

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO:	Portfolio Holders Meeting	14 th November 2007
AUTHOR/S:	Planning and Sustainable Development Director / Senior Planning Policy Officer	

EMPLOYMENT LAND REVIEW

Purpose

The purpose of this report is to present the findings of the Employment Land Review recently carried out for South Cambridgeshire and Cambridge City Councils by consultants.

Executive Summary

As part of the new planning regime South Cambridgeshire District Council is required to undertake a systematic review of all employment land, to form part of the evidence base for the formulation of new planning policy in the Local Development Framework (LDF). This report informs members of the findings of the recently completed study undertaken for the Council by consultants Warwick Business Management.

Extracts from the Review are attached at Appendix A for agreement.

Background

The new planning regime puts evidence base and tests of soundness at the heart of LDF policy making and its review. Cambridge City and South Cambridgeshire District Council have jointly commissioned Warwick Business Management to undertake an Employment Land Review (ELR) to assess the supply and quality of employment land in the area as part of the evidence base for respective LDF Documents and processes. These consultants are experts in this field and have prepared a similar study for Huntingdonshire.

The Government and EEDA have both published Good Practice Guidance for the preparation of ELR's and the review has been informed by this guidance.

The review process determines the necessary quantity, and location of employment land and premises required to meet the needs of local business and inward investment over the plan period (2009 – 2026). In accordance with national, regional and sub regional policy the review also seeks to provide a diversity of employment sites to meet business needs.

Conducting the review over the combined area of both Districts assists in the aggregation of evidence and provides a more co-ordinated approach to land and premises provision in the Sub Region. Such sub regional groupings are advocated in emerging guidance on Employment Land Reviews to better consider the geographical distribution of Regional Spatial Strategy (RSS) employment targets. Data is also more robust at this level.

Stages

The employment land review process comprises 3 key stages. The requirements of stages 1, 2 and 3 are set out below:

Stage 1: Taking Stock The primary aim of Stage 1 is to assess the suitability of the current portfolio of employment sites in the City and South Cambridgeshire areas for employment development. Sites considered within the Stage 1 assessment included allocations in Local Plans for both Districts, sites benefiting from planning permission, and other sites over 0.25ha in long standing employment use. The main purpose of Stage 1 is to determine sites to be protected for employment use and those sites that can be considered for other non - employment uses. A GIS database was established of the above sites comprising 47 main business estates in the City, 132 key office locations, 24 Research Institutes, and 50 business estates in South Cambridgeshire. Recent planning history was explored on these sites using land use monitoring data from the County Council to establish recent trends in market take up and losses. The sites were also evaluated against a set of agreed criteria to identify the best sites to be protected and any which can be released for other uses. A seminar was held with key business stakeholders to identify business needs and future market requirements. Stakeholders were also invited to submit sites for consideration in the Review in accordance with front-loading requirements of the new planning system.

Stage 2: Future Requirements This element of the review assessed the scale and nature of likely future demand for employment land and premises and the available supply in quantitative and qualitative terms. The County Council's Research Group worked in conjunction with the consultants on this to critically evaluate a number of regional labour demand and supply employment forecasts. The sectoral forecasts are translated into land requirements using a series of criteria and standards from the Government's guidance. Gaps in the supply were also analyzed. Scenarios were developed against the different sets of forecasts to test the projections.

Stage 3: New Portfolio Of Sites This involved undertaking a more detailed review of site supply and quality and the identification of new employment sites in order to come up with a balanced employment land portfolio. The aim of which was to meet the requirements of the preferred scenario from Stage 2 and provide the most potential for a more sustainable pattern for future employment development, reducing the need to travel.

A significant proportion of work for Stages 1-3 is now complete. The report and associated appendices extend to over 100 pages. Only a summary extract and key appendices are included here at Appendix A.

Key findings

The analyses of employment development gains and losses found that during the period 1998 – 2006, 86 ha of land were developed, of which 15 ha were in Cambridge and 71 ha in South Cambridgeshire, and 62 ha were lost in Cambridge to other uses. Two clear trends emerged:

- a) decentralisation: gains were dispersed to the edge of Cambridge and across South Cambridgeshire whilst the losses were in the central area of Cambridge;
- b) knowledge intensification: 85% of gains were for knowledge intensive users, with 55% for R&D (B1 b) and 30% for offices (B1 a), whilst the losses were predominately linked to the closure of large scale manufacturing plants in Cambridge.

The vacated sites will be ultimately redeveloped with over 3,000 flats and houses, City Centre and edge of centre retail schemes and leisure facilities.

Three approaches were applied to quantify employment land requirements for the period 2009 – 2026. The land requirements stated below represent net additional area in hectares.

