,000 sq. m of office floorspace available and an average annual take up of just over 10,000 sq. m (Figure 3). This means that there was between 2-3 years of notional supply of office space available i.e. it would take 2-3 years for this floorspace to be taken up given existing (Pre-COVID) take up patterns. Figure 3 provides comparison between NEC and the other four areas. The consultants suggest that that other areas of Greater Cambridge have the capacity to meet some of the demand occurring in the more compressed Prime Central market.

Figure 3: Notional Years Available Supply by Submarket (Office)



Office rental values

Evidence of office rental values were derived from agent consultations. These values were given in square feet as is standard in the industry.

The report states that the Prime Central area sees rents at around £35 per square foot (psf) or £375 per square metre (psm) for new office stock whilst offices in the North East Cambridge submarket typically see rents of about £30-£35 psf (£320 - £375 psm).

Further away from the Prime Central and North East Cambridge areas, rents are lower. For example, office space in parks and in the rest of South Cambridgeshire typically see headline rents around £25-£28 psf (£270 - £300 psm).

Agents' viewpoints

The consultants also report more qualitative information from local agents including the fact that key deals in NEC in recent years include Takeda Pharmaceuticals taking up 48,000 sq. ft (4,459 sqm) in Cambridge Science Park. Agents also noted that technology firms typically prefer to be in this area around the northern fringes of Cambridge if not in the city centre. 60,000 sq. ft (5,574 sqm) of tech was recently signed up in Cambridge Business Park.

They observed that office space is desirable in the North East Cambridge cluster due to a presence of other "high-value" tech companies and R&D facilities. Key areas for offices include Cambridge Business Park and St. John's Innovation Park.

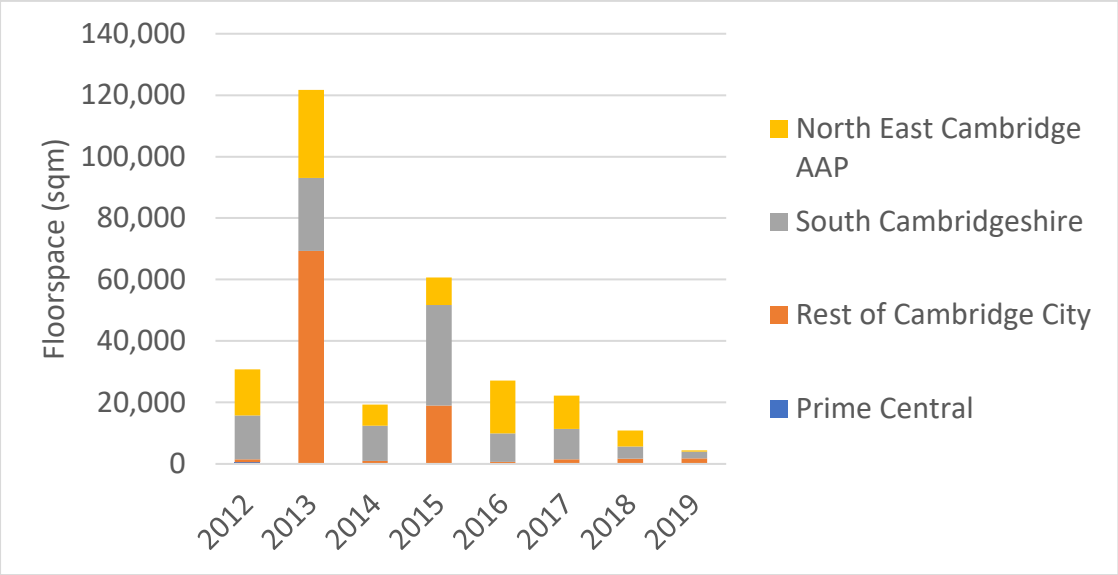
As outlined in the analysis above, floorspace take-up and availability remains highly concentrated in larger size-bands (above 500 sqm), however agents noted that this is not due to low demand for smaller size bands, but rather a lack of viable supply. They also noted that smaller office floorplates of high quality were not typically available in and around parks like Cambridge Business Park, which typically only houses HQs of large businesses.

North East Cambridge R&D Market

R&D take up

In comparing the various submarkets, the consultants find that NEC is second only to South Cambridgeshire in the overall amount of R&D floorspace take up per annum. An average of 13,000 sqm of floorspace is transacted per year in the North East Cambridge AAP area compared to the geographically much larger area of South Cambridgeshire which sees an average 15,000 sqm per year take up.

Figure 4: R&D Take-up by Submarket (sqm)



R&D size bands

The report describes the number and size of deals in each size band. Across the four submarkets, an average of 53 deals per annum took place for R&D spaces, with North East Cambridge having the highest with an average of 29 deals per annum and South Cambridgeshire having the next largest (20) deals per annum. Deals in North East Cambridge were highly concentrated in the lower size bands as compared to South Cambridgeshire.

Figure 5: R&D Take-up by Submarket by Number of Deals

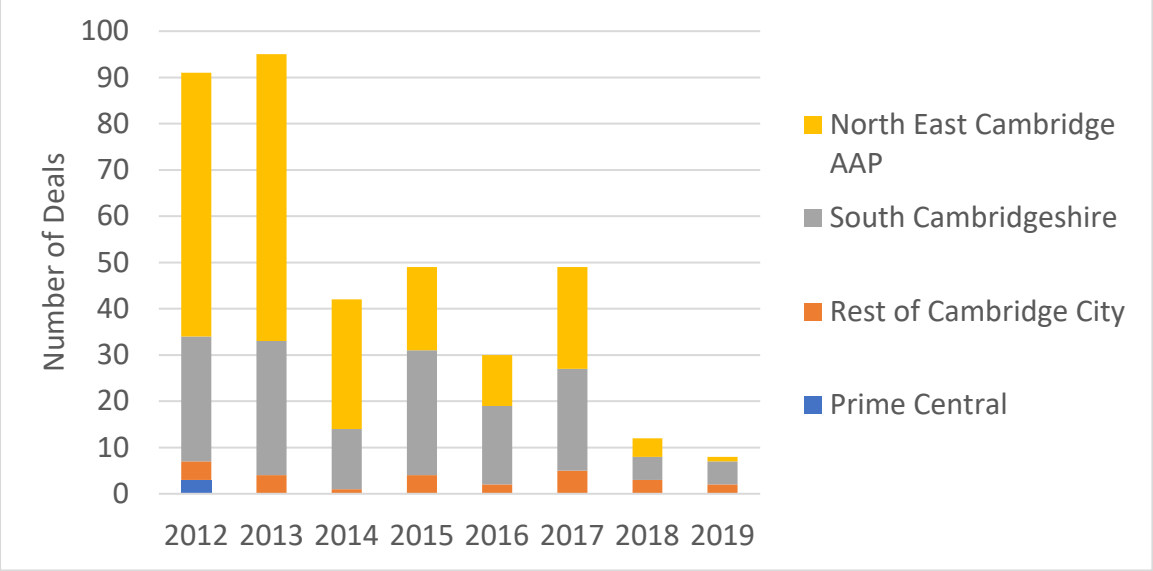


Table 2: R&D Take-Up by Size Band by Submarket, 2012-19

Size Band	Prime Central	North East Cambridge AAP	South Cambridgeshire	Rest of Cambridge
0-185 sqm	67%	64%	39%	20%
185-500 sqm	33%	12%	32%	48%
500-1,000 sqm	0%	11%	11%	12%
1,000-5,000 sqm	0%	11%	16%	12%
5,000-10,000 sqm	0%	1%	1%	0%
10,000+ sqm	0%	0%	1%	8%

Source: GLH analysis of CoStar data

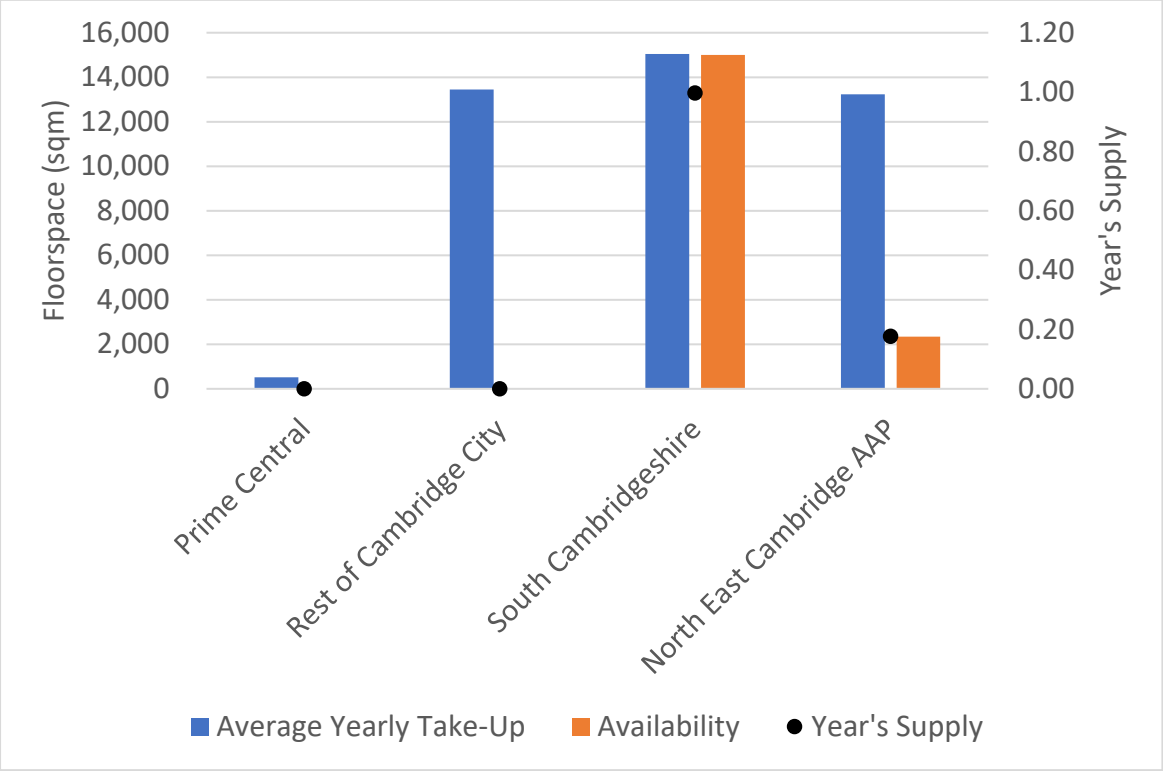
Notional supply

In respect to the notional supply of R&D land, the NEC, along with the other Greater Cambridge submarkets, has high supply pressures as indicated by EGi availability.

