



EVIDENCE TO INFORM THE LONDON STANSTED CAMBRIDGE CORRIDOR GROWTH COMMISSION

PROCEEDINGS FROM INQUIRY 3: COMPETITIVE LOCATION AND QUALITY OF PLACE

APRIL 2016

INQUIRY 3

The LSCC Growth Commission aims to provide independent analysis and advice to raise the global economic potential of the London-Stansted-Cambridge Corridor, setting out a 30-year vision for transformational change.

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Growth Commission

London Stansted Cambridge Corridor



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Growth Commission
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INTRODUCTION

THIS PAPER SETS OUT THE PROCEEDINGS FROM THE SECOND INQUIRY EVENT

The Growth Commissioners, speakers and audience met on 05 April 2016 to discuss how we can develop the Stansted-Cambridge Corridor as a competitive location for business and talent and build a sustainable high quality of life for residents and the workforce.

This paper summarises the proceedings of the event and the views and emerging priorities of the Commissioners themselves.

Aim of the event

The aim of the event was to fundamentally discuss and answer the following questions:

- > What do businesses and research institutes currently seek from their business locations?
- > How do our sites and premises measure up against business expectations? If they do not measure up, how does this affect business and economic performance?
- > How do we compete as a business and R&D location? What can we learn from the other global locations that we are competing with?
- > What are the opportunities and threats? What do we stand to gain if we can address some of the current business location requirements, and if we don't – what do we stand to lose?

The event

1. INTRODUCTION AND WELCOME

Jon Clempner, Leader, Harlow Council

2. INTRODUCTION TO THE LSCC GROWTH COMMISSION – HARVEY MCGRATH, CHAIR

Location requirements for tech, research and knowledge-based industries and services

3. CURRENT INVESTMENT AND EXPANSION PLANS AND REFLECTIONS ON KEY LOCATION FACTORS

Andrew Lee, Deputy Business Director, Defence, Raytheon UK

Tim Harry (Programme Director for PHE Harlow), Public Health England

Julia Wilson, Associate Director, Wellcome Trust Genome Campus

Mary Parsons, Group Director, Placemaking and Regeneration from Places for People

4. LOCAL AUTHORITY PLANS, CHALLENGES AND SOLUTIONS

CLlr Tim Weatherspoon – Lead member South Cambridgeshire District Council

Noel O'Neill, Assistant Director, Regeneration, Stevenage Borough Council

Linda Haysey, Leader, East Hertfordshire District Council

CLlr Guy Nicholson, London Borough of Hackney

PANEL DISCUSSION (ALL SPEAKERS)

Full presentation slides (where used) are available [here](#).



SUMMARY OF PROCEEDINGS

This section summarises the main points of discussion from the presentations, panel discussions, and audience contribution.

Introduction to Harlow

Councillor Jon Clempner the Leader of Harlow Council briefly introduced Harlow and the main priorities for collaboration.

At the heart of the London Stansted Cambridge Corridor, Harlow has made rapid progress over recent years. Raytheon are consolidating their UK R&D activities on their new site at Harlow Enterprise Zone. Anglia Ruskin University are delivering their Medtech Innovation Centre, and we're making progress on improvements to Junctions 7 and 8 on the M11 Motorway.

Harlow has the capacity to add sustainable urban extensions, following the Garden Cities concept. For our skills base, we have Harlow College and our University Technical College.

For Harlow to realise its own potential, co-operation across boundaries is essential and Harlow Borough Council are enthusiastic supporters of the London Stansted Cambridge Consortium. Collaboration is needed in developing local plans, housing delivery and to support infrastructure delivery plans.

Current investment and expansion plans and reflections on key location factors

Andrew Lee, Deputy Business Director, Defence, Raytheon UK

OVERVIEW OF RAYTHEON UK IN HARLOW

As a major supplier to the UK Ministry of Defence, Raytheon UK has developed strong capabilities in missions systems integration within defence, national security and commercial markets. It is active in providing services and solutions in information superiority, air traffic management, cyber security and intelligence, missile systems, and power solutions. Raytheon has had a facility in Harlow since it acquired AC Cossor in 1961, which specialised in radar technology.

Raytheon UK generates a turnover of £400m and is part of the US-owned Raytheon corporation. In 2015 Raytheon UK announced that it would expand its presence in Harlow by moving to a new expanded facility in Kao Park and establishing its UK R&D headquarters there – expanding its workforce from 250 to 350.

OBSERVATIONS ABOUT HARLOW AND THE CORRIDOR

The move to Kao Park is taking place during 2016. The new facility is suitable for a high tech business, with an open plan and modern design. It also has state-of-the-art telecommunications infrastructure and cabling.