1) property trend based forecast: the requirement of 57 ha was calculated by projecting the net gain of 24 ha identified for the period 1998 – 2006;

2) labour supply and demand forecasts: the draft RSS indicative ‘net growth in jobs’ target for Cambridgeshire is 75,000 for the period 2001 – 2021, of which 49,380 are for Cambridge and South Cambridgeshire (it earmarks 31,780 of these jobs for the City and 17,610 for South Cambs). The translation of two sectoral forecasts identified the need for between 76 and 101 ha of employment land to accommodate between 406,000 sq m and 462,000 sq m of B1(a), B1(b), B1(c), B2 and B8¹ use class space and other specialised employment land ; and

3) scenario building: alternative scenarios informed consideration of how policies and economic conditions could reshape the location and density of development as well as overall demand for employment floorspace.

Analyses of consents and land allocations found a potential unconstrained supply of 149 ha of previously undeveloped consented and allocated land with potential for 664,000 sq m of development. This exceeds the highest requirement – for 101 ha with potential for 462,000 sq m - identified under the above quantitative approaches.

Given a need to ensure the availability of a sufficient quantity, quality and choice of sites throughout and beyond the plan period, the review established the case for the identification of additional employment sites to be brought forward mainly in Cambridge in respect of the following:

Specific provision for high technology clusters: sites serve four market segments in four property sub market areas:

- secure bio technology in south and east of Cambridge;
- bio medical and technology at Addenbrookes;
- technology and physical sciences at the University West of Cambridge site; and
- ICT and computer services in North Cambridge including Cambridge Science Park.

Specific provision for essential services: to provide for growth in public transport there is an identified need for a new bus depot and to provide essential environmental services for a growing population it is likely that the main City Council depot will need to be relocated to a less constrained site, or that an additional depot site be provided;

Gaps in property sub markets: the break down of the land supply identifies gaps in provision for:

- R&D (B1b) for the North Cambridge high technology sub market;
- industry and small warehousing (B1 c/ B2a and B8 less than 1,850 sq m) within the Cambridge urban area where there are planned losses of sites currently occupied by firms;
- offices (B1 a) in Cambridge City’s office quarters (for example, the T area formed by Station Road and Hills Road) where there are limited opportunities to modernise and add to the existing stock subject to consideration of environmental capacity.
- There is a perceived demand in the City for craft workshop and other premises for creative industries, some resorting to temporary premises.

Development pipeline: there is a need to maintain continuity of choice throughout the plan period as land is taken up and to mitigate the risk of allocations not being brought forward,

¹ Government guidance requires ELR’s to focus primarily on these use classes. See parag 2.25 and 2.26 of guidance.

for example, Cambridge East with potential for 132,000 sq m on 20 – 25 ha is constrained as it is subject to the relocation of Marshall of Cambridge.

Sustainability -planning for the low carbon future: the need to secure the most sustainable employment sites at existing and potential railway station and in high quality public transport corridors.

In accordance with the Government's guidance existing employment sites were considered for safeguarding or release and, under the principle of 'front loading' in policy development, developers and landowners were invited by the City Council to bring forward specific site proposals.

The site assessment processes identified options to:

- i) safeguard the remaining employment areas in Cambridge;
- ii) release two employment sites in Cambridge;
- iii) bring forward development on five sites in Cambridge (and three in South Cambridgeshire on the periphery of the City).

Sites to be taken into account in determining the overall level of growth in the LDF Core Strategy process are listed in Appendix 15 of the ELR. This is reproduced in the Appendix to this report. It must be stressed that these sites are not allocations but merely provisional ideas that will be further evaluated and consulted upon as part of the review of the LDF.

Implications

By carrying out the review of employment land South Cambridgeshire now has an up-to-date evidence base on employment issues, which will be useful in carrying out the review on Core Strategy in 2008.

1.	Financial	nil
	Legal	nil
	Staffing	nil
	Risk Management	nil
	Equal Opportunities	nil

Consultations

A seminar was held in May with invited business stakeholders covering local economic and property market interests to identify needs and future market requirements. The conclusions are appended to the main report. Stakeholders were also invited to submit sites for consideration in the Review in accordance with 'front loading' requirements of the new planning system. These are listed in Appendix 12 of the ELR.

Further meetings have been held with key landowners and developers to test and refine the study conclusions. A technical stakeholder group has also reviewing the document. A member briefing took place on 31st October.

Effect on Annual Priorities and Corporate Objectives

2.	Affordable Homes	There may be some employment sites that could be considered for housing as a result of the review.
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Customer Service	-
Northstowe and other growth areas	Ensuring that the employment land identified is in the best locations and allocated for the best uses.
Quality, Accessible Services	
Village Life	Ensuring that there is employment land identified in the best locations across the district.
Sustainability	In carrying out the assessment of employment land that which is not in a sustainable locations can be considered for other uses.
Partnership	The review was carried out with Cambridge City in order to best assess the employment land within the Cambridge Sub-region

Conclusions

Through the employment land review the Councils have:

- i) identified existing employment sites and allocations for safeguarding in support of regional and local strategies for economic development and regeneration;
- ii) quantified sufficient land to meet expected needs for industrial and commercial development in the context of the RSS indicative target for net growth in jobs; and
- iii) concluded that South Cambridgeshire has an oversupply of high quality employment premises and planning permissions and that Cambridge has older stock in need of replacement as well as some stock which needs to be protected from loss to other uses e.g. residential
- iii) identified sites of suitable quality in the right locations taking into account accessibility and sustainable transport needs and the provision of essential infrastructure. These will be fully evaluated as part of the next stages of the LDF.