Only South Cambridgeshire achieves a notional supply of one year whereas North East Cambridge, Prime Central, and the Rest of Cambridge have very little or no advertised R&D floorspace.

The report explores possible explanations for the low notional supply. For one, there could be high demand for available space and thus listings are taken down quickly. In addition, a lack of suitable floorspace could mean that very little space is available to be advertised. Finally, the spaces may not be advertised on EGi.

Figure 6: Notional Years Available Supply by Submarket (R&D)



R&D rental values

R&D lab space rental values are reported as typically £45-£50 psf (£480 - £540 psm) to account for high requirements for wet and dry lab space, especially in areas close to the city centre. Offices in the North East Cambridge submarket typically see rents of about £30-£39 psf (£325 - £380 psm) for flexible R&D space.

Wet labs

The consultants identify an extremely high current demand for wet labs in Greater Cambridge as space is highly specific, and companies are finding difficulty getting flexible high quality floorspace. There is an acute need for wet labs as their space needs are higher compared to dry labs.

The report states that Cambridge Science Park does not have much wet lab space, and that these types of spaces are generally clustered to the south of Cambridge, in places like Granta Park.

Rents in a “prime” science park are roughly from £30-£39 psf (£325 - £420 psm). In a less prime research park (further away from the city centre), rents are around £23-£30 psf (£250 - £325 psm) for a combination of wet and dry lab requirements.

The report reconfirms that demand is extremely high in prime parks. Local agents report that there is typically a long list of occupiers, for example companies like Illumina (which is building a head office in Granta Park), that are on long waiting lists of over a year.

Agents’ viewpoints

The report outlines local agents’ feedback on R&D activity at North East Cambridge. The consultant’s consultation confirmed that this submarket is key for R&D due to Cambridge Science Park. The park has an R&D clause in its design and requirements, thus clustering development. There has been a shift in the past two years where some occupiers are taking space at Cambridge Bio-medical Campus adjacent to Addenbrookes Hospital on the southern edge of Cambridge.

R&D companies are focused on Cambridge Science Park and Cambridge Business Park within the North East Cambridge AAP area, but recently they are noted to be taking space around the Cambridge North train station. Agents explained that the recent opening of Cambridge North station in 2017 will create more development opportunities, and thus many other high-value companies have now started looking to Cambridge North for easy transport links. Agents also stated that these “high

value tenants" would also further exasperate the rental values for existing tenants in the area, similar to what has occurred close to Cambridge Station.

Agents, as they remarked similarly for office, noted that smaller R&D floorplates of high quality were not available in parks like Cambridge Science Park or St. John's Innovation Centre.

North East Cambridge Industrial Market

Industrial take up

Figures 7 and 8 taken from the report show that there has been limited activity in the take up of industrial space in North East Cambridge. This is highlighted when compared to South Cambridgeshire where both industrial take up and the number of industrial deals are significantly higher than those in the rest of the area.

Figure 7: Industrial Take-up by Submarket (sqm)

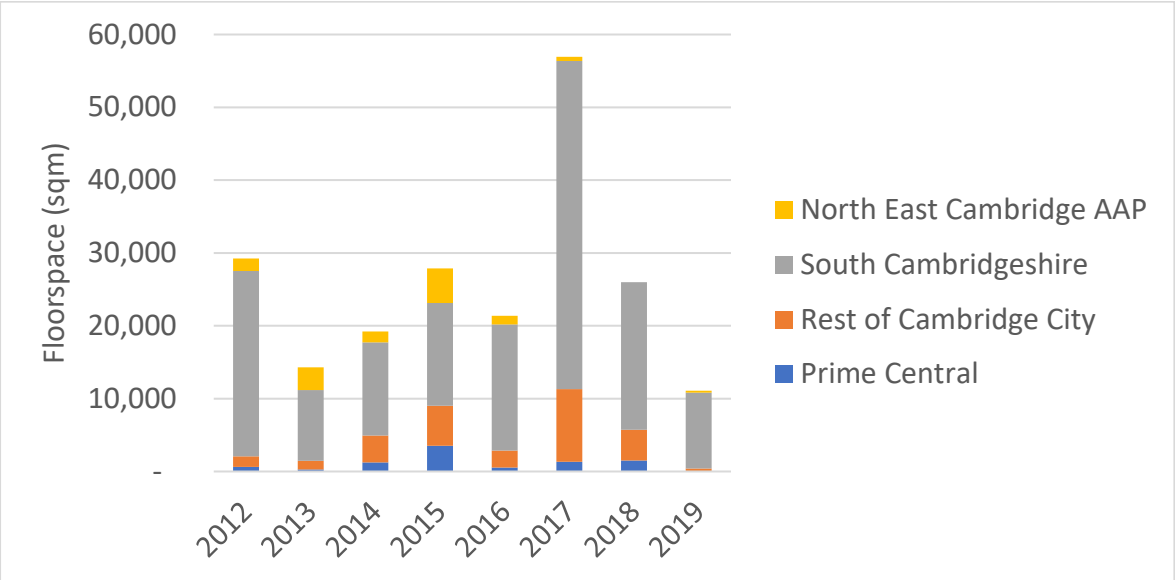
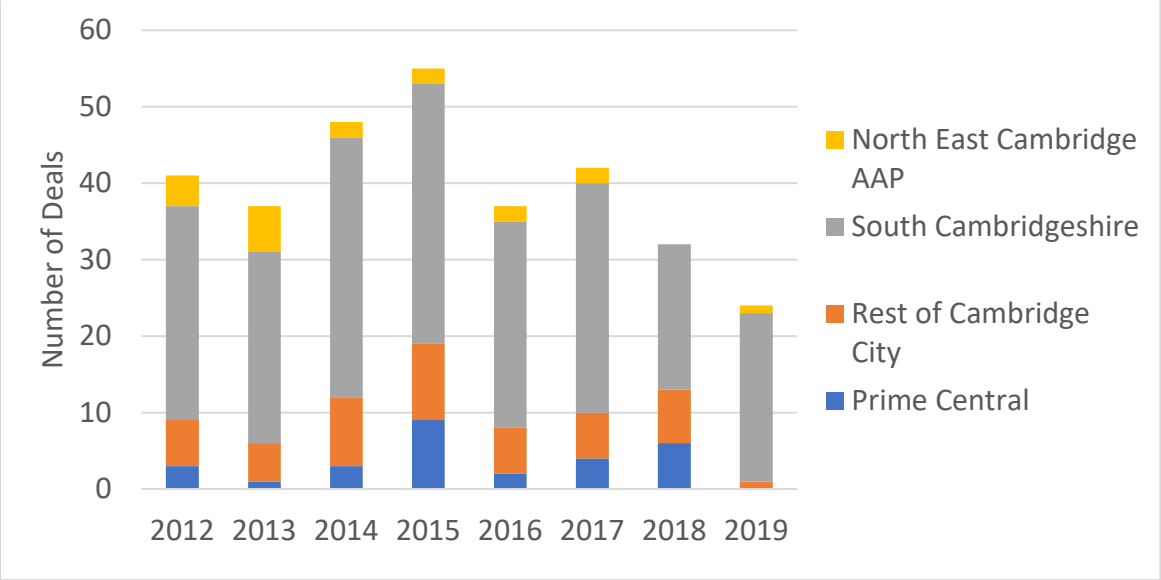


Figure 8: Industrial Take-Up by Submarket by Number of Deals

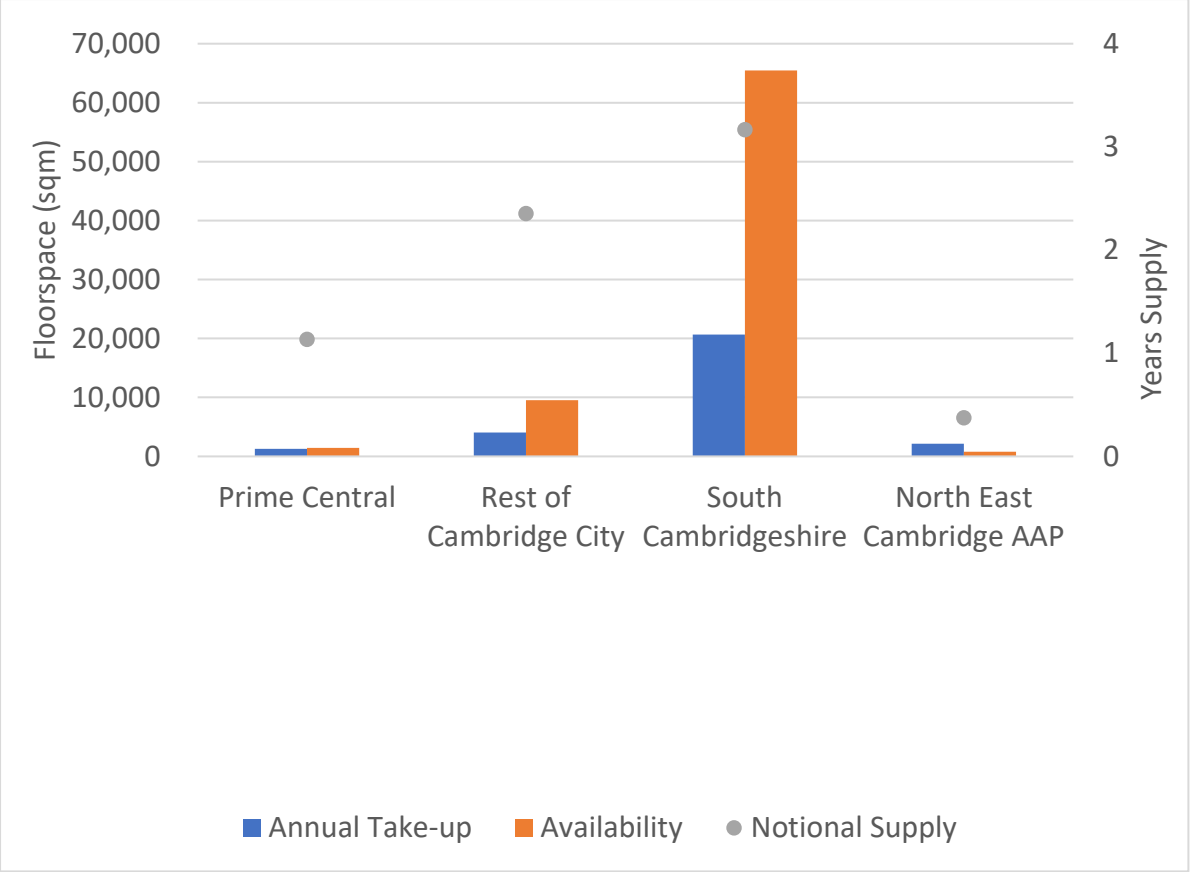


In terms of deal counts, the Rest of Cambridge and North East Cambridge have distinctively greater representation in the higher size bands than the other areas although a majority of the space taken up in North East Cambridge is in the smaller 185-500 sqm category.

