



To: Executive Councillor for Planning and Sustainable Transport
Report by: Head of Planning Services
Relevant scrutiny committee: Development Plan Scrutiny Sub Committee 12/06/2012
Wards affected: All Wards

Cambridge and South Cambridgeshire Employment Land Review – Update – Initial Findings

Non Key Decision

1.0 Executive Summary

1.1 In January 2012 the Cambridge City Council and South Cambridgeshire District Council commissioned an update to the Councils' Employment Land Review. The aims of the report were to:

- Utilise updated labour supply and demand forecasts based on demographic and regional econometric projections. Identify employment sector growth estimates based on the available scenarios.
- Apply the Employment Land Review methodology to estimate land supply requirements by use class and different geographical property markets of the available scenarios.
- Identify and consider current information on vacancy rates of sites and buildings (including the impact of public sector cuts).
- Consider the impact of the loss of the planned major development at Cambridge East and the potential for employment provision North of Newmarket Road.
- Compare current information on available land supply with forecast demand anticipated with the modelling scenarios.
- Update assessments of employment sites within Cambridge and close to Cambridge and comment on their continued use and potential protection from other uses.

1.2 The Employment Land Review provides an evidence base for developing policies and allocating sites in the review of the Local Plan and will also be a material consideration in the determination of planning applications.

1.3 A summary of the findings from the Update to the Employment Land Review is attached as part of the main report at appendix A.

2.0 Recommendations

2.1 This report is being submitted to the Development Plan Scrutiny Sub-Committee for prior consideration and comment before decision by the Executive Councillor for Planning and Sustainable Transport.

2.2 The Executive Councillor is recommended:

- a) To consider the summary of findings from the Employment Land Review 2012.
- b) To note that the final Employment Land Review will be brought before Development Plan Scrutiny Sub-Committee for agreement at a future date.

3.0 Background

3.1 Cambridge has bucked the trend and performed well in the recent economic downturn. The [Cities Outlook 2012](#), produced by Centre for Cities, names Cambridge as one of the few cities in the country that have seen relatively small increases in people claiming Job Seekers Allowance since 2008. This report also identifies Cambridge as “standing out” when it comes to innovation, with more patents per 100,000 residents than the next six cities combined. Cambridge has the highest proportion of higher skilled workers, and the lowest percentage with no qualifications. Cambridge also ranks amongst the ten cities with the lowest inequalities within the county.

The Current Local Plan

3.2 Chapter 7 in the Local Plan (www.cambridge.gov.uk/planning) deals with working and studying in Cambridge. The Local Plan objectives relating to employment growth are:

- to promote economic growth in sustainable and accessible locations;
- to promote the growth of and linkages between employment clusters such as high technology/biotechnology/ICT/higher education;
- to recognise innovation and enable Cambridge’s role as a world leader in higher education, research and knowledge based industries;
- to implement the selective management of the economy;
- to protect the best industrial and storage areas and provide a range of new employment land; and
- to maintain and enhance the diversity of jobs available in the City.

- 3.3 The Local Plan policies relating to employment growth aim to:
- provide an adequate supply of employment land to meet future needs: through a number of strategic and small scale allocations of land (Policy 7/1, Employment Provision);
 - balance the growth of the economy with the protection of the environment: by ensuring the limited supply of land is reserved for development that can demonstrate a clear need to be located in the area to serve a local requirement or contribute to the success of the sub-region as a centre for high technology and research (Policy 7/2, Selective Management of the Economy);
 - maintain a diverse range of employment opportunities and a full range of services in Cambridge in the face of a limited land supply and pressure to change to more high value uses: by protecting change of use from industrial uses, on specific sites and throughout the City (Policy 7/3, Protection of Industrial and Storage Space); and
 - promote development that supports the continued success of ‘the Cambridge Phenomenon’: by encouraging development that fosters innovation and helps reinforce the existing high technology and research clusters of Cambridge (Policy 7/4, Promotion of Cluster Development).