Recommendations

That the contents of this report be noted.

Background Papers: the following background papers were used in the preparation of this report:

Employment Land Reviews: Guidance Note –ODPM December 2004

Employment Land Reviews Draft Guidance Manual –June 2007 Roger Tym & Partners for EEDA

East of England Plan – draft revision to the Regional Spatial Strategy for the East of England, EERA, December 2004

The Development of Policy E2 -A Report Commenting Upon the Development, Format and Content of Policy E2-EEDA September 2005

The Secretary of State's Proposed Changes to the Draft Revision to the Regional Spatial Strategy for the East of England and Statement of Reasons, GO-East, December 2006

Regional Economic Strategy <date>

Planning Policy Statement 3: Housing (PPS3), DCLG, November 2006

Cambridge Local Plan 1996

Cambridge Local Plan 2006

Cambridge City Community Strategy 2004-2007

South Cambridgeshire Community Strategy 2004-2007

Cambridge City Economic Development Strategy 2003

South Cambridgeshire Economic Development Strategy June 2003

South Cambridgeshire Local Plan 2004

South Cambridgeshire LDF Core Strategy 2007

South Cambridgeshire Site Specific Policies 2007

Action Area Plans for Cambridge East, Northstowe, Southern Fringe, North West
Cambridge (emerging)

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APPENDIX A

CAMBRIDGE AND SOUTH CAMBRIDGESHIRE EMPLOYMENT LAND REVIEW OCTOBER 2007

WARWICK BUSINESS MANAGEMENT

Summary Extracts

Stage One Under Stage One, site appraisal criteria were devised and applied to all of the identified employment areas to:

- identify established employment areas which should without doubt be safeguarded for future employment use; and
- identify allocated sites which remain wholly or partly undeveloped for either retention or release.

The appraisal confirmed all but seven sites of the established employment areas for safeguarding. Of the seven sites two had already been allocated for housing and four were brought forward for further appraisal under Stage Three:

- Jedburgh Court, Buchan Street, Cambridge;
- Ditton Walk South, Cambridge;
- Green End, Gamlingay;
- land adjacent to Wellbrook Court, Girton.

In response to an invitation to landowners and agents to identify sites for potential employment development:

- CUP identified their site for possible redevelopment;
- agents nominated five sites;
- officers identified eight further sites..

Stage Three Under Stage Three a more detailed appraisal was devised and applied to:

- i) assess the five sites (including CUP) identified under Stage One for potential release;
- ii) assess the thirteen sites identified by agents and the Councils' officers as having potential for employment development; and
- iii) undertake a more detailed assessment of nine (of the thirteen) sites considered to have most potential for sustainable development.

The results of assessments i and ii (shown in Appendix 12):

- confirmed the safeguarding the CUP site for employment and identified two sites in Cambridge for potential release for housing: Jedburgh Court, Buchan Street and Ditton Walk South; and
- identified nine sites as having most potential for sustainable development.

The assessment of the nine sites – summarised in Appendix 15 - found that all of the sites are located within or on the periphery of the built up area of Cambridge and eight are on previously developed land. These sites have potential to:

- support a sustainable pattern of employment development in a low carbon future with eight of the sites located along the guided bus corridor and at locations convenient to Cambridge Station and the proposed Chesterton Parkway station;

- ensure continuity of choice throughout and beyond the plan period as well as mitigating the risk of some allocated sites not being brought forward; and
 - make specific provision for high technology clusters (notably at Addenbrookes and North Cambridge).

APPENDIX 12
ASSESSMENT SCORES FOR SITES IDENTIFIED FOR POTENTIAL RELEASE AND NOMINATED FOR EMPLOYMENT
DEVELOPMENT

SITES FOR POTENTIAL RELEASE

Site	Environ. Constraints	Econ. Social Well Being		Sequential Test					Accessibility Test						Total
	Listed building, green belt etc	Contrib to bus and jobs	Potent Contrib. to housing	City	Periphery	North stowe	Serv cntr	Else whre	Proximity to work force	Reduce need to travel	Foot access	Bicycle access	Bus	Rly	
Jedburgh Court	Pass	1	- 2	10					4	2	1	2	1	0	19
Ditton Walk South	Pass	3	-3	10					4	2	2	2	2	0	22
CUP	Pass	20	-5	10					4	2	2	2	2	1	38
Adj Wellbrook Ct	Pass	0	- 3	8					4	4	1	1	2	0	17
Green End Gamlingay	Pass	10	- 4	0					0	0	2	1	0	0	9