Table 3: Industrial Take-Up by Size Band by Submarket, 2012-19

Size Band	North East Cambridge AAP	Prime Central	Rest of Cambridge	South Cambridgeshire
0-185 sqm	21%	7%	32%	34%
185-500 sqm	53%	75%	44%	29%
500-1,000 sqm	11%	18%	6%	22%
1,000-5,000 sqm	16%	0%	18%	14%
5,000-10,000 sqm	0%	0%	0%	0%
10,000 +sqm	0%	0%	0%	0%

Figure 9: Notional Years Available Supply by Submarket (Industrial)



Whilst the supply of industrial floorspace in the rest of Greater Cambridge is relatively healthy, the report identifies a limited industrial availability in North East Cambridge, with a combined 803 sqm listed in the Nuffield Road Industrial Estate.

The consultants conclude that the industrial market has a healthier average supply in Greater Cambridge than the office market when looking at the advertised space on CoStar as of August 2019. However, they suggest that the type of supply should be analysed further to determine if this supply is appropriate for meeting future need. 31,659 sqm of floorspace, almost one quarter of all availability, is due to advertised space for the former Spicers Site in Sawston, Cambridge.

Agents' viewpoints

The Evidence Study reports the fact that agents noted that there is very low industrial vacancy in NEC, and that trade counter rents typically start at around £12 psf (£130 sq. m) but can be greater. Rents have increased considerably in recent years reportedly due to reduced industrial floorspace across Cambridge and increasing local land use pressures through the new station opening. There is a

mixture of occupiers in NEC North East Cambridge ranging from trade counter, building merchant, small light industrial and to some heavy industry users such as the concrete batching plant.

In the context of intensification under the AAP, the report states that there is a broad agreement that the Cowley Road and Nuffield Road Industrial Estates occupiers are in some instances suited to relocation, depending on their requirements. For example, a group of businesses operate as trade counters, and could be suitable to relocate to areas further out such as Waterbeach. However, they are attracted to North East Cambridge due to locational proximity to the population mass of the city. Relocation could diminish trade but sufficient demand could see them survive in other suitably accessible locations outside the city. Other possible locations suggested by agents include villages such as Landbeach, Milton and Histon. Whilst some trade counters and local industrial uses could move elsewhere, in reality there continues to be low vacancy of a suitable type of units in these areas.

Consultant's conclusions

The consultant's overall conclusions on the individual markets are replicated below.

Greater Cambridge currently has a strong office market, which has experienced floorspace gains. Over the past 17 years, Greater Cambridge's office stock has seen moderate growth from 634,000 sqm in 2000/01 to 907,000 sqm in 2018/19. This represents a 41% growth over this period and an annual growth rate of 2%. It is to be noted, however, that most office floorspace growth is occurring in South Cambridgeshire.

Over the past 17 years, Greater Cambridge industrial stock has grown from 1,095,000 sqm in 2000/01 to 1,145,000 sqm in 2018/19. This represents a 5% growth over this period and an annual growth rate of 0.2% per annum. However, Cambridge has lost nearly a third of its industrial floorspace over the same period while South Cambridgeshire achieved larger gains in absolute terms.

Both office and industrial deals tend to cluster in the city around North East Cambridge and along key transport corridors and hubs in South Cambridgeshire.

In terms of submarkets, office floorspace transactions tend to be in higher size bands in the submarkets of Prime Central and North East Cambridge. Backed by agent commentary, the evidence shows that there is limited supply in these two submarkets, especially for smaller occupiers looking for quality space. One of the reasons for this lack of supply is permitted development along with high residential values results in these buildings being converted to student housing or other residential uses.

For the industrial markets, the greatest amount of floorspace transacted in both number of deals and floorspace were in the South Cambridgeshire and Rest of Cambridge City submarkets. According to agents, there is some capacity subject to availability for smaller industrial units to move from areas within North East Cambridge to surrounding peripheral market towns and large villages within a 10 mile-drive of Cambridge.

R&D deals almost exclusively transacted in parks with a clustering or R&D clause. Deals tend to be much more evenly distributed across various size bands in both South Cambridgeshire and the Rest of Cambridge as compared to Prime Central and North East Cambridge, where deals tend to be in smaller size bands. There are acute availability pressures across the various submarkets for R&D, with consultations revealing that there is a shortage of good quality and available space for occupiers.

Site Assessments

Site visits were conducted at 71 employment sites. The purpose of the site visits was to explore the attractiveness to the market, identify available or vacant floorspace and opportunities for development including vacant land and the potential for redevelopment or intensification. Recommendations were provided across the sites. The assessment and recommendations for the NEC sites are provided below.

No.	Site	Site Area (Ha)	Land Classification	Vacant (existing) (Ha)	Vacant (allocated) (Ha)	Permitted Loss (Ha)	Permitted Gain (Ha)	Total Supply (Ha)	Summary	Policy Recommendation
2	379 - 381 Milton Road, Cambridge	0.53	Fully developed employment site	-	-	-	-	-	The site is identified for mixed use in the Cambridge Local Plan 2018 (Site M1). This site is proposed to be included within the North East Cambridge AAP in the July 2020 draft plan. It is currently a low density active employment site. Given its location mixed-use development may be appropriate and should consider intensification of employment floorspace.	Retain allocation.
35	Cambridge Business Park, Milton Road, Cambridge	8.7	Fully developed employment site	-	-	-	-	-	This developed office site benefits from good access to the city and the North East Cambridge Area Action Plan designation. Future opportunities for intensification are anticipated, to be established in the North East Cambridge Area Action Plan.	Seek intensification through the AAP for employment uses.

No.	Site	Site Area (Ha)	Land Classification	Vacant (existing) (Ha)	Vacant (allocated) (Ha)	Permitted Loss (Ha)	Permitted Gain (Ha)	Total Supply (Ha)	Summary	Policy Recommendation
36	Cowley Road Estate	10.3	Developed employment site, with vacant land	-	-	-	-	-	Industrial site in a desirable gateway location following North Cambridge Station reinstatement, captured in the North East Cambridge AAP area. Major intensification is anticipated however reprovision for a number of existing activities should be included whilst other non sensitive activities can be relocated.	Seek intensification through the AAP retaining location sensitive functional floorspace.
37	Merlin Place, Milton Road, Cambridge	0.7	Fully developed employment site						Office site, fully developed. Opportunities for future intensification would have to be comprehensively considered within the North East Cambridge Area Action Plan.	Seek intensification through the AAP for employment uses.
38	Nuffield Road Estate, Cambridge (N.B. includes Trinty Hall Farm Industrial Estate)	6.0	Fully developed employment site	-	-	-	-	-	Large industrial site with good road / busway access forming part of the North East Cambridge Area Action Plan. It is a well performing site with limited vacancy but major intensification could be considered through increased density to manage land use efficiently whilst retaining effective functional industrial floorspace.	Seek intensification through the AAP retaining location sensitive functional floorspace.
39	St Johns Innovation Park,	10.0	Fully developed employment site	-	-	-	2,687 sqm (0.37 ha)	2,687 sqm (0.37 ha)	The site forms a key research and development area and is fully developed. In the medium term,	Seek intensification through the AAP

No.	Site	Site Area (Ha)	Land Classification	Vacant (existing) (Ha)	Vacant (allocated) (Ha)	Permitted Loss (Ha)	Permitted Gain (Ha)	Total Supply (Ha)	Summary	Policy Recommendation
	Cowley Road, Cambridge								development opportunities may be achieved through upgrading or intensification of existing building stock, parking and open spaces. Future development will be informed by the North East Cambridge Area Action Plan. Existing commitments include 2,687 sqm on 0.37 ha.	for employment uses.
40	Cambridge Science Park	61.2	Fully developed employment site	-	-	-338 sqm (-1.71 ha)	46,419 sqm (7.08 ha est.)	46,081 sqm (5.37 ha est.)	This is a key office and R&D employment site for the city. It forms part of the North East Cambridge Area Action Plan area. There is future floorspace in the development pipeline providing new laboratory and office floorspace amounting to 46,081 sqm (net) with planning permission as of March 2019, and further capacity for intensification and renewal. A framework for development and intensification will be established in the North East Cambridge Area Action Plan.	Seek intensification through the AAP for employment uses

Employment Land Supply and Demand

Employment land supply

Taking into account the recommendations for each of the 71 sites assessed, along with other more recent developments, the report updates the 2018/19 monitoring supply position in Greater Cambridge.

Including all permission and allocations (with some future permitted losses), it is outlined below.