A major challenge for Raytheon in Harlow is recruitment. The firm requires engineering, science and technology, and programme management skills



and personnel. There is a high level of intellectual property invested in, and developed in Raytheon's products and services, and this necessitates the recruitment and retention of high calibre staff.

The Harlow location currently supports employees who commute in from all over the Greater South East. Some are facing 2-hour commutes each morning. This obviously can affect their productivity at the end of the day.

Raytheon also faces challenges associated with an ageing workforce – as 25% of employees are eligible to retire over the next five years.

Raytheon plays an active role in the local education and skills institutions, advising on the curriculum for Anglia Ruskin University and involvement in the Royal Aeronautical Society. Contributing to local education and training provision will help to provide the skills and workforce Raytheon needs, but it is not the only answer.

If Harlow could become a more vibrant, exciting place to live, attracting some of our existing and future employees to live nearer to their workplace then this would be beneficial.

Improving transport connectivity is also absolutely essential. There is significant labour market catchment in London, Cambridge and in-between that could better serve Raytheon in Harlow.

In sum – Raytheon would prioritise the development of Harlow Town Centre into a vibrant and exciting place, delivering M11 Junction 7a to make the best potential from the Enterprise Zone and proposed new housing developments; and provision of better cycling infrastructure to connect up the transport interchange points and make local commuting more sustainable.

Tim Harry (Programme Director for PHE Harlow), Public Health England

OVERVIEW OF PUBLIC HEALTH ENGLAND IN HARLOW

Public Health England (PHE) is an executive agency of the Department of Health in the United Kingdom that began operating on 1 April 2013. PHE is the expert national body that fulfils the Secretary of State's statutory duty to protect health and address health inequalities and exercises the Secretary of State's power to promote the health and wellbeing of the nation. Its formation merged a number of functions including health protection, substance misuse and a number of other health bodies. PHE deals with infectious diseases, environmental hazards and public health emergencies, as well as intelligence and public health improvement.

In 2015 PHE announced the establishment of its Science Hub Headquarters in Harlow. The aim is to establish a national resource for "public health science", a campus where national specialist public health services, translational research and commercial activities can interact and thrive and unified national microbiological reference laboratories for England, the UK and internationally. This site was chosen due to the proximity to major life sciences skills and talent, as well as its good transport links to HM Government in London and other research capabilities in the wider Corridor and UK. The PHE Harlow programme will eventually locate up to 2,750 jobs in the Harlow facility by 2024.

OBSERVATIONS ABOUT HARLOW AND THE CORRIDOR

The Public Health Science Hub envisaged for Harlow will be an open innovation campus that can host a variety of suppliers and collaborators on a flexible basis, creating a centre of excellence for public health science.

Harlow's strengths for supporting Public Health England and its new headquarters include:



- Proximity to London (where the major policy and resources decisions are made) and the corridor between London and Cambridge (the centre of the UK's life sciences research and industry).
- A campus site was possible on the Enterprise Zone in Harlow – that would support PHE, its suppliers, start-up businesses and collaborators.
- Capacity in terms of space and facilities.
- Significant labour market catchment in terms of skills and recruitment.

Public Health England would support further improvements to Harlow as a location in terms of local workforce development, transport (all modes and access to the rest of the UK as well as London), and reputation as a place for business, research, entrepreneurship and living.

Julia Wilson, Associate Director, Wellcome Trust Genome Campus

OVERVIEW OF THE WELLCOME TRUST GENOME CAMPUS

The Wellcome Trust Sanger Institute (previously known as 'The Sanger Centre') is one of the leading genomics research institutes in the World. Now employing 2,000 people in its location just outside of Cambridge, the Institute's mission is to understand "the role of genetics in health and disease", and engages in four main areas of research: Human genetics, pathogen genetics, mouse and zebrafish genetics and bioinformatics.

The principal activity of The Sanger Institute is sequencing DNA, with the ability to rapidly carry out sequencing of the genomes of individual humans, vertebrate species and pathogens. The Institute has more than 100 ongoing pathogen sequencing projects, processing 10 billion bases of raw sequence data per day.

The Wellcome Genome Campus is the next stage of growth for the current site to become an international

centre for business, cultural and educational activities emanating from Genomes and BioData. The aim is to expand activities on the site even further in terms of research, enterprise and innovation and public engagement. The vision aims not just for scientific excellence, but also to make the campus into a destination for innovative genomic and biodata business. The first stage of this new development is The Biodata Innovation Centre, with integrated infrastructure for handling big data, due to open in July 2016 with space for 220 people and the ability to accommodate individual entrepreneurs, early stage start-ups and established businesses.