Scores for sites for potential release	
Green End, Gamlingay	9
Adjacent Wellbrook Court, Girton	17
Jedburgh Court, Buchan Street, Cambridge	19
Ditton Walk South, Cambridge	22
CUP, Shaftesbury Road, Cambridge	38

SITES NOMINATED FOR EMPLOYMENT DEVELOPMENT

Site	Env Const	Econ Social Well Being			Sequential Test					Accessibility Test						Total
	Listed Green Belt	Deliver ability	Contrib. to Bus. and Jobs	Potent. contrib hous.	City	Peri phery	N' stowe	Service Centre	Else where	Proximity to work force	Reduce need to travel	Foot access	Bicycle access	Bus	Rly	
Rail side, Rustat Road	Pass	4	20	0	10	-	-	-	-	4	2	2	2	2	2	48
St Johns Cowley Road	Pass	20	20	0	-	8	-	-	-	4	2	2	2	2	1	61
Science Park Phase 1	Pass	10	20	0	-	8	-	-	-	4	2	2	2	2	1	51
Waste Water T'ment Works	Fail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Park and Ride Cowley Road	Pass	18	20	0	-	8	-	-	-	4	2	2	2	2	1	59
Golf Driving Range	Pass	18	20	0	-	8	-	-	-	4	2	2	2	2	1	59
Chesterton Sidings	Pass	10	15	- 5	-	8	-	-	-	4	2	2	2	2	1	41
Michael Young Centre	Pass	20	5	0	10	-	-	-	-	4	2	2	2	2	2	49
Land at Anstey Hall	Fail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Site	Env Const	Econ Social Well Being			Sequential Test					Accessibility Test						Total
	Listed Green Belt	Deliver ability	Contrib to bus. and jobs	Potent. contrib hous.	City	Peri phery	N' stowe	Service Centre	Else where	Proximity to work force	Reduce need to travel	Foot access	Bicycle access	Bus	Rly	
Land East Hauxton Hall	Fail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land at Madingley Road	Fail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add'brooke Bio medical campus	Pass	20	20	0	-	8	-	-	-	4	2	2	2	2	1	61
Coldhams Lane (landfill)	Pass	2	10	0	-	8	-	-	-	4	2	2	2	2	1	33

Scores for sites nominated for employment			
Land at Anstey Hall	fail	Rail Side, Rustat Road	49
Land East of Hinxton Road	fail	Science Park Phase 1 (intensification)	51
Land at Madingley Road	fail	Park and Ride, Cowley Road	59
Waste Water Treatment Works	fail	Golf Driving Range, Cowley Road	59
Coldhams Lane (landfill)	33	Addenbrookes Bio Medical Campus (safeguarded land)	61
Chesterton Sidings	41	St John's, Cowley Road (intensification)	61
Rail Side, Rustat Road	48		

APPENDIX 15 NOMINATED SITES WITH POTENTIAL FOR SUSTAINBLE EMPLOYMENT DEVELOPMENT

Site	Development Potential (subject to planning)	Description
i) Coldhams Lane, Cambridge (landfill east).	11.90 ha site: potential for development in the long term, subject to the closure of Cambridge Airport and treatment of land fill	Former tip with up to 19m of land fill.
ii) Addenbrookes (safeguarded land), Cambridge.	7.00 ha site: potential for 100,000 sq m of clinical D1 and, or, B1 (b) excluding Southern .	Site safeguarded and subject to review in 2016.
iii) St John's, Cowley Road, (intensification), Cambridge.	6.00 ha employment area with potential for potential for + 6,500 sq m of B1 (b) development.	Potential building for intensification: Ionica: + 2,800 sq m Edinburgh:+ 2,350 sq m Platinum: + 1,360 sq m
iv) Science Park, Phase 1, (intensification), Cambridge.	3.00 ha employment area in Phase 1 with potential for + 3,000 sq m of B1 (b) development 1.30 ha and 1.90 ha employment areas in later phases with potential for + 3,000 sq m of B1 (b) development	Potential for redevelopment of low density single storey buildings.
v) Park and Ride site, Cowley Road, Cambridge.	1.96 ha site: potential for a new bus depot.	Additional bus depot land is required to support growth in bus usage.
vi) Golf Driving Range, Cowley Road, Cambridge.	4.68 ha site: potential for a Council depot.	Likely need for a new depot to provide essential environmental services for a growing population.
TOTAL	Land (ha) development potential in sq m	