Table 4: Employment Land Supply

	B1	B1a	B1b	B1c	B2	B8	Total
South Cambridgeshire	249,035	89,959	109,444	14,031	-46,874	28,392	443,987
Cambridge	34,673	11,161	167,379	2,201	-29,162	-5,930	180,322
Greater Cambridge	283,708	101,120	276,823	16,232	-76,032	22,462	624,310

Source: Greater Cambridge Planning Service – 2018/19 monitoring data adjusted for further gains / losses

South Cambridgeshire's supply includes 150,000 sqm of anticipated B1 floorspace (with resolution to grant permission) at the expanded Wellcome Genome Campus of which a large part is expected to be B1b. The report recognises the proposals to bring forward significant B1 employment floorspace across North East Cambridge through the Area Action Plan although this floorspace is not yet included.

Forecasting employment floorspace needs

The table below provides the consultant's summary of the outcomes of the detailed forecasting work they have undertaken as part of the Evidence Study. It includes employment forecasts for each of the different methodologies that they tested. These were:

- An East of England Forecasting Model (EEFM) baseline (with the model updated for more recent data in Greater Cambridge by Cambridge Econometrics).
- The population driven standard method (the government's standard methodology for housing) employment position.
- Historic annual average jobs change projected forwards, as a sense check, demonstrating the long term and fast recent growth since 2011.
- The recommended lower and upper forecast range (central and higher growth) to be used for Local Plan purposes.

More detail on assumptions and calculations can be found in the Greater Cambridge Employment Land and Economic Development Evidence Study.

Table 5: Employment forecast by method, Greater Cambridge 2020-41

	2020-2041 change	**Total at 2041**
EEFM forecast baseline	40,100	255,600
Standard Method	45,761	257,600
2001-2017 annual average change	55,300	272,300
2011-2017 annual average change	125,200	352,189
Central Growth (KS2)	**58,400**	**277,000**
Higher Growth (KS3)	78,700	299,100

Source: GL Hearn, Cambridge Econometrics

The central, higher and standard method (labour supply) employment growth scenarios were used to generate floorspace requirements to 2041 using assumptions around employment densities. These were compared to historic completion trends projected forward. A recommended future employment floorspace need was derived from the modelling, allowing for a future vacancy margin for churn and choice, and balanced with the supply.

The central scenario is considered to be the most likely outcome taking into account long term patterns of employment. However, in planning positively for growth, the consultants recommend that the floorspace figure resulting from the 'higher growth' employment scenario is planned for particularly in relation to B1a/b needs, without prejudice to employment outcomes. This ensures a flexible supply, encouraging

business growth and inwards investment, and aligns with market feedback and past completions trends.

The table below outlines the floorspace need for employment uses generated by the higher method employment growth model and compares it to the supply of employment floorspace identified earlier.

Table 6: Demand Supply by Use Class, Greater Cambridge (sqm) 2020-2041

Use Class	Need	Inc. vacancy margin 7.5%	Supply	Balance	Comments
B1 *	N/A	-	283,708	+283,708	Includes 150,000 Genome Campus
B1a	103,221	110,963	101,120	-9,861	-
B1b	477,902	513,745	276,823	-236,922	Genome Campus likely to include high B1b element
B1c	16,506	17,744	16,232	-1,512	-
B2	-25,074	-25,074 (N/A)	-76,032	-50,958	-
B8	43,659	46,933	22,462	-24,471	-
Total	**616,214**	**664,311**	**624,313**	**-39,998**	**-**

Source: GL Hearn

* Blended B1 is not an output of the demand modelling, whilst the B1 supply represents outline permissions / allocations where the final mix is not yet known.

Future employment development

The report concludes that, despite a number of employment sites within Greater Cambridge contributing to the future longer term undersupply in R&D B1b requirements (including Cambridge Science Park), there is still expected to be a shortfall in B1a/b provision under the KS2 Higher scenario in the region of 50,000 to 100,000 sqm. Furthermore, notwithstanding the apparent quantitative balance of B1a provision, given the commonalities between B1a and B1b dry labs, the market feedback is that further accommodation of this type is lacking in the city and around North East Cambridge.

The consultants recommend that further allocations are made to accommodate both office and wet/dry lab needs in Greater Cambridge. The role and mix of North East

Cambridge Area Action Plan in providing a growth overspill function is described as essential. The report states that it is important that this area provides a mix of B1a/b although given the location it is acknowledged to emphasise B1a office and B1b dry labs with a smaller wet lab proportion.

Use of the central scenario (KS3) of growth would see a relative fall of around 120,000 in B1a/b needs compared to the higher growth scenario and therefore is largely balanced in the current demand and supply, nullifying in quantitative terms significant employment growth needs for example at North East Cambridge. However, the Evidence Study states, given the level of demand in Cambridge and particularly around the Science Park, the central scenario for floorspace would be counter intuitive to market signals.

Further commentary is given on the implications of the floorspace figure for each employment type. The key points from this for North East Cambridge are drawn out below.

Offices

The office market across Greater Cambridge is described as mixed and highly locational within its submarkets. The draw of the City Centre and Cambridge Science Park, it states, has proved relentless with rents continuing to rise.

There is considered to be a strong corporate office market demand looking forward for Cambridge Science Park and future development of North East Cambridge. The Cambridge North Station's accessibility is described as a particular local driver for demand. Notwithstanding the quantitative modelling results for B1a specifically, as described above, which indicate only a limited undersupply compared to future demand to 2041, the consultants find that market feedback suggests a much greater supply will be sought by the market around the north of the city. The amalgamation of B1a/b needs and balance (i.e. significant shortfall before counting the mixed B1 contribution) is considered to more realistically represent the future requirements. This reflects the 'blurring' of what is described as 'dry lab' space and office space, the former focused on computer development or mathematical analysis rather than traditional office functions.

The report highlights that the overall balance of need will be clearer when the type of provision at the Wellcome Genome Campus (Hinxton) and other B1 mixed supply is determined. It says that the role of North East Cambridge Area Action Plan is evidently important in providing employment floorspace and job growth in Cambridge as a whole.

As set out in other sections of this document, the report reiterates that fact that whilst there is a reasonable offer in terms of flexible and managed workspace, this remains in high demand to the degree it is considered to constrain business opportunity. As a result, further intervention is recommended to improve the offer.

Laboratories

The report describes ‘Wet lab’ research capacity and capabilities are one of Greater Cambridge’s most renowned assets. It discusses current and future provision at a number of sites in Greater Cambridge, for example the Biomedical Campus and the Wellcome development. The report does however highlight the fact that restrictions on occupancy / tenancy type at these locations would be problematic in facilitating wider growth. The consultants recommend that where possible owners should avoid designating labs solely for either institutional research or open market commercial research labs to maximise flexibility.

With the B1b category specifically, as described above, the Evidence Study identifies an apparent quantitative shortfall which could be in the order of 50,000 – 100,000 sqm dependent on B1 supply. It states that if the higher growth is achieved over the next two decades then the current pipeline of supply specifically regarding lower density research labs is likely to be insufficient, subject to the mix of B1 floorspace coming forward at North East Cambridge. It recommends that this should be monitored through the Plan period and the planning authority should continue to respond positively to proposals that can be considered on their merits or through a further allocation or allocations.

Industrial/Warehousing

The findings of the Greater Cambridge Employment Land and Economic Development Evidence Study are of particular interest in considering the potential relocation of some businesses to other sites in the Greater Cambridge area.

The report described how both completions data and VOA records indicate that South Cambridgeshire has been gaining industrial stock almost at a parallel rate to Cambridge's losses (the VOA category combines industrial and warehousing floorspace). It states that the quantitative analysis summarised above very much reflects the property market feedback, with an ongoing decline in traditional heavy manufacturing premises being replaced by warehousing and to a lesser degree light industrial requirements. This includes the need for 'trade park' type premises such as Travis Perkins type builder's merchants as well as more retail-esque 'Screwfix' and 'Wickes' units.

The report discusses the impact of housing demand on land value and rental prices in Cambridge leading to the movement of industrial uses out of the city. However, it goes on to point out that at a certain point this becomes inefficient with customers and employees having to travel too far (or not travelling at all) to businesses outside of the city. As a result, it states, some industrial locations should be protected in the city to support the economic needs and diversity of employment opportunities. Release of these sites should be assessed on a site by site basis however in reality there are a limited number of industrial areas remaining. It is equally important that new units are available in South Cambridgeshire and where these have been brought forward in accessible locations they have proven popular. The drive in e-commerce will further increase the need for smaller scale warehousing opportunities (final mile centres).

The under supply reported quantitatively of around 20,000 sqm B8 again suggests suitable locations should be identified for small and mid-sized light industrial and distribution units. Trade counters will prefer edge of city locations. In town, smaller and mid sizes B8 requirements will assist in fulfilling last mile delivery needs.

The Evidence Study goes on to state that given the scale of undersupply in B2 requirements which exceeds 50,000 sqm, some provision should be made for

allocations that support this floorspace both in order to facilitate traditional industries as well as supporting advanced industries that require operational activities not suited to residential areas. Future reprovision in Greater Cambridge should be of at least 25,000 sqm, which would be the residual requirement under the labour demand model, whereas planning for a greater recommended rate of up to 50,000 sqm would align with the recent completions trends and better offset losses in both the city and South Cambridgeshire. Preferred locations would be both in reasonable proximity to the city itself as well, enabling commuting and potential access to customers, as well as in the wider city hinterland, with good accessibility.

Specific opportunities

This next section takes information provided above of the employment floorspace opportunities for NEC and, using information also included throughout the Greater Cambridge Employment Land and Economic Development Evidence Study, provides information on the nature of the floorspace need within the life science and ICT and Professional Services sectors in Greater Cambridge.

Life science sector

The report confirms that Life Science sector is continuing to grow. Major anticipated growth at the Wellcome Trust Genome Campus (Hinxton) as well as growth at Addenbrooke's and Granta Park (Great Abington), demonstrates confidence in the sector. Cambridge's prestigious position on the global map in terms of research indicates a positive local outlook. Whilst the life science sector shows some maturity in Greater Cambridge in terms of its depth and breadth, strong growth is anticipated to continue for the medium term given the factors noted. In the longer-term constraints such as labour availability are likely to become increasingly acute.

There is a need for:

- Flexible floorspace with floorplates allowing firms to change and grow as they develop through their life cycle. There is a reported lack of flexible floorspace as most buildings are purpose built.

