

Glenn Athey
Programme Manager
LSCC Growth Commission

glenn@lsccgrowthcommission.org.uk

14 Regent's Wharf
All Saints Street
London N1 9RL

020 7837 4477
london@nlplanning.com

nlplanning.com

Date 7 January 2016
Our ref DEPARTMENTAL/MS/SBe/10476688v2
Your ref

Dear Sir/Madam

London Stansted Cambridge Corridor Growth Commission: Understanding Potential

This response has been prepared by Nathaniel Lichfield & Partners (NLP) on behalf of CEG to respond to the call for evidence from the Growth Commission for any potential solutions to the key growth challenges facing the London Stansted Cambridge Corridor ('LSCC' or 'the Corridor').

CEG is an active investor in a broad spectrum of residential and commercial property assets across the UK, with a significant interest in the growth potential of the LSCC. This interest primarily relates to the company currently working alongside other public and private organisations to deliver a number of core strategic development schemes in the Corridor that will help support major housing and employment growth.

CEG has an excellent track record of working in partnership with communities, landowners, local authorities, strategic bodies and other developers to find viable solutions to complex development and planning policy issues that fundamentally help to unlock growth. CEG is backed by global capital, including AP4 Swedish National Pension Fund.

This representation letter provides the views of CEG in response to the call for evidence from the Growth Commission for potential solutions to the key challenges to growth within the Corridor. The format of this letter follows the brief set out by the Growth Commission, with the response focusing on the main questions and issues relating to the 'Understanding Potential' theme.

It should be noted that this representation letter provides the views of CEG in relation to the growth issues facing the LSCC, although the response draws upon advice from NLP to provide further evidence supporting the views stated in this letter.



What is the current performance and potential of your local economy, business or industry? What might be the barriers to growth, or key enablers that might enhance growth and performance?

CEG is a leading expert in identifying, promoting and delivering complex development projects via the planning system, bringing major developments to fruition from initial site identification, through allocation in Local Plans, to the grant of planning permissions and implementation of development. The company is currently managing over 47 development projects across the UK, comprising more than 4,000 acres of land with the capacity to deliver in excess of 22,000 new homes and 8.5 million square feet of commercial floorspace.

In this context, CEG is currently in the process of delivering several strategic development projects within the Corridor that will accommodate major housing and employment growth, and is actively seeking further projects. Some of the key development schemes currently being promoted by CEG within the LSCC include the following:

- **South East Cambridge:** The site is being promoted for sustainable release from the Green Belt to serve the needs of Cambridge, with the draft proposals envisaging the site accommodating up to 4,000 new homes and some 10 hectares of employment development, including extensions to Peterhouse Technology Park, where ARM Holdings PLC is based.
- **Latton Priory Farm, Harlow:** The 600 acre strategic development site is being promoted as a major urban extension to the south of Harlow town, which will support a significant level of new housing and stimulate business growth in the local economy.
- **Park Plaza West, Broxbourne:** The site is being promoted for sustainable release from the Green Belt to provide land for a high quality employment site that could support approximately 1 million square feet of Grade A office floorspace and deliver about 4,000 new high value jobs.

In order to bring forward these complex development projects, CEG is working in close partnership with a variety of public and private sector organisations. The recent planning permission secured by CEG from Cambridge City Council for a new office headquarters for ARM Holdings PLC (secured through demonstrating 'very special circumstances' for development in the Green Belt, because the site's allocation was not yet confirmed in an adopted Local Plan) highlights the importance of ongoing collaboration between industry and government, with the 200,000sq.ft Grade A office development allowing the high tech company to remain within the area, and the considerable economic benefits generated by their activities to remain in the economy.