Site	Development Potential (subject to planning)	Description
vii) Chesterton Sidings, (proposed parkway station area);	11.0 ha site: potential for Parkway Station and mixed use housing and employment development, subject to Network Rail's rail utilisation study.	In the low carbon future, the new station would be a strategic gateway for railway passengers and goods. Potential for landmark offices (B1 b) and storage and distribution uses linked to rail freight.
viii) Rail Side, Rustat Road, Cambridge.	1.45 ha site: potential for high density B1 (a) office scheme, subject to Network Rail's rail utilisation study and – given highway capacity constraints - traffic and environmental impact studies.	Site with potential direct access from Cambridge Station or Rustat Road/Clifton Road.
ix) Michael Young Centre, Purbeck Road, Cambridge	1.26 ha employment area with potential for small scale intensification for creative industries, notably artists studios and craft workshops	Site is occupied by a mix of office users and small enterprises.
TOTAL	Land (ha) development potential in sq m	

APPENDIX 16

CAMBRIDGE AND SOUTH CAMBRIDGESHIRE EMPLOYMENT LAND REVIEW

STAKEHOLDER CONSULTATION 22ND MAY 2007: REPORT OF PROCEEDINGS

SETTING THE SCENE: THE LOCAL DEVELOPMENT FRAMEWORKS AND EMPLOYMENT LAND REVIEWS

Brian Human, Head of Policy & Projects, Cambridge City Council

Brian Human introduced the processes and timetables for Cambridge City and South Cambridgeshire Local Development Frameworks (LDF's). Under the timetable for the Cambridge LDF, the Council will be publishing:

- the Core Strategy Issues and Options for consultation with key stakeholders from 11th June to 23rd July; and
- the Core Strategy Preferred Options for public consultation in January next year.

For the first review of the South Cambridgeshire LDF, the Core Strategy Issues and Options will be published for consultation in January 2008 in a process that will conclude with the adoption of the Core Strategy in April 2010.

Important employment land allocations are included in:

- the Cambridge East Area Action Plan: this is to be the subject of an Examination in Public in July and adoption in Spring next year;
- the North West Cambridge Area Action Plan for which Preferred Options are being prepared for consultation later this year; and
- the Northstowe Area Action Plan, which is to be adopted by South Cambridgeshire District Council on 19th July 2007.

Brian explained that four policies in the draft revision to the Regional Spatial Strategy (RSS) have established the framework for employment land planning in the Cambridge sub region.

In the first of these policies (E1), the RSS sets an indicative target for the net growth of 75,000 jobs in Cambridgeshire for the period 2001 – 21.

In the second policy (E3), the RSS notes that Local Development Documents should ensure:

i) an adequate range of sites is identified, allocated and protected to meet the indicative job growth target; and

ii) these sites are at locations which:

- achieve a closer relationship between jobs and homes to minimise commuting;
- maximise potential use of public transport;
- give precedence to the re use of previously developed land and the intensification of use within existing sites over the release green field land; and
- meet the needs of significant sectors and clusters.

In the third policy (CSR 1), the draft revision to the Regional Spatial Strategy:

i) sets a vision for the Cambridge sub region as a centre of excellence and world leader in the fields of higher education and research with the further expansion of the knowledge based economy; and

ii) requires Local Development Documents to provide for development in the sub region focused on making the most of the development potential of land in the following order of preference:

- in the built up area of Cambridge, subject to considerations of environmental capacity;
- on the periphery of the built up area of Cambridge, on land released from the Green Belt;
- at Northstowe, linked to the guided busway; and
- on land within and on the edge of the market towns and key service centres.

Through the fourth policy (CSR 2), the Regional Spatial Strategy states that employment related development proposals in and close to Cambridge should demonstrate that they fall into the following categories:

- high technology and related industries and services concerned primarily with research and development including D1 education uses and sui generis research institutes;
- office or other development providing essential services to Cambridge as a local or sub regional centre; and
- other small-scale industries, which would contribute to a greater range of local employment opportunities.

It adds that specific provision be made throughout the sub region for the development and expansion of high technology clusters.

As one of a number of studies designed to produce a comprehensive evidence base to enable policies and proposals in the LDFs to be founded on a thorough understanding of the area's needs, the City Council and South Cambridgeshire District Council have commissioned a joint employment land review

The review is being carried out in accordance with the Government's three stage process. Under the first phase, taking stock, the analysis has drawn on the County Council Structure Plan Research and Monitoring Group's data on completions and commitments for the period 1998 – 2006.

The *provisional* analysis of this data has identified three key trends.

i) *decentralisation*: development has been decentralised since 1998, the result of:

- the loss over 60 ha of employment land in Cambridge (to make way for the planned regeneration of the City with over 3,000 flats and houses together with City centre and edge of centre retail and leisure schemes); and

- the development of 85 ha of new employment land of which 70 ha have been in South Cambridgeshire and 15 ha in Cambridge.

ii) *concentration*: over 60% of all new employment floorspace has been concentrated within just five sites.

These sites are Granta Park; Cambourne Business Park; Cambridge Business Park; Cambridge Science Park and Cambridge Research Park, Landbeach.

iii) *knowledge intensive*: new development has been for a more knowledge intensive economy with:

- 55% of floorspace in the Research and Development B1b use class;
- 30% in the office B1a use class; and
- 15% in the industrial and storage B1c, B2 and B8 uses classes.