- Space for start-ups and grow on accommodation in future laboratory buildings. Early stage businesses typically occupy around 500 sq. ft for dry laboratory and around 1,000 to 1,500 sq. ft for wet laboratory floorspace.
- For businesses occupying dry laboratories, they may seek to expand up to around 20,000 sq. ft and for wet laboratories, typical scale-up floorspace requirements range between 1,500 to 3,000 sq. ft.
- Ongoing supply across a balance of floorspace sizes in established campuses as businesses tend to wish to remain and expand at their existing location.
- Short term flexible leases due to uncertainty and risk and the difficulty in forecasting rates of growth. Life science businesses typically have long incubation and pre-revenue periods. Commercial developers of laboratory floorspace prefer long-term lease arrangements which are too risky for small, early stage, businesses.
- For some businesses, a proximity to clinical medicine. In addition, particularly since the opening of the Francis Crick Institute near St Pancras, links with London.
- Wet lab infrastructure like drainage and thus require nearly double the floorspace as compared to a dry lab. However, the report states that wet lab requirements vary greatly by discipline and by occupier, thus it is difficult to generalise their requirements.

The report references a study commissioned by Cambridge Ahead in 2017, Review of Wet Lab Space and Incubator Space for the Life Sciences in the Cambridge Area (Cambridge Real Estate Research Centre, University of Cambridge), which provides a useful overview of the requirements and specifications of life sciences start up accommodation.

In terms of locational requirements, laboratory occupiers prefer high profile parks such as Cambridge Science Park, but areas such as Granta Park are less expensive in terms of rents and suitable for companies looking for more value, according to agents.

The example of Babraham Research Campus is highlighted where the provision of flexible spaces and grow-on accommodation has enabled the growing floorspace

needs of Kymab to be accommodated as other tenants have moved to other spaces on the Campus.

Hybrid units

The consultant's report that recently agents noted that more companies are utilising lab space on the ground floor with a mezzanine, warehousing, or first floor office addition. Examples of this type include Cambridge Research Park (Enterprise) and the Evolution Business Park in Impington, where various types of floorspace are mixed in one unit.

ICT and professional Services

The Evidence Study indicates that global and UK macro-economic outlook for the ICT sector is positive. The 'Internet of Things', development of artificial intelligence, big data analytics, online retailing, online gaming, blockchain, robotics, social media and advanced technology and computing are continually redefining the frontiers of computing capability and insight. In recent years, Cambridge has become a major employment centre for ICT taking advantage of academic research – industry collaboration and the knowledge intensive skill set. The CB1 development has created a new central premium 'home' for the ICT sector and local growth is anticipated to remain positive. There are 'dry lab' crossover requirements between ICT and advanced manufacturing for research and development purposes. However, the primary need is in traditional and flexible office space. Wider professional services are considered more of a linked function to the growth in both the ICT and life sciences as well as in their own right.

ICT and Professional Services floorspace needs are typically B1a offices or B1a/b dry lab with offices. They are considered together here given the similarity in their accommodation needs. Professional services typically focus on B1a offices at densities of around 9 sqm in Cambridge including NEC but rising up to 12 sqm in office park locations where space is less of a premium. ICT services are similar however their dry lab B1b space might include a range from computer hardware development testing to gaming and virtual reality screen rooms. Agent feedback

indicates that such spaces are comparable to office densities but can in some instances be higher.

There are ‘dry lab’ crossover requirements between ICT and advanced manufacturing for research and development purposes. However, the primary need for ICT businesses (and their associated professional services) is in traditional and flexible office space.

The Evidence Study identified that recent office space transactions at North East Cambridge have tended to be in the higher size brackets. There is currently a limited supply of premises for smaller occupiers looking for quality space. Agents noted that smaller office floorplates of high quality were not typically available in and around parks like Cambridge Business Park, which typically only houses HQs of large businesses. Conversion of these types of premises to residential uses via permitted development rights is cited as one of the reasons for this lack of supply. It isn’t lack of demand but lack of supply.

Floorspace for start-ups, micro-enterprises and small and medium-sized enterprises (SMEs)

The market analysis and business engagement undertaken by the consultants identified a floorspace affordability issue in the office and employment market in Greater Cambridge. The issue is more apparent and increases further towards the city centre. Common issues include tenants being priced out of the market, long-waiting lists for new space and paying high rents. As a result, they conclude, the workspace market in Greater Cambridge can be difficult for micro-enterprise and SMEs to enter.

As part of their sectoral analysis, the consultants also highlight a challenge for start-ups and small businesses in the ICT sector in finding flexible quality floorspace. Stakeholders reported demand for flexible floorspace or incubator space in out of centre locations for start-ups and small businesses. Affordable floorspace in proximity to where employees live away from traffic congestion in the city centre was considered to be in demand.

Early on, ICT firms have small floorplate requirements such as hot desks. As these firms grow, requirements increase but the imperatives around flexible floorspace often continue. Spaces like St. John's Innovation Centre and Central Business Lounge within Cambridge offer this kind of space.

Professional services may not be as directly connected to the Cambridge research market as, say, ICT. Early stage businesses seek flexible floorspace and floorplates. As with ICT, there are strong growth prospects due to connections with other knowledge intensive sectors.

In summarising the report commissioned by South Cambridgeshire District Council ('Managed Workspace on Cambridge Compass Enterprise Zone sites' by Building Partnership Ltd with Nautilus Associates and Cheffins, 2019) the consultant's highlighted the following:

- Operators consulted indicated extremely high occupancy levels with many reporting their existing facilities are currently fully occupied, all without doing any formal advertising.
- It is difficult for smaller co-working spaces to thrive in Cambridge with commercial property prices being high, and space in high demand.
- Business rates also have a considerable impact on the cost-effective operation of co-working space, with many operators offering all-inclusive rents, fees or subscriptions.
- Graduate tenants reported difficulties in finding suitable grow-on space.
- Key locational considerations made by operators were the accessibility of work spaces, with town centres sites identified as being suited to the tech companies looking to attract a young workforce, whilst out-of-town provision had to provide amenities to draw users out of the city centre.

The consultants go on to consider the provision of affordable workspaces through planning policy providing some examples from London boroughs that use Section 106 agreements in order to deliver affordable workspace.

Commentary on spatial options

The public consultation on the Greater Cambridge Local Plan First Conversation (Issues and Options) was completed in early 2020. Building on the initial options set out in the First Conversation, three growth level options for homes and jobs and eight strategic (non-site specific) spatial options were identified for testing.

The first option, Densification of existing urban areas, focused new homes and jobs within Cambridge. The primary location for development within the urban area was at North East Cambridge.

Along with the consultants engaged to provide evidence for the other Local Plan topic areas, GL Hearn, with SQW, Cambridge Econometrics, and Iceni Projects, were asked to assess each strategic spatial option with regard to their initial evidence findings. Their assessment of the Densification of existing urban areas from The Greater Cambridge Local Plan Strategic Spatial Options Assessment: Employment is reproduced below.

Labour force accessibility, availability and proximity

Within Cambridge, employment is anticipated to provide highly accessible employment opportunities to a significant labour pool in the city with short and sustainable modes of commuting. Cambridge North Station provides a highly accessible access node.

Suitability for future economic growth sector land uses

Within city development will be well suited to higher density offices and ‘dry lab’ research type space. However more land hungry use classes such as wet lab research spaces and light industrial or warehousing are unlikely to be suited to city areas due to the high land and rental values and competition for land with housing and other uses.

Proximity to existing clusters

The city has a well-established professional services offer with a cluster of technology orientated firms at Cambridge Science Park and a range of firms at

Cambridge Business Park. North East Cambridge is likely to be able to build on the success of nearby premises in developing an office / technology offer. However, it may be less attractive to life science orientated businesses due to reasons noted above relating to higher density utilisation.

Deliverability / market response

The occupier and investment market will be attracted to in city development such as North East Cambridge. It is likely to be primarily targeted at prime office / lab space as previously achieved in the city due to the desirability of the location. An increase in supply may temper rental values. Mid-market rental premises and non-office based activities are expected to see lower levels of market interest.

Greater Cambridge Local Plan Preferred Options 2021

As outlined above, the Employment Land and Economic Development Evidence Study concludes that the most likely future level of jobs growth, taking into account long term patterns of employment including recent fast growth in key sectors that perform particularly strongly in the Greater Cambridge area, is the central growth level. This was described as the medium growth level in the development strategy options assessments that were published in November 2020.

The Greater Cambridge Local Plan First Proposals (Preferred Options) document published in November 2021 responds the findings of this evidence. The preferred approach is informed by the medium forecast considered the most likely level of new jobs. However, the proposals also seek to provide flexibility in employment land in case the market delivers more jobs than anticipated.

It highlights the fact that even with the fast rate of employment growth in the area, large employment sites can take a long time to build out, sometimes beyond the plan period. Notwithstanding the overall level of employment land supply, there is a need for suitable new land to be identified to meet the employment needs of specific sectors – some of which have very specific locational requirements

Why North East Cambridge?