Study Background

- 3.4 In 2007 an Employment Land Review was produced with South Cambridgeshire to provide evidence for the Local Plan review. This looked at the employment land requirements to 2026 in both districts. It concluded that there were 139 hectares of unconstrained land available for employment development in 2007, and that this may be insufficient to accommodate the indicative target for net growth in jobs.
- 3.5 A generous supply of land existed for high technology research and development uses in South Cambridgeshire. Within the City, losses of employment land have occurred over the last 10 years, especially within manufacturing land. The Review identified a short-term undersupply of industrial land, and a medium-term undersupply of office space in the city. Furthermore, much of the supply of employment land it identified was not in Cambridge, but in South Cambridgeshire, often away from the city.
- 3.6 A review of the Employment Land Review was required in order to update it to the changed national and policy situation since 2007.

The Cambridge Cluster at 50 Study

- 3.7 In 2011 a study was published that looked at the state of the Cambridge Cluster fifty years after its formation: The Cambridge

Cluster at 50. A report was brought before this committee in June 2011, <http://www.cambridge.gov.uk/democracy/ieListDocuments.aspx?CId=184&MId=670&Ver=4> looking at the findings of this study. These are relevant to the Employment Land Review update and can be read at the above link.

3.8 Some key recommendations from this study are set out below:

- There is a need to recognise that “doing business” – particularly within and between emerging high tech businesses – is as much a social process as it is a narrowly economic one; for this reason, designing and delivering new developments with social spaces, shared across the site and not just within individual buildings will be important to foster ideas and innovation;
- There is an urgent need to improve connectivity between Cambridge railway station, the city centre and the principal employment sites (Cambridge Science Park, West Cambridge and Addenbrooke’s hospital site), acknowledging the strong demand for easy access to both the city centre and London. A key element of this should be the development of a new station at Chesterton which also links into the Cambridgeshire Guided Busway. A regular and direct shuttle-bus between West Cambridge and other main high-tech locations, combined with greater efforts to support social interaction, could do much to improve connectivity and change perceptions. This would take some pressure off the city centre as a location for firms needing excellent access to London, and it would help integrate the Guided Bus and rail network, enhancing the value of both. The Cambridge Area Transport Strategy (CATS) will be a key process and strategy for considering these issues; and
- There is a need to develop an holistic strategy and masterplan for the central area which reflects and responds to the constantly increasing demands that the growing city-region places on a city centre whose quality is of paramount importance; and also to the changing nature of “doing business” in the 21st Century. This should be a comprehensive and long-term strategy and masterplan for the central area (including the area – north to south – between Castle Hill and Cambridge Leisure Park, and – west to east – from the Backs to the Cambridge Retail Park). The approach should be defined in relation to a series of “melting pots” such as those between scientific disciplines, different professions, and the interface between work and leisure. The city, including the city centre, needs to be a place where HQ functions are welcomed, at the same time the intrinsic physical character and assets of Cambridge city centre need to be recognised and conserved and enhanced.

3.9 Linked to these recommendations was an agenda for action. Those actions which the Council will have a direct role in through the planning process, are set out below:

Employment

- Plan in facilities and focal points for social interaction for all new developments – e.g. North West Cambridge;
- Stop the net loss of manufacturing land, and remove the cap on the scale of high value manufacturing facilities that can be developed – other planning considerations can be used to prevent intrusive activities;
- Remove the constraint on HQ functions setting up in Cambridge, whether these are the HQs of local firms or inward investments;
- Allow the development of more open B1 space, in and around Cambridge, whilst maintaining the restrictions on science parks to R&D uses (B1(b));
- Ensure business space in and around the city is planned to incorporate social and small scale retail facilities, to provide a much better social milieu for the workforce;

Housing

- Continue to support the development of an appropriate quantity and mix of housing to meet the demands of the business community. Forward funding of infrastructure through Tax increment Financing (TIF) or similar schemes is a key element of this;
- Review affordable housing policies and targets in light of reduced social housing grant, to ensure that as far as possible sufficient affordable housing of all types is provided;
- Monitor and if necessary review development requirements concerning development densities and the proportion of affordable housing to ensure these do not have unintended consequences for quality;

Transport – The Cambridgeshire County Council as the Highways Authority will lead on transport issues, however the City Council will work with the County to assist where appropriate. This is particularly important in the context of the review of the Local Plan and the need for a clear transport strategy for Cambridge.