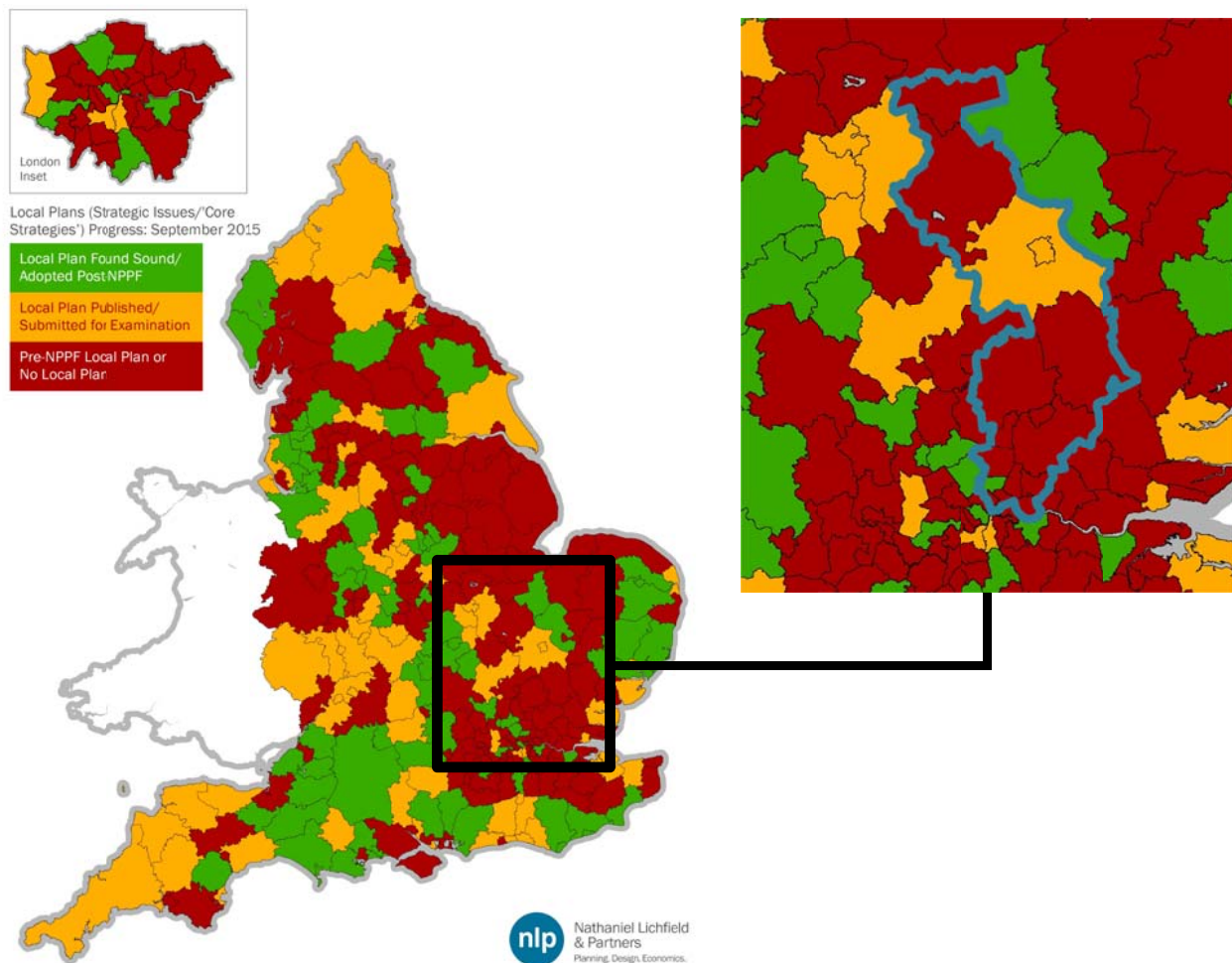
The delivery of the strategic development projects being brought forward by CEG within the LSCC has the potential to contribute considerable housing and employment growth, and boost the overall performance of the Corridor. However some main barriers to the delivery of such sites do exist that could ultimately constrain the level of economic growth realized within the Corridor.