Work is currently underway in quantifying the overall supply of employment landing the sub region.

The provisional findings enable us to assess whether the trends established in the period 1998 – 2006 will continue to 2021 and beyond:

i) *decentralisation*: the new allocations on the City fringe, at Addenbrookes and Cambridge East, and at Northstowe will, with dedicated bus routes, result in a more sustainable pattern of development than in the recent past;

ii) *concentration*: these allocations together with the key centres of Research and Development, at Cambridge Science Park and Granta Park, have the capacity to account for over 70% of future employment development; and

iii) *knowledge intensive*: current allocations will continue to support the development of a more knowledge intensive economy with:

- 78% of floorspace suitable for Research and Development B1b use class;
- 11% for office B1a use class; and
- 11% for the industrial and storage B1c, B2 and B8 uses classes.

These findings suggest that:

i) strategic provision has been made for research and development in all four sub markets: the University linked segment; the bio medical segment at Addenbrookes; the secure bio campuses south east of Cambridge and the private market centred on Cambridge Science Park;

ii) future provision for offices will need to be found following the sequential approach set out in the RSS; and

iii) future provision of small scale industrial and storage development will need to be reviewed, allocated, delivered and protected.

Together these findings provide useful insights for policy makers when considering the detailed planning of the strategic employment allocations at Northstowe and Cambridge East.

A MARKET PERSPECTIVE

Jonathan Hutt, Director, Savills

Jonathan Hutt noted that Savills are currently acting on behalf of clients responsible for developments at Addenbrookes, Northstowe and CB1.

i) R&D comprises four sub markets:

- Milton Road cluster between the Cambridge Science park and Cowley Road;
- University West Cambridge site;

- Addenbrookes; and
- Bio pharma, medical technology cluster of secure sites, south east of Cambridge.

Land allocations and consents for R&D are in over supply.

ii) Offices comprises four market zones:

- zone A, the T formed by Station Road and Hills Road;
- zone B, City offices;
- zone C, City fringes;
- zone D, outside the City, for example Cambourne.

Land allocations and consents for offices are in under supply. Given the limited supply of new space coming to the market in the City centre, prospective tenants are currently negotiating rents of £25 sq ft for office in CB1 against current rents for £22.50 sq ft elsewhere in zone and £22 sq ft at edge of City office locations.

iii) Industry:

The property sub market is characterised by a lack of supply and no planned allocations. The overall stock of 12m sq ft has remained stable during the period 1998 – 2006 but rents have climbed to £8 sq ft and £11 sq ft for trade counters.

Market experience of current planning policies raises the following questions:

- a) are user restrictions a good way in which to build a balanced economy and still appropriate when users in the financial and business services sector are responsible for the two thirds of the current take up of offices in Cambridge?
- b) is the distinction between Research and Development as B1 (b) and office as B1 (a) being enforced (as the market only regards the Cambridge Science Park and the secure sites as pure B1 (b))?
- c) are car parking restrictions on new build offices in the City centre still appropriate as developers are escaping the policy by refurbishing their buildings but at a cost to user requirements and potential improvements to the townscape?

ROUND TABLE DISCUSSIONS

TABLE A: What are the cases for either retaining Cambridge's historic industrial areas or changing their use to housing, subject to the relocation of firms and jobs to the City fringe?

Introductory Commentary: On the policy side, the Government has set targets for new housing development to be on previously developed land within urban areas. On the market side, landowners have released employment land for higher value uses.

Since 1998 over 60 ha of employment land in Cambridge has been lost and replaced by 15 ha of new development in Cambridge and 70 ha in South Cambridgeshire.

The decentralisation of employment development has enabled the regeneration of central areas of Cambridge with over 2,000 flats and houses as well as City centre and edge of centre retail and leisure schemes. It has also created employment schemes dependent on car based commuting which may be unsustainable in a low carbon economy.

This raises the issues for debate:

- to what extent should the Council seek to extend the protection of the City's remaining employment sites on the grounds of reducing the need to travel by workers and firms supplying, supporting and servicing the City? or
- to what extent should the Council reallocate further historic industrial areas to allow for other uses and link this development to the provision of industrial and warehousing accommodation on new allocations for Cambridge East and Northstowe?

Discussion: The group established a consensus for protecting what remains of the Cambridge's industrial areas on the basis of:

- keeping businesses that serve the City, close to the City; and
- maintaining a healthy mix of job opportunities in the Cambridge

This consensus suggests the need for the City Council, as an industrial land and property owner, to protect employment uses and, as the local planning authority, to review the effectiveness of relevant policies the 2006 Local Plan:

7/2 Selective Management of the Economy: this policy states that employment proposals will only be permitted if it can be demonstrated they meet certain requirements including, among other things, a special need to be located in the City; and

7/3 Protection of Industrial and Storage Space: this policy states that development that result in the loss of B1 (c), B2 and B8 will not be permitted where the site is identified as a protected site and elsewhere only if one or more of five tests are met. One test allows for the loss B1 (c), B2 and B8 floorspace where 'redevelopment for mixed use or residential development would be more appropriate.