- Ensure the Cambridgeshire Guided Busway is fully operational as soon as possible, and that it provides a fast and reliable service – including through the city where it will use public roads;
- Lobby for rapid implementation of affordable improvements to the A14;

- Lobby for continued improvements of the rail links to London – whether or not high speed rail remains a possibility. These should include a station at Chesterton, an island platform at Cambridge station, and other measures to increase capacity and improve reliability and quality;
- There is a need for creative and bold thinking to address the congestion issues in Cambridge from public and private sectors in partnership. This includes a review of private commuter parking in the city;
- Support a frequent shuttle bus service and high quality cycling routes to complement the Cambridgeshire guided Busway, in order to provide fast, frequent and convenient links between the major employment sites within the city – the northern fringe, city centre, Addenbrooke’s and West Cambridge;

Language Schools / Tutorial Colleges

- Review policies towards educational establishments to reflect better their contribution to the economy (language schools, private schools and colleges);

City Centre

- Develop a vision of the future of the city centre, and a plan for its implementation, to ensure the central area can accommodate a sustained and substantial increase in people and businesses using its facilities without damaging the quality and attractions of the place;
- A strategy and masterplan for the whole of the city centre is needed, which addresses the conflicts between the need to increase the capacity of the centre to accommodate growth of office, retail and leisure uses to serve a growing city region, and the constraints on expansion of the centre, many of which give the place its essential qualities;

Public Realm

- Prioritise funding for public realm improvements and management measures where they are considered essential to maintain the economic vibrancy of the central areas of Cambridge and the market towns; and

Conference Centre

- Assess demand for a conference facility in the 300-500 delegate range, and if proven, identify and reserve an appropriate site.

3.10 Many of these issues have been picked up in the Council’s Issues and Options Report that is being consulted upon this summer.

Employment Land Review Update: Summary Findings

- 3.11 A summary of the initial findings from the Employment Land Review is attached as part of the main report at appendix A. The conclusions are based on a number of assumptions around forecasts of future jobs and employment density requirements, exact figures should be viewed circumspectly but the more general conclusions can be seen with more confidence. It should be noted that at the time of writing this report the consultants are still finishing off the document and so, some figures and findings may be subject to change.
- 3.12 There is a close functional relationship between the City of Cambridge and surrounding South Cambridgeshire, which provides part of the setting to Cambridge, a rural hinterland to the City and includes a number of significant business parks that contribute to the Cambridge economy. The tightly drawn administrative boundary around Cambridge means that some jobs in the Cambridge Science Park are incorrectly assigned to Cambridge rather than South Cambridgeshire. This should be born in mind when considering the detailed figures, and emphasise the need to consider jobs provision in the Cambridge area in a joined up manner with South Cambridgeshire. The Employment Land Review Update attempts to do this.
- 3.13 The aim of the Update to the Employment Land Review is to look at demand for and supply of employment land in Cambridge and South Cambridgeshire and make a number of recommendations based on these findings. The Update also specifically looks at the policy of Selective Management of the Economy in the context of the demand / supply findings as well as the findings of the Cluster Study.
- 3.14 Some of the high level conclusions from the Employment Land Review Update are set out below:
- The Update observed ample supply of employment land across Cambridge and South Cambridgeshire across most use classes, *other than* with regard to the provision of office space in prime, city-centre, locations. However it also noted that the redevelopment of employment sites for employment uses often appears to be unviable and that as a result, a good number of sites are being lost, principally to housing.
 - There will be considerable pressure for B1a space in the city, and particularly in the city centre (including near Cambridge Station), where there is no more land. The only way around this is to intensify existing uses; allocating more land in peripheral locations will not help core dynamic growth for the high tech cluster. There is, therefore, a need to look systematically at the potential for intensification of use in the city centre in order to create, over time, more office space.