The key barrier to growth within the LSCC from the perspective of CEG revolves around the slow progress of Local Plans being prepared and adopted by the respective local authorities comprising the Corridor, resulting in lower levels of confidence for developers to invest in an area without an adopted strategy for future growth. These Local Plans are prepared based on evidence of objectively assessed need for housing and employment development within local authorities, taking into account the balance of growth in other local authorities within the sub-region through the duty to cooperate requirement of the National Planning Policy Framework (NPPF).

In the absence of an adopted Local Plan that has been found sound post-NPPF, a key challenge for private sector developers is to identify opportunities to promote strategic development schemes through the Local Plan process within the context of an evolving policy environment. This creates a variety of complications and uncertainties that can constrain growth, and makes the collaboration between public and private stakeholders a critical element to ensure viable solutions to the delivery of key strategic developments are found. However until a greater proportion of local authorities in the LSCC have adopted Local Plans, the ability to positively plan for the objectively assessed need for growth within the Corridor will remain constrained. Although CEG has secured planning permission for ARM Holdings 'off-plan' the 'very special circumstances' case needed to justify the development on a site yet to be released from the Green Belt clearly benefitted from there being an established, successful and well known existing business. It is more difficult to make a case for the release of land to attract as yet unknown inward investors; this typically needs a Local Plan.

Based on analysis undertaken by NLP in September 2015 the vast majority of the local authorities situated within the LSCC currently rely on a pre-NPPF Local Plan or no Local Plan (Figure 1). This means that the objectively assessed need for housing and employment growth in the Corridor is not yet presently understood or crystallised through up-to-date development plans.

Figure 1 Map of Local Plans (Strategic Issues / Core Strategies) Progress, September 2015



Source: NLP analysis



A key challenge in this remains that many local authority boundaries are tightly drawn to urban boundaries such that growth needs can only be met through effective cooperation between local authorities, often in a way that deals upfront with amendments to the Green Belt. The Growth Commission should explore how this can be better achieved in a timely manner.

What are the main industries or clusters that will drive future growth and jobs?

It is recognised that the LSCC is home to a variety of high value, high growth sectors that the UK leverages competitive advantage in the global market, with particular strengths in life sciences, digital & IT and agriculture, food & drink. These sectors support a significant number of specialist enterprise and occupations within the Corridor that enhances the competitiveness of the national economy through a combination of innovations, start-up businesses, and collaborations with elite university and research institutes (e.g. University of Cambridge, King's College London, and Imperial College London). These established sector specialisations are anticipated to be the core drivers of future growth within the Corridor if the planning strategy for the LSCC suitably accommodates their expansion requirements.

In particular, the globally significant life science cluster within the Corridor is forecast to register strong employment growth over coming years based on recent research undertaken by the Growth Commission in April 2015. This research indicates more than 14,000 new jobs could be generated in life sciences along the LSCC by 2023 if the forecast levels of inward investment in the sector are captured. This projected growth is also the result of recent investments in life sciences in the LSCC including the relocation of the global headquarters of AstraZeneca to Cambridge and the £700 million investment in the Francis Crick Institute in Kings Cross, London.

Overall, the most important clusters of high value economic activity in the Corridor can be found in Cambridge and London, particularly in terms of life sciences and IT & digital. These clusters have been described as two of the most successful high technology clusters in Europe and should be the key focus of future growth to ensure the competitive advantages developed in these locations are retained for the national economy.

However future growth opportunities are also recognised by CEG outside these major clusters of high-end business activity in other locations within the Corridor that benefit from excellent transport connectivity. Generally, the capacity of Cambridge and London to accommodate additional large-scale development is limited given a shortfall of available employment land, meaning other smaller business locations (e.g. the Enterprise Zone in Harlow and Bioscience Catalyst in Stevenage) will increasingly become a focus of investment and growth within the Corridor. In addition, promotion of the Park Plaza West site in Broxbourne (adjacent to the M25) by CEG for a high value business park represents a good example of strategic employment development within the LSCC being viable outside existing clusters of major business activity in a well-connected location.

How does the Corridor relate to, and deal with London's growth and success?