The Wellcome Genome Campus requires the development of further adjacent land assets that are owned by the Wellcome Trust, as well as infrastructure improvements and transport solutions.

The concept of the Genome Campus is to extend the use of the site and the knowledge, assets and skills of the Wellcome Trust into spin-outs, soft landing space for inward investors, attracting private R&D investment, and business growth. The idea is to become a hub of genomic-based economic activity and science where talented people might change their jobs or employer, but still be part of the Campus. Public awareness activities and resources are designed to educate and inform, as genomic healthcare solutions will become NHS services and treatments in 10 years' time.

OBSERVATIONS ABOUT THE CORRIDOR

The Wellcome Trust has been at its Hinxton site for 23 years, and it is regarded as one of the jewels in the crown of the UK and Global Genomics research facilities. The next step – the development of the Genome Campus – will deliver the vision for the next 25 years.

What's perhaps not more widely known is the significant role of data and informatics in the work of



the Sanger Institute. The current site has 60 petabytes of data on site.

The main challenges facing the development of the Genome Campus and the continued success of genomic research and activities include:

- Workforce skills and securing talent
- Improving public and private transport access, including better rail services and better parking and interchanges at railway stations
- Securing planning permission for the Genome Campus. The Wellcome Trust owns the land and has the financial backing in place to undertake the development, and the next stage is to engage in the initial design and planning work to begin to secure planning permission.

Mary Parsons, Group Director, Placemaking and Regeneration from Places for People

Places for People, who are one of the largest property and leisure management, development and regeneration companies in the UK, with the vision to provide “aspirational homes and inspirational places”. Places for People own or manage 140,000 homes and have assets in excess of £3 billion. They are a socially responsible organization, and all profit is re-invested back into the business. Places for People are renowned for global excellence and for the quality of their housing developments – from Parkham in Sheffield to the Olympic Park in Stratford.

Places for people own two major development sites in the Corridor: Eastwick and Sweetwater on the Olympic Park, and Gilston Park in East Hertfordshire. Gilston Park could potentially deliver housing growth and a new community near to Harlow. Places for People own and manager 13,000 homes in the LSCC area.

Placemaking is more advanced in the USA, as the Growth Commission has acknowledged. We mustn't

lose sight of people's lives and the importance of communities.

Mary emphasised the history of the Corridor as the location for two of the first wave of New Towns (Harlow and Stevenage).

The challenges Harlow and the London Stansted Cambridge Corridor must address include:

- Most of the high earners commute into Harlow to work – they are the reason for the gridlock and congestion.
- Housing Affordability could erode the competitiveness of the Corridor.
- The role of residential development is in place-making and quality of place, not just providing more homes. There is a role for residents and the local workforce in this.
- Its time to reset how places work, such as new towns and cities. We need to start to plan-in and deliver healthy living, dementia friendly communities that can help to ease the burden on the NHS.

Panel and audience discussion on key location factors

HOW DO WE REDUCE COMMUTING AND GET MORE OF LOCAL EMPLOYERS' WORKFORCES TO LIVE LOCALLY?

The response from panel members was that town centres needed to be more vibrant and attractive as places to live and work. They needed a high quality and diverse offer for housing, culture, and amenities.

HOW ENCOURAGE SKILLS DEVELOPMENT FOR ALL AGES?

Panel respondents reported that a significant recruitment demand is for computer scientists, IT skills and other technical skills. Whilst employers such as Raytheon, PHE and the Wellcome Trust have a need



to recruit and retain scientists, a lot of their role is also in computing and other technical roles. In particular, the 'business critical' staff tend to be those brought in with good technical education and skills who look after critical functions such as IT and building services.

All employers are interested in working with local schools, and wish to influence school curriculums as well as engaging young people at 11-12 years of age.

HOW FAR DOES THE 'HARLOW GRIDLOCK' RESTRICT FUTURE GROWTH?

There were a range of views from panel members and the audience which emphasised the significant problems of traffic congestion, and that past transport planning, including the building of the M11 had underestimated growth in private car use.

WHAT ARE THE KEY ISSUES WHICH REQUIRE COLLABORATION?

It was widely agreed that housing, skills and transport topped the agenda for collaborative working across administrative boundaries.

In terms of skills and workforce issues, collaboration over addressing the ageing workforce of many key employers was seen as vital. Encouraging more local graduates to work for Harlow firms was seen as important.

Overall, place-making was viewed as a key task – and that people, and firms, didn't care about local authority boundaries – as evidenced by travel-to-work patterns and housing market areas.

London's growth is likely to be significant, and have continued implications for the Corridor. Therefore, it was emphasised that London