Woven into the consultant's analysis of the North East Cambridge sub-market, are a number of findings that provide an insight into why businesses are attracted to locate to NEC. These are categorised and quoted below:

Prestige/profile

"In terms of locational requirements, lab occupiers prefer high profile parks such as Cambridge Science Park, but areas such as Granta Park are less expensive in terms of rents and suitable for companies looking for more value, according to agents." Page 24

Clustering

"…agent consultation revealed that R&D tends to congregate with other like-minded businesses in established parks with specific R&D clauses." Page 23

"Agents observed that office space is desirable in the North East Cambridge cluster due to a presence of other "high-value" tech companies and R&D facilities. Key areas for offices include Cambridge Business Park and St. John's Innovation Park." Page 44

"Consultation confirmed that this submarket (NEC) is key for R&D due to Cambridge Science Park. The park has an R&D clause in its design and requirements, thus clustering development." Page 45

"The concentration of ICT businesses in Cambridge Science Park / Business Park and surrounds is recognised as the most desirable location for office / dry lab R&D premises although perhaps the critical mass and proximity to Cambridge as a labour pool is more important than the proximity to other businesses." Page 64

Transport links

"These types of companies (technology, design, and artificial-intelligence orientated R&D) typically congregate around the city centre and Science Park, as their labour

force requirements for public transport and connections to London via the train are paramount.” Page 23

“Agents noted that the recent opening of Cambridge North station in 2017 will create more development opportunities, and thus many other high-value companies have now started looking to Cambridge North for easy transport links. Agents also noted that these “high value tenants” would also further exasperate the rental values for existing tenants in the area, similar to what has occurred close to Cambridge Station.” Page 45

“The Guided Busway provides a link from Huntingdon/St Ives, firstly going through Swavesey and onto Northstowe, Histon and North East Cambridge. This is a benefit to businesses in North East Cambridge, heightening access to a wider labour pool catchment and connections to Cambridge and London beyond. It is also likely to increase the viability and sustainability of future residential development at connected locations.” Page 66

“Cambridge North Station has been identified as a catalyst for further economic development. Occupiers across the ICT sector have indicated that land in proximity to the station would be a desirable location for Grade A (or prime) office floorspace with flexible floorspace and incubator space. Cambridge North’s improved accessibility occurs in a location where there is pent up demand for further commercial space – North East Cambridge.” Page 66

“Access to a Cambridge railway station is a common requirement for the ICT and Professional Services sector as businesses rely on access to markets and a large labour pool, including people residing in London. In particular, businesses located in the CB1 area are reported to recruit staff from London (who commute daily). Access to the station is also increasingly important in relation to life sciences, particularly since the opening of the Francis Crick Institute at St Pancras.” Page 66

“There is considered to be a strong corporate office market demand looking forward for the Cambridge Science Park and future development of North East Cambridge. The Cambridge North Station’s accessibility is described as a particular local driver for demand.” Page 116

Proximity to Cambridge

“For example, a group of businesses operate as trade counters, and could be suitable to relocate to areas further out such as Waterbeach. However, they are attracted to North East Cambridge due to locational proximity to the population mass of the city.” Page 46

“The concentration of ICT businesses in Cambridge Science Park / Business Park and surrounds is recognised as the most desirable location for office / dry lab R&D premises although perhaps the critical mass and proximity to Cambridge as a labour pool is more important than the proximity to other businesses.” Page 64

Premises size

Whilst there are clear statements within the Evidence Study in relation to prestige, clustering, transport links and proximity to Cambridge as drivers of NEC business locations, whilst reference is made to the range of unit sizes on its parks this is not overtly picked out as a draw for businesses. Examples are provided below.

“Professional services typically focus on B1a offices at densities of around 9 sqm in Cambridge including NEC but rising up to 12 sqm in office park locations where space is less of a premium.” Page 57

“Cambridge Science Park has a wider range of units for each stage of the business cycle and there is scope to accommodate businesses on floorplates of up to 50,000 sq. ft.” Page 61

“There are many locations across Greater Cambridge that provide office floorspace for early stages in the business cycle. One example is St John’s Innovation Centre where there are around 95 units designed to accommodate from two to 40 people. At St John’s Innovation Centre, there is a central reception and shared common areas which support knowledge sharing and collaboration.” Page 62

“Larger scale office accommodation – consistent with the needs of substantial ICT and professional service firms – is available at (for example) Capital Park (Fulbourn), Cambridge Business Park and Cambourne Business Park. Cambridge Science Park

provides various sizes of office floorspace – including multi-occupier buildings at around 40,000 sq. ft or floors ranging from 10,000 sq. ft. to 17,000 sq. ft." Page 62

Why not North East Cambridge?

"Agents, as they remarked similarly for office, noted that smaller R&D floorplates of high quality were not available in parks like Cambridge Science Park or St. John's Innovation Centre, which has smaller floorplates available but at leases of longer than 5+ years." Page 45

Evidence: Innovation Districts

In "The Rise of Innovation districts: A New Geography of Innovation in America", Julie Wagner and Bruce Katz define an innovation district as: "geographic areas where leading-edge anchor institutions and companies cluster and connect with start-ups, business incubators, and accelerators. Compact, transit-accessible, and technically-wired, innovation districts foster open collaboration, grow talent, and offer mixed-used housing, office, and retail."

The Cambridge Employment Land Study Innovation Districts Case Studies report (December 2019) prepared by Hawkins Brown focuses on four aspects of innovation districts illustrated through contrasting global case studies. These are:

- Public realm management
- Integration of residential uses
- Local socio-economic impact
- Phasing

The report concludes with specific recommendations for the Greater Cambridge Shared Planning Service. Those that specifically reference the employment and housing spatial mix include:

- Housing needs to be spatially mixed with other uses at no less than at a block level. Segregated residential "sub- neighbourhoods" should be avoided.
- Housing should be located within walkable distances to workspace and other amenities throughout the district
- Plan for proportional delivery of housing and workspace in every phase

Evidence: North East Cambridge Typologies Study and Development Capacity Assessment

The North East Cambridge Typologies Study and Development Capacity Assessment prepared by the Greater Cambridge Shared Planning Service provides examples of employment spaces internationally where different employment uses and employment and residential uses are brought closer together to create successful developments.

Examples from Germany and London are combined with local examples to demonstrate how industrial, office, commercial and residential uses can coexist to facilitate successful compact places though innovative stacking solutions.

The study goes on to assess individual parcels within the NEC area including the existing industrial sites.

Evidence: Mixed Use Development: Overcoming barriers to delivery at North East Cambridge

The Mixed Use Development: Overcoming barriers to delivery at North East Cambridge (June 2000) study prepared by GL Hearn consultants considered some of the challenges that NEC may face in delivering higher density mixed use development, particularly integrating business with other uses, and how these might be overcome. The conclusions of the report are outlined below.

Operational: Where commercial / industrial development is integrated with or taking place in close proximity to residential or other sensitivity uses, care needs to be taken in ensuring noise, vibration or air quality environmental issues are managed appropriately.

Traffic: NEC is constrained in terms of vehicle trips. Commercial elements need to be managed to minimise effects whilst not being operationally constrained. Parking spaces should be managed through the planning and design process, encouraging sustainable transport modes and through the use of travel plans where appropriate.

Delivery: Mixed use development can be more complex than traditional mono tenure developments, with an understanding needed of several land use types (residential, commercial) and well as the issues of integration. Procuring or encouraging developers and development terms will improve outcomes. Where concerns arise about the ability of landowners or fragmented land ownership structures to deliver development in line with policy, there may be a case for authorities to use their compulsory purchase order (CPO) powers – if other tests are met.

Management: An integrated approach to management of mixed use development is beneficial, ensuring any conflicts between commercial and residential elements can be resolved – such as noise or traffic. Overall estate management becomes essential to successful development including public realm and infrastructure. Large mixed use developments such as NEC may be suited to institutional investors looking for long term income streams.

Occupier transition: Existing occupiers may be displaced through redevelopment and re-provided floorspace may see rent increases. If at NEC it is desired to support existing occupiers through transition then an understanding of operational needs and locational preferences will be required. Ensuring viable future spaces may also entail affordable workspace provision. Given sensitivities in the process a relocation strategy should be considered.

Deliverability: Market evidence suggests that mixed use development is likely to be viable in NEC. It is expected that this will be predominantly in the form of horizontal–adjacent development – but that some vertical mixing should be anticipated and encouraged particularly in light of the innovation district model being sought, where diversity in activities is desirable to support vibrancy.

Preferred Approach and Reasons

Business

North East Cambridge is identified by the Employment Land and Economic Development Evidence Study as playing an essential role in meeting the identified

demand for office/R&D space in Greater Cambridge. Demand for space at North East Cambridge is considered to be high, driven by reputation, clustering and more recently the new Cambridge North train station.

In its sectoral analysis the Evidence Study suggests that North East Cambridge is likely to be able to build on the success of nearby premises in developing an office / technology offer. Whilst there is some scope for Life Science R&D wet lab space on NEC, the study suggested that it is less compatible with high density developments particularly in areas with high land and rental values and competition for land.

The type of space required in both the ICT and Life Science sectors is flexible floorspace that allows businesses to develop through their early life cycle from start-up to grow-on space. In the ICT sector in Greater Cambridge, the study identifies a particular lack of smaller start-up and grow on quality office space with managed workspace in high demand to degree that constrains business opportunity.

Reflecting the Employment Land and Economic Development Evidence Study evidence on the importance of NEC to the supply of business space in Greater Cambridge but also recognising the fact that business growth must not undermine the quality and character of the area, exceed its trip budget or have negative commercial implications for other employment parks elsewhere in Greater Cambridge (see Policy 22 (managing motorised vehicles), capacity for additional commercial (Class E(g)) floorspace of up to 188,500m2 is proposed on North East Cambridge. Whilst not all of this floorspace is likely to be built within the plan period, it is likely that the redevelopment of the site will meet a significant proportion of the recommended additional office/R&D floorspace identified in the Study.

The increase in jobs and floorspace will come through intensification on existing sites, including consolidation of surface car parks to off-plot car barns, and the introduction of higher density development that increases employment opportunities. More specifically, opportunities have been identified to intensify business uses within the existing successful employment sites of Cambridge Science Park, St Johns Innovation Park and Cambridge Business Park. In addition, there are also opportunities to provide new business space to the north of Cowley Road, on the Chesterton Sidings site, within Cowley Road Industrial Estate, and on the Anglian

Water/Cambridge City Council site. These will help to support the ambition for a diverse range of jobs and business opportunities to be provided at North East Cambridge.

Recreating North East Cambridge as an Innovation District, as described in the report by Hawkins Brown, will support the development of an integrated community where the mix of businesses, residents, services infrastructure and public spaces create the conditions to optimise social, research and business networking so that collaboration, innovation, residents and businesses can flourish.

This concept is will be taken forward across the NEC area, including on each of the sites identified above, as a higher density mix of business uses, sizes and ages (St John's Innovation Park and Cambridge Science Park), and/or a high density mix of business, residential and other uses (Cambridge Business Park and the three new sites). There are also opportunities to build the relationship between these employment parks and Cambridge Regional College. This would support the underlying principles of innovation districts and the interrelationship between education, industry and innovation.

The amount of employment space and its distribution across the site has been carefully considered against the need to create a more balanced mix of uses and wider community at North East Cambridge, as well as the requirements set out in Policy 22 (Managing motorised vehicles).