The economic performance and growth potential of the LSCC is undeniably linked to the success of the London economy, which attracts such a large amount of economic activity that neighbouring local authorities are increasingly required to help support the growth needs of London, particularly in terms of delivering housing to accommodate the fast growing workforce employed in the Capital. The LSCC benefits from excellent transport linkages with London via the M11 and A10 roads, and

the East Coast and West Anglia Mainline rail lines, which make the Corridor an obvious location to positively support the growth needs arising from the Capital.

As shown in Figure 2 overleaf, the Travel to Work Areas (TTWAs) identified from the 2011 Census by the Office for National Statistics (ONS) indicates a ‘London TTWA’ extends as far north in the LSCC as Broxbourne and Epping Forest while the majority of the remaining local authorities in the Corridor fall in a large ‘Cambridge TTWA’. However it can be assumed that a significant number of workers would also in-commute from the likes of Harlow and East Hertfordshire to London for their employment, suggesting the draw of the Capital on labour residing in the LSCC will be extensive. It also highlights how the LSCC represents a strong functional economic and market area.

Beyond the capacity of the Corridor to help accommodate the housing needs of London through the delivery of large-scale housing schemes (i.e. which are increasingly difficult to bring forward in the Capital given the shortage of developable land), the LSCC also possess a unique opportunity to further prosper from the projected growth in London through established business networks. As discussed earlier the Corridor supports a number of key clusters of high value, high growth sector activities (e.g. life sciences and digital & IT), including the high technology cluster in Cambridge. It is through collaboration and support that these business clusters within the LSCC have the ability to capture growth opportunities arising from the Capital in the future.

Figure 2 Map of Travel to Work Areas (TTWAs), 2011



Source: ONS Census 2011

In this context, the ‘Golden Triangle’ represents a good example of how locations outside London can support and collaborate with the operations undertaken within the Capital for mutual benefit. In the case of the ‘Golden Triangle’, the network developed between the elite universities situated in London, Cambridge, and Oxford has provided the impetus for a number of research and enterprise initiatives (e.g. the G5, Global Medical Excellence Cluster and MedCity) to be brought forward that are vital for the overall competitiveness of the national economy. It is envisaged that such networks between London and the LSCC can be advanced in the future, in order to ensure the extensive economic activities being undertaken in the Capital benefit the Corridor where possible.



What do you regard as the critical economic and policy issues that require collaboration by organisations and businesses within the Corridor?

As noted earlier, one of the major barriers to growth within the Corridor relates to the slow progress being made by local authorities in the preparation and adoption of sound post-NPPF Local Plans (Figure 1). This key planning policy issue means that the objectively assessed need for new housing and employment developments within the respective local authorities forming the LSCC is mostly yet to be fully determined, which delays the requirements of Councils to positively plan for growth (i.e. while also taking account the strategic growth needs of the wider sub-region).

Analysis undertaken by NLP on the prevailing position of housing and employment land evidence for the respective local authorities located within the LSCC reiterates this key policy issue with the majority of the local authorities not having an up-to-date evidence base from which to draw upon to positively plan for future housing and employment growth. In particular, the analysis shows that only Haringey and Huntingdonshire have undertaken employment land reviews during the past two years within the Corridor, with the majority of the local authorities relying on out-of-date evidence prepared in 2011 or before (Table 1).

The analysis undertaken by NLP (Table 1) also indicates a (albeit now, small) number of local authorities have not undertaken an up-to-date recent strategic housing market assessment to objectively determine their need for housing, with the evidence in many cases pre-dating the most recent official household projections. Within London, the authorities are obviously able to rely upon the London-wide SHMA and the housing requirement figures within the London Plan (subject to the Further Alterations adopted in 2015), but outside London, having an up-to-date evidence base is critical. A number of the 2015 SHMAs are yet to be scrutinised at Examination so their robustness is not yet established.

Overall, slow progress of Local Plan preparation and lack of up-to-date evidence to identify growth needs (particularly on employment) undermines the capacity of local authorities to positively plan for growth within the LSCC.