Having established the merits of this policy stance the discussion raised the following points:

- i) B1(c) uses are vulnerable to changes to B1(a) or B1(b);
- ii) Existing employment properties will need to be refurbished or redeveloped to meet changing business needs;
- ii) New employment land allocations planned close to the City (at the Northern Fringe East and Cambridge East) would:
 - improve business efficiency by combining proximity to City markets without increasing congestion in the City;
 - limit the need for workers to travel; and
 - potentially allow for the relocation of firms (which don't need to be in the City centre) and as a result: retain their workforces, pave the way for housing to redress the jobs / homes imbalance and reduce congestion arising from in commuting.

TABLE B: What are the cases for reviewing Cambridge's older offices and intensifying development within Cambridge's newer employment areas?

Commentary: In line with Local Plan policies in place between 1996 – 2003, new office development has been decentralised to the City fringe and ex urban locations, which are dependent on car based commuting.

In the period since 1998, developers have refurbished rather than redeveloped City centre offices (in order to remain free of user restrictions, commuted sums for public transport infrastructure and stricter car parking standards).

Since the 2003 Structure Plan and 2006 Local Plan policies, that limited increases in the floorspace of central and intermediate area offices to 10% over existing, were dropped to promote more sustainable forms of development.

In 2006 Cambridge City Council refused a comprehensive redevelopment proposal near the Station for 65,000 sq m of offices. Although in a highly sustainable location, the high density of the scheme introduced a number of significant urban design, infrastructure and conservation and other planning difficulties.

This raises the issues for debate. To plan for the future supply of offices:

- how will current trends in the utilisation of offices affect future demand; and
- in the context of these trends with how much confidence can we use historic employment density figures to predict new office floorspace requirements?

To plan for a sustainable pattern of development:

- should the City Council allow the change of use of older offices in the City for alternative uses and South Cambridgeshire District Council plan for future provision at Northstowe and Cambridge East? or
- should both Councils explore ways of encouraging owners to either replace existing offices with more net usable floorspace within the City and City fringe in order to plan for a future with greater dependency on sustainable modes of transport. If so, what safeguards are needed to protect amenity, ensure high quality urban design and continued operation of the City's infrastructure?

Discussion: The group noted that there are limited opportunities for large scale office developments in the City centre, such as CB1.

Elsewhere in the City centre, developers currently prefer to refurbish offices in order to retain existing car parking provision.

It will be important to discriminate between the needs of car-based commuters who have other transport choices and others who need to use a car in the day. Car Clubs are one way of addressing the latter requirement.

Some office space is not suitable for conversion to residential uses. The operation of the market is also affecting the colleges.

This tension between policy and market imperatives raised two alternative arguments:

i) the need for flexibility: this argument suggests the need to take a flexible approach to stricter car parking standards as currently there are no winners:

- the policy objective of reducing car parking provision is not being met as developers are circumventing the policy; and
- the market objective of meeting business users' demand for modern accommodation with car parking is being compromised.

ii) the need to reduce reliance on car parking: this argument suggests that in a low carbon future it will be imperative for people to travel by more sustainable modes of transport. This suggests the need to align jobs with homes, locate employment development close to public transport routes and improve public transport services and introduce car-sharing schemes.

Under the current policy stance, the shortage of new office space in prime City centre locations is putting upward pressure on rents at the expense of users who have a special need to be located in Cambridge.

TABLE C: What needs to be done to ensure housing and employment sites are built together to deliver balanced and comprehensive development in Northstowe and Cambridge East?

Commentary: The Area Action Plan for Cambridge East provides for 10-12,000 dwellings and 4 – 5,000 jobs (net) on 20 – 25 ha of employment land and the Area Action Plan for Northstowe identifies the site for 8,000 dwellings and 20 ha of employment land.

The analysis of employment development trends since 1998 has identified some evidence of landowners land banking new employment allocations in the hope of later change of use to housing.

This market pressure has led to a key challenge in planning for the right employment land development in the right place and at the right time.

These challenges raise the issues for debate:

- are there lessons to be learned for the future planning of Northstowe and Cambridge East from recent experience in the allocation of housing and employment land in developments such as Cambourne and Longstanton?
- in the light of this experience should the Councils seek to link the implementation of housing and employment land in order to deliver balanced and comprehensive development in Northstowe and Cambridge East and elsewhere?

Discussion: In the low carbon economy, we can foresee that the ability to work near to home will become an even more important part of people's standard of living and quality of life.

The group agreed that the challenge of creating a balanced community will be greater at Northstowe, as a proposed new settlement, will be greater than at Cambridge East as an urban extension.

To make Northstowe a place where people want to live and work will require an up front investment to bring forward housing and employment together with sustainable transport links.