More detail on the proposed mix of uses on each individual employment site can be found at Appendix 1 alongside the increase in business floorspace proposed in the AAP. Proposals which exceed these figures will need to be justified in terms of the Greater Cambridge Employment Land and Economic Development Evidence Study (through an Employment Impact Assessment), and any impact on the AAP trip budget, Area Action Plan wide infrastructure and whether the character, role and function of an area could be compromised.

In support of the ambition to create a mixed development, it is proposed that new business floorspace within the AAP area that is located outside the identified employment areas referenced in Appendix 1, will generally not be supported unless

the site can be brought forward as part of a mixed-use residential led scheme and that the proposal will not have an adverse impact on the trip budget.

Based on the Employment Land and Economic Development Evidence Study evidence around the affordability of business floorspace and the demand for space for a range of businesses including start-ups and SMEs, and the need identified in the Cambridge Anti-Poverty Strategy to provide a range of jobs for local residents, it is also proposed that development proposals will be required to demonstrate how they will support:

- Opportunities for start-ups and SMEs;
- A mix of new high quality and flexible workspace to facilitate new business formation and growth of existing businesses seeking 'move on' space;
- Flexible and adaptable buildings that can respond to future business needs;
- Innovation and collaboration through the provision of co-working spaces;
- Affordable workspace.

To support the AAP's ambitions for North East Cambridge to be a low environmental impact urban district that has beautifully designed places, spaces and buildings that will improve wellbeing and quality of life for everyone, proposals will also be required to demonstrate how they will support:

- Quality public realm and physical environment which is publicly accessible;
- The increased use of sustainable modes of travel and reduction in private car use in accordance with the Trip Budget.

Industry, Storage and Distribution

The Employment Land and Economic Development Evidence Study reports that over the past 17 years, Greater Cambridge industrial stock has grown from 1,095,000 sqm in 2000/01 to 1,145,000 sqm in 2018/19. This represents a 5% growth over this period and an annual growth rate of 0.2% per annum. However, Cambridge has lost nearly a third of its industrial floorspace over the same period

while South Cambridgeshire achieved larger gains in absolute terms. Recent trends whereby these lower value uses have been driven out of central Cambridge by impact of housing demand on land value and rental prices are highlighted.

The Evidence Study identifies shortfalls in both industrial and warehousing and distribution floorspace in Greater Cambridge and recommends the identification of additional space as well as protecting some industrial locations in the City to support the economic needs and diversity of employment opportunities.

Preferred locations for B2 and B8 uses identified in the Evidence Study are in reasonable proximity to Cambridge, enabling commuting and potential access to customers, as well as in the wider city hinterland, with good accessibility. Certain uses such as trade counters, prefer edge of city locations with smaller and mid sizes B8 requirements that assist in fulfilling last mile delivery needs preferring in town locations. Where more industrial units sit alongside mid tech B1b as part of an integrated offer, proximity to the strategic road network is key and also, ideally, locations on the fringe of urban areas.

The Cambridge Anti-Poverty Strategy 2020-2023 identifies a “hollowed out labour market” locally where the strength of the higher education, hi-tech and bio-tech sectors means that the majority of jobs in the Cambridge area are in higher-skilled occupations. This may limit the opportunities for people on low incomes in the city to secure higher-paid occupations requiring intermediate level qualifications and skills.

In light of the evidence from the Employment Land and Economic Development Evidence Study and the Anti-Poverty Strategy, an AAP policy which ensures there is no net loss of B2 (general industrial) and B8 (storage or distribution) floorspace within the North East Cambridge Action Plan area is proposed. Proposals for the redevelopment of existing industrial floorspace (B2/B8) will be required to re-provide the equivalent amount of floorspace (Gross Internal Area) within the plan area in line with the ‘Industrial Development Areas’ described below.

The North East Cambridge Commercial Advice and Relocation Study (2021) identifies around 11,000m2 of storage and distribution (B8) within NEC and 12,200m2 of general industrial (B2) uses. This floorspace is mainly clustered around

Cowley Road Industrial Estate and Nuffield Road. There appears to be good demand for these spaces with limited vacancies.

Nuffield Road Industrial Estate lies at the end of Nuffield Road. Access to the site is from Green End Road and vehicles have to pass through residential areas that include Shirley Community Primary School and Nuffield Road Medical Centre, to reach the industrial estate. Retaining and consolidating this site for industrial uses would create increased potential for conflict between industrial uses and the neighbouring residential areas. This would not complement the AAP's ambition of creating good growth.

Cowley Road Industrial Estate is adjacent to the Aggregates Railheads at the end of the proposed main access road into North East Cambridge. Due to its location, the interaction between industrial vehicles and residents in the redeveloped NEC would be minimised. It would also provide a buffer between the Aggregates Railheads and new residential areas. For these reasons, Cowley Road Industrial Estate (and an additional industrial area of the Chesterton Sidings site) has been chosen as the area into which industrial and warehouse uses from Cowley Road Industrial Estate and Nuffield Road Industrial Estate will be consolidated.

The proposed consolidated industrial area is represented by areas B1 and B2 (Cowley Road Industrial East) and part of area A4 (Chesterton Sidings area) on the proposed Spatial Framework diagram that can be found at Figure 10 within the Area Action Plan as well as within the Council's Typologies Study and Development Capacity Assessment (2021). Area A5 represents the Aggregates Railheads area.

Site capacity testing of this area set out within the Typologies Study and Development Capacity Assessment (2021) shows that these areas could accommodate up to 60,000m2 of gross industrial floorspace. This capacity and the need to create a suitable buffer around the Aggregates Railheads and the relocated Waste Transfer Station to protect the amenity of uses and spaces across North East Cambridge has been balanced against the need to create a more balanced mix of uses and wider community, as well as the requirements set out in Policy 22 (managing motorised vehicles). From this, the following floorspace development is proposed:

Area B1: it is anticipated that this will be a mix of light industrial and warehousing uses including the relocated Waste Transfer Station (see below)

Area B2: this will be a mixed use area with residential, office, light industrial uses and a Car Barn.

Areas B1 and B2 minimum floorspace capacity: 11,500 m2 (B2) and 7,500m2 (B8)

Area A4: light industrial and storage uses will be located to the north of the site adjacent to the Aggregates Railheads. Minimum floorspace capacity: 700m2 (B2) and 3,500m2 (B8). Land south of these industrial uses will continue residential and office development and a car barn.

(These figure's will be confirmed on receipt of the final Commercial Advice and Relocation Strategy)

Building on the findings of the Innovation Districts study, North East Cambridge Typologies Study and Development Capacity Assessment and the Mixed Use Development paper summarised above, it is considered that, where industrial uses are provided or retained, this increased capacity and intensification of B2 and B8 uses will be achieved through the more efficient use of land by:

- Horizontal or vertical extensions;
- Infill development;
- Comprehensive development of existing sites;
- achieving higher plot ratios (a minimum of 65%);
- the development of mezzanines;
- the introduction of flexible units;
- multi-storey proposals for mixed-use development schemes through vertical stacking that include other uses including employment and residential uses.

The vertical stacking of units can provide a creative, space-efficient method to achieve a high plot ratio. The intensification of sites can also increase servicing efficiency, minimising trips and impacts on the transport network. Some uses may be better suited to this type of consolidation, for example, a group of trade counters could be better suited to sharing certain services compared to others.

Mixed use development is intended to maximise the potential for North East Cambridge to deliver housing and industrial floorspace simultaneously. In locations such as Area B2, where a mix of residential and employment floorspace is planned, it is expected that the vertical stacking of uses would contain both homes and businesses.

As highlighted in the Commercial Advice and Relocation Strategy (GL Hearn, 2021) (This paragraph may need revision on receipt of the final Strategy) commissioned by the Greater Cambridge Shared Planning Service, whilst the new intensive units will be quite different to the existing floorspace, the capacity numbers suggest some flexibility to accommodate different requirements once known. Further feasibility work may be appropriate during the plan process to inform appropriate site design, layout, and building configuration of these new intensified employment spaces to ensure these are capable of meeting future occupier needs.

The proposed policy includes the need for proposals to be designed and laid out to meet the operational needs of industrial use. They must also be designed to manage movement within the trip budget in accordance with Policy 22: Managing Motorised Vehicles.

In order to ensure that industrial developments are sustainable and that they are compatible within a mixed use community they should be flexible and adaptable so that they are able to meet current and future business needs and they should be designed to mitigate any environmental impacts in accordance with Policy 25: Environmental Protection.

Proposals which exceed the floorspace amounts specified above would be generally be supported where it can be demonstrated that they meet local industrial floorspace needs or secure an appropriate buffer around the Aggregates Railheads and the relocated Waste Transfer Station.

Proposals that do not meet the 65% plot ratio would need to demonstrate that they will not compromise the delivery of the overall floorspace quantum identified in the policy.

For businesses currently located on North East Cambridge, the consolidation and intensification of floorspace may result in a need to relocate off site. Whilst the AAP does not provide any protection for existing occupiers, the Councils as corporate

bodies will look to work with affected occupiers to help identify suitable alternative sites either within the NEC area or elsewhere.

For those occupiers that will need to relocate, a Relocation Assistance Strategy will be developed which will outline the processes that will be followed to support existing businesses to move.

The Commercial Advice and Relocation Strategy (this section may need revision on receipt of the final Strategy) has provided a number of recommendations around the engagement of and support for businesses. These will inform the development of the Relocation Assistance Strategy. It focuses on two areas

1. Helping to identify relocation premises, both on and off-site
2. Minimising the costs of disruption

The Strategy also discussed the importance of maintaining engagement with businesses as well as the flow of information and also the potential role of the Councils in coordinating activity. Other opportunities outlined include ensuring existing businesses are consulted on future design codes and inform forthcoming development to take into account existing and future business requirements and the role of meanwhile uses in providing transition space for businesses that are relocating.

A number of ringfenced/safeguarded uses are identified in the Commercial Advice and Relocation Strategy as key uses that are incompatible with a mixed residential community and would need to relocate in order to deliver the AAP. These are the Aggregates Railheads; the Waste Transfer Station and Cowley Road Bus Depot. The Strategy provides more detail on the how these sites will be addressed. A summary is provided below.