Table 1 Summary of Housing and Employment Land Evidence for Local Authorities within the LSCC

Local Authority	Employment Land Review Publication Date	Strategic Housing Market Assessment Publication Date
Broxbourne	2008	2013
Cambridge	2012	2015
East Herts	2013	2015
Enfield	2012	2010
Epping Forest	2010	2015
Hackney	2010	2015
Haringey	2015	2014
Harlow	2013	2015
Huntingdonshire	2014	2012
Islington	2012	2011
Newham	2011	2010
Peterborough	2008	2015
Redbridge	2010	2010
South Cambridgeshire	2012	2015
Uttlesford	2011	2015
Waltham Forest	2009	2012

Source: NLP analysis



Given the largely out-of-date (economic) evidence base and lower propensity to have in place Plans to positively deliver growth within the LSCC, the supply of suitable levels of land for housing and employment developments remains below the future need of the fast growing Corridor. This represents the key economic implication of the slow progress of adopting sound post-NPPF Local Plans, as the rising growth requirements of the LSCC are not being suitably assessed and planned for, which will ultimately constrain the level of growth that can be achieved in the future. Given the significance of the LSCC to the economic competitiveness and growth potential of the national economy, it is imperative that the Corridor positively plans for growth through the preparation of Local Plans, which involves the strategic allocation of appropriate levels of developable land.

In this context, an expedited and positive approach to planning for growth within the Corridor is required to ensure that value-added strategic development schemes are delivered, where necessary, to ensure the major need for housing and employment development within the LSCC is accommodated through viable projects. In many parts of the Corridor, this requires local planning authorities to assess the need for Green Belt release and effectively apply the duty to cooperate to deliver these complex development projects, in order to respond to functional economic geographies within the sub-region, and capitalise on the key strengths and opportunities available in locations in the Corridor. The identification and implementation of these development projects requires strong collaboration between industry and government as highlighted by delivery of recent complex development schemes by CEG (e.g. the ARM Holdings office headquarter development).

Finally, the investment in critical infrastructure (e.g. transport networks and internet broadband) is another key policy and economic consideration for the LSCC, vital for helping to unlock major housing and employment development schemes and support higher levels of economic growth. It is important that collaboration between organisations and businesses is undertaken to identify the need for infrastructure investments to support high value growth within the Corridor. There are opportunities to better consider how spatial planning choices can be made that better integrate housing and employment – particularly in fast growing employment centres – so that limited government resources for infrastructure investment are used wisely and not expended on trying to mitigate the adverse transport impacts of residential development situated in less accessible locations.

What ambitions do you have for the Corridor and for some collaborative ventures or initiatives – whether public or private?

As noted earlier in this submission, CEG is currently in the process of working alongside a range of public and private groups and stakeholders to bring forward a number of large, complex development schemes within the Corridor that will help accommodate strategic housing and employment growth once implemented. Such major developments include South East Cambridge, Latton Priory Farm in Harlow, and Park Plaza West in Broxbourne. It is the ambition of CEG to see these development schemes delivered and the associated economic benefits they generate captured within the LSCC.

CEG also has ambitions to continue to play a leading role in the identification and implementation of private sector-led strategic development projects within the Corridor, with the strong track of the company to work in close partnership with landowners, communities, local authorities, and other developers at the heart of this endeavour. In doing so, the future growth requirements of the LSCC can be effectively supported through public and private involvement. CEG has the resources – including financial backing – to make such opportunities a reality.



Concluding Remarks

We trust that these comments have been helpful to the work being undertaken by the Growth Commission and look forward to being involved in the next stages of the project. If you would like to further discuss any of the issues we have raised in our representation letter, please contact me on the details below, or alternatively Jon Allen of CEG (E: jon.allen@ceg.co.uk | T: 020 7730 9090).

Yours faithfully

A handwritten signature in blue ink, appearing to read 'MSpry'.

Matthew Spry

Senior Director, Head of Economics

E: mspry@nlplanning.com

T: 0207 837 4477

Copy: Jon Allen (CEG)