On the other hand an approach of developing houses first would establish patterns of out commuting and jobs second would promote in commuting. However, the impact of these commuting patterns might be mitigated by the provision of high quality public service routes along the central spine of Cambridge.

The group debated free market and more interventionist approaches.

On one side it was argued that major developments require up front investment and interventions to link employment development with housing should be avoided as these increase investors' risks and costs.

On the other side the debate was concerned to define the scope and extent of interventions to align homes with jobs for community benefits.

It was concluded that the policy stances of achieving a better alignment between homes and jobs and creating balanced communities demand an integrated approach to the economic development of the sub region.

This raises the need to take a long term, proactive and integrated approach to attracting inward investment to Northstowe, developing a skilled workforce and linking together the provision of employment with housing and sustainable transport links.

TABLE D: What needs to be done to minimise the carbon footprint of new employment developments for the 21st century's low carbon economy?

Commentary: The target in the Climate Change Bill to cut carbon dioxide emissions by 60% by 2050 (against 1990 levels) signals a new regime of incentives and regulations.

Cambridge City Council has adopted a Sustainable Design and Construction SPD. This sets out an integrated approach to reducing Carbon Dioxide emissions which arise from the development and use of buildings. The key themes concern:

- sustainable design for the ventilation and cooling, micro energy generation, adaptability, waste reduction and recycling, water harvesting and drainage and reducing the need to travel; and
- sustainable construction for reducing the embodied energy in construction materials (which account for 10% of national energy consumption) and sustainable deconstruction for increasing the use of reclaimed and recycled material (as construction waste accounts for 50% of waste).

In the low carbon economy we could expect carbon licensing (or its equivalent) and the need by workers to travel by sustainable modes to stimulate demand from businesses for zero carbon buildings within walking distance of bus and rail routes.

The need to reduce carbon dioxide emissions raises the issues for debate:

- to meet impending carbon dioxide emission targets, will owners of existing employment buildings decide to refurbish or redevelop? And in the light of this
- should the Councils plan for the in situ redevelopment and intensification of the stock of existing employment buildings (which are in the most sustainable locations) and ensure that any new employment land allocations are accessible by foot, cycle, bus and train?

Discussion: The group noted that the Government in the Planning White Paper (published on the previous day (21st May)) has proposed to put in place a timetable and action plan to deliver substantial reductions in carbon emissions from new commercial buildings within the next ten years.

The group reached a consensus on four main points:

- i) The refurbishment of an existing building could never be carbon neutral. On the redevelopment, developers need a sustainable construction brief to design in order to:
 - reduce the embedded carbon in the new building;
 - minimise the need for heating and ventilation;
 - maximise the potential of on site renewable energy generation;
 - extend the life of the building; and

- plan for the deconstruction of the building in order to maximise the reuse and recycling of the construction materials.

ii) The intensification of the stock of existing employment buildings in the most sustainable locations is not happening because of the limits on car parking standards in the City centre and the availability of the out of town sites. For highly qualified staff time is money and for them the car remains the only economically viable option.

To reduce car based travel, there has to be a complementary investment in low cost public transport services.

iii) The conclusions from (i) and (ii) above suggests that policy needs to work to deliver the lowest possible overall carbon footprint, which can be best delivered through:

- redevelopment rather than refurbishment in the most sustainable locations; and
- investment in low cost, high quality public transport.

iv) The requirement for low carbon development needs legislation and informed clients. Pending new legislations and targets, the City Council could promote the Sustainable Design and Construction SPD through a programme of seminars on best practice in low carbon design and construction.

PLENARY

Steve Sillery commented Cambridge East was planned as an urban extension in order to address the imbalance between jobs and housing in the City. He added that as a landowner, the City Council had the power to retain industry in the City.

Martin Garratt referred to the GCP's recently published study, 'Economic Interventions for the Greater Cambridge Sub Region.' To meet the job target in the RSS (of 75,000 jobs in Cambridgeshire between 2001 – 2021), the sub region needs to plan for the growing sectors most notably business services (with 19,500 more jobs) as well as education with (16,800 more jobs) and the hi tech sectors (with 8,500 more jobs).

Bill Wickstead counselled caution with the use of Experian BSL's projections as these may have exaggerated the potential growth of the business services sector. Job creation would be led by the exogenous growth of the high tech sector.

Keith Miles agreed that the sub region needed to keep hold of the high tech vision, restraint on the growth of Cambridge had been loosened to enable the growth of the high tech cluster.

Myles Greensmith reported that strategic provision has been made for R&D and the evidence is telling us about the need to plan for the rest of the economy.

Brian Human added that part of nurturing the high tech cluster was recognising the role of related services and support industries. This required a positive and integrated approach to economic development, sustainability and the quality of life.

Cllr David Bard summed that that there was too close a focus on making provision for hi tech and there is a need to look at the support services and industry. But developing the sub regional economy is more than about site finding it requires a partnership between the public and private sectors and we need to meet again to revisit these issues in a few months time.