Aggregates Railheads

This is a safeguarded site in the Cambridgeshire and Peterborough Minerals and Waste Local Plan 2036 (adopted 2021). It has not been possible to identify a potential permanent alternative site at this point, however, an interim solution is proposed whereby the Railheads remain on-site and industrial and warehousing uses are located adjacent to the site to provide a buffer between it and the other less

compatible residential and community uses. A Statement of Common Ground endorsed by Cambridgeshire County can be found within the Proposed Submission Duty to Cooperate Statement of Common Ground. This outlines the agreed position on the Aggregates Railhead and the Waste Transfer Station (see below).

Waste Transfer Station

This site is also safeguarded in the Cambridgeshire and Peterborough Minerals and Waste Plan 2036. It has not been possible to identify a permanent alternative site at this point in time. However, a preferred alternative, preferably interim, solution has been identified whereby the use is located within the new Industrial Development Area (Area B1) until a permanent alternative is identified. Outside of the AAP process, work will continue to identify a new off-site location outside the AAP area as set out in the Statement of Common Ground which has been endorsed by Cambridgeshire County Council (see Proposed Submission Duty to Cooperate Statement of Common Ground).

For both the Aggregates Railheads and the Waste Transfer Station, as described above, B2 and B8 uses will provide a mitigation buffer to other uses such as residential uses. The design and siting of this development will need to address this requirement.

Cowley Road Bus Depot

There is a local ambition to at least double the size of the bus network within Greater Cambridge and for the network to be low carbon. The limitation of vehicle movements within NEC based on the Trip Budget and the incompatibility of the bus depot use with residential and other sensitive uses will require the off-site relocation of the Cowley Road Bus Depot.

Given the 10 year horizon before the relocation of the Bus Depot needs to take place, and the significant amount of transport planning still to be undertaken that will clarify the bus needs of Greater Cambridge and the future lay-over facilities that will be required for an enhanced fleet, there is not yet a specific delivery plan or alternative site in place for planning and delivering the Cowley Road Bus Depot relocation. The new Local Transport and Connectivity Plan and Bus Strategy

processes will start to map out the proposals for bus provision in Greater Cambridge and Greater Cambridge Partnership (GCP) schemes will help develop those further. An agreed officer draft of a Statement of Common Ground which will be subject to final sign off can be found within the Proposed Submission Duty to Cooperate Statement of Common Ground.

Affordable workspace

Evidence from the Employment Land and Economic Development Evidence Study indicates that there is a shortage of affordable workspace for start-up businesses and SMEs across Greater Cambridge. The issue is more apparent and increases further towards Cambridge city centre.

Common issues include tenants being priced out of the market, long waiting lists for new space and high rents. As a result, it reports, the workspace market in Greater Cambridge can be difficult for micro-enterprises and SMEs to enter.

Providing spaces at reduced rents on easy-in and on easy-out terms helps to encourage individuals to take the leap into starting a new business or growing their homebased business. Support from business support providers in these shared spaces can help entrepreneurs to develop sustainable companies.

Affordable workspaces have an important role in helping to address social inclusion. Individuals from more deprived communities will have more barriers to starting up including access to finance and the ability to absorb risk. Access to affordable flexible spaces can help to overcome these issues.

For Greater Cambridge, the creative sector has been identified as a sector that has a significant economic role in the area and a role in supporting wider community well-being, for example through place-making. However, it has also been identified as having a particular need for affordable space. The provision of affordable workspace, both office and workshop space, could potentially provide valuable support for businesses in the creative sector to help them to both start-up and grow.

To help to address the shortage of affordable workspace, developments that include over 1,000 m2 of net additional industrial floorspace will be required to provide 10% of the new floorspace to be affordable industrial workspace, subject to scheme

viability. This should be secured for a minimum of 30 years at rents that are appropriate to the viability of the business. Affordable workspace will also be required in office developments.

The rent per square foot/metre or per workstation that would be considered affordable will vary according to a range of factors such as location, type, quality etc, and the level of discount to be applied will therefore need to be secured on a proposal-by-proposal basis, having regard to overall scheme viability.

Where workspace has been specified as affordable, the Councils' economic development teams will work with developers to agree appropriate terms of affordability. If on-site provision is not possible, financial contribution for equivalent off-site provision will be sought. Affordable industrial workspace and / or a financial contribution will be secured through a legal agreement between the developer and the local planning authority.

Delivery and consolidation hubs

Delivery and consolidation hubs seek to reduce the number of goods vehicle trips required to service a particular area by bringing goods together in one hub and delivering these goods by, for example, a single vehicle rather than each good being delivered by individual vehicles.

The benefits of this hubs include reduced operating costs for suppliers, reduced fuel consumption for delivery companies and for communities, reduced vehicle emission, traffic and congestion from the reduction in the number of vehicles but also because the vehicles used can be electric powered or bicycles.

The Employment Land and Economic Development Evidence Study identified that there is a demand last mile logistics companies in South Cambridgeshire and that in town, smaller and mid sizes B8 requirements will assist in fulfilling last mile delivery needs.

Policy 10c identifies an opportunity for delivery and consolidation hub within Cambridge Science Park Local Centre. Policy 20 states that an additional delivery and consolidation hub could be located close to Milton Road where it can be

accessed directly from the primary street to reduce vehicle movements within the Area Action Plan area. Policy 12b confirms that small delivery and consolidation hubs that are under 1,500m2, will be supported outside of the identified industrial areas provided they are in accordance with Policy 20 Last mile deliveries and Policy 25: Environmental Protection.

Delivery of industrial floorspace

The Commercial Advice and Relocation Strategy (this section may need revision on receipt of the final Strategy) explores the delivery options for the re-provision of B2 and B8 floorspace within the Industrial Development Areas. The analysis considers the ownership of the different land parcels, both in the existing and new industrial areas, and reflects on the different methods of delivery in relation to these. The Strategy then goes on to look at potential phasing for re-provision industrial space and provides an indicative phasing strategy.

The Strategy reviewed a number of policies related to the re-provision of industrial floorspace. Their recommendations are outlined under each policy along with the Councils' response.

- Policy 12b
  - Planning policy must not be overly onerous on applicants to ensure delivery. The Council and its legal advisers should satisfy themselves that wording relating to intensification ('feasible' and 'proactively') is aligned and defined what must be provided as part of a planning application in order to demonstrate compliance.
  - Point C could be removed and incorporated into wording around Relocation as identified in Policy 24.b.

    The first bullet and the suggestion for further guidance is noted by the Councils'. In relation to the second bullet, the Councils consider that the inclusion of the Cowley Road Bus Develop in Policy 12b clarifies that its relocation is needed to deliver the intensification of the industrial floorspace on Cowley Road in accordance with the earlier part of the Policy. Policy 24b performs a different role, drawing together the individual relocation related

policies located across the AAP. Reference to the Bus Depot has therefore been retained in Policy 12b.

- Policy 24a
  - Consider Removing this draft policy from the NEC AAP and provide this wording in the supporting text of the Spatial Strategy.

    The Councils consider that it is useful to highlight the importance that land assembly will play in the delivery of the AAP and when CPO powers may be used to achieve this. Policy 24a has therefore been retained.

- Policy 24b
  - Consider removing this draft policy from the NEC AAP and provide this wording in the supporting text of the Spatial Strategy.

    Policy 24b performs a different role, drawing together the individual relocation related policies located across the AAP. It also clarifies the positions on the safe-guarded and ring-fenced uses. It has therefore been retained.

Appendix 1: Requirements for individual land parcels

Anglian Water/Cambridge City Council site: This area will be transformed into a residential led mixed-use area which will include an element of new business floorspace primarily located within and in close proximity to the District Centre and Cowley Road Local Centre.

Additional business (E(g)) floorspace: Up to 23,500m2

Cambridge Business Park: This area will undergo significant change through the introduction of an employment led mixed-use development. This will be achieved through the intensification of business floorspace brought forward alongside retail, community and cultural uses and new homes.

Additional business (E(g)) floorspace: Up to 50,000m2

Cambridge Science Park: The principal source of business space development in North East Cambridge will be the intensification of employment floorspace within this area. This will include the redevelopment of existing under-utilised premises including associated car parks and the introduction of other supporting uses.

Additional business (E(g)) floorspace: Up to 60,000m2

Chesterton Sidings: New business space will be created in this area alongside homes and other employment, retail and community floorspace to create a mixed-use area, based around Cambridge North Station and the Station Approach Local Centre. This area will be a key gateway to both the site and wider area.

Additional business (E(g)) floorspace: Up to 23,500m2

Cowley Road Industrial Estate: Business space in this location should also form part of the long-term replacement of employment business floorspace from Nuffield Road Industrial Estate to support industrial uses in this area. Redevelopment in this

area should also not result in the net loss of business floorspace from Cowley Road Industrial Estate.

Additional business (E(g)) floorspace: Re-provision of existing amount of commercial floorspace within Cowley Road and from Nuffield Road Industrial Estate.

Nuffield Road Industrial Estate: In order to minimise the number of commuter and commercial delivery trips along Nuffield Road, this area is identified for residential uses only. Therefore, proposals for new business floorspace within this area will not be supported. Proposals for the loss of business floorspace in this area will need to firstly demonstrate that equivalent floorspace will be re-provided within Cowley Road Industrial Estate in the first instance and secondly within the wider Area Action Plan area if this is not feasible.

Additional business (E(g)) floorspace: None. Existing amount of commercial floorspace should be re-provided to Cowley Road Industrial Estate.

St John's Innovation Park: This area will be redeveloped to support existing and future business needs through business intensification. This will include the redevelopment of existing under-utilised premises, including associated car parks, and the introduction of other supporting uses.

Additional business (E(g)) floorspace: Up to 30,000m2

Trinity Hall Farm Industrial Estate: There are opportunities in this area for a small uplift in business floorspace through the comprehensive redevelopment of the site. This will need to consider how the site sits in relation to the Area Action Plan Spatial Framework as well as existing and future adjacent land uses.

Additional business (E(g)) floorspace: Up to 1,500m2