- There is also a need to focus on bringing forward the land that is allocated (e.g. Northstowe), which is probably sufficient for the foreseeable future. The higher employment densities and lower jobs growth projections mean that there is no immediate imperative to compensate for the loss of new employment land at Cambridge East.
- It will be important to ensure that there is sufficient land for manufacturing in the area. Where possible, existing manufacturing sites within and close to Cambridge should be protected from loss to housing or retail, but equally it is important to recognise that market factors dictate that this will not be possible in all cases. Therefore alternative provision is necessary, including at Northstowe and other places not previously considered, e.g. Cambridge Research Park. The increasing importance of hybrid buildings, which enable flexibility of use, needs to be recognised in the way in which sites are designated for different uses.
- Regarding Alconbury's designation as an Enterprise Zone (EZ), the market view currently is that (i) the EZ designation is not a particularly important incentive to firms, and (ii) initially, at least, firms will be reluctant to go there because it is isolated. This view may change over time, but even in the longer term it is likely to become attractive only relative to the periphery of South Cambridgeshire, not the area close to the city.
- It will be important to reappraise the role and potential of sites on the edge of Cambridge. As it stands, Cambridge East is ruled out while West Cambridge is under the University's control and will be developed, but gradually. To the north there is scope for intensification on Cambridge Science Park and / or finding a way to use Chesterton Sidings and / or the sewage works for high density employment uses.

3.15 Initial thoughts on Selective Management of the Economy within the Employment Land Review Update are set out below:

- National policy is more supportive of manufacturing now. It is particularly desirable to support the local development of high value manufacturing related to R&D activities.
- The maximum of 1,850m² for new industrial units is arbitrary and too low; it prevents new manufacturing related to the high tech sector locating to the area.
- Demand for office space in the central area is very different from demand for offices outside the centre of Cambridge.
- Local user restrictions on offices over 300m² should only apply to the area within the inner boundary of the Cambridge Green Belt, and they should exclude the national and international headquarters of high technology firms.

- More permissions should be granted for B1a space and higher plot ratios should be allowed in the central area (except the most environmentally sensitive areas) and northern fringe – which are accessible by public transport.

Issues and Options Consultation

- 3.16 Members are asked to consider the initial findings of the Employment Land Review Update in the context of the upcoming consultation on the Issues and Options Report.
- 3.17 The Council has agreed to consult on the Issues and Options stage of the review of the Local Plan between 15th June and 27th July 2012. The Issues and Options stage is about considering the types of issues that the city will face over the next two decades, and thinking about the policies and policy options that will need to be put in place to address those challenges.
- 3.18 Among the matters being considered are the number of jobs that the City should plan for to 2031, and what policies governing the use of employment land should be carried forward. Officers have been working with the consultants producing the Employment Land Review and have incorporated initial findings into the Issues and Options Report. Options considering the future of Selective Management of the Economy, how to protect manufacturing land and whether to consider protecting offices from change of use are included in the Issues and Options Report. This will ensure that as well as considering how to support the high tech cluster; consideration is given to meeting the needs of employment for all.

4.0 Next Steps

- 4.1 The Employment Land Review Update findings will be important in developing the new Local Plan. There are a number of key policy challenges raised in the report and it will be important to consider these and draft policies to deal with them through the review of the Local Plan.
- 4.2 The final Employment Land Review will be brought to Development Plan Scrutiny Sub-Committee in due course.
- 4.3 The issues raised in the Employment Land Review Update will not be viewed in isolation and issues raised in other pieces of evidence base will need to be weighed up as well.

5.0 Implications

Financial/Procurement

5.1 There are no direct financial implications arising from this report.

Staffing

5.2 There are no direct staffing implications arising from this report. The review of the Local Plan is already included in existing work plans.

Equal Opportunities

5.3 There are no direct equal opportunities arising from this report. An Equalities Impact Assessment will be undertaken as part of preparing a new development plan for Cambridge.

Environmental

5.4 There are no direct environmental implications arising from this report. The new Development Plan for Cambridge will assist in the delivery of high quality and sustainable new developments along with protecting and enhancing the built and natural environments in the City.

Community Safety

5.5 There are no direct community safety implications arising from this report.

6.0 Background papers

6.1 These background papers were used in the preparation of this report:

- Cambridge Cluster at 50: The Cambridge economy: retrospect and prospect;
- The National Planning Policy Framework;
- Cambridge & South Cambridgeshire Employment Land Review 2008;
- Cities Outlook 2012;
- Cambridge Local Plan 2006.

7.0 Appendices

- Appendix A: Employment Land Review (ELR) Update 2012 – Initial Findings Summary

- Appendix B: Cambridge Local Plan Extract: Policy 7/2 Selective Management of the Economy

8.0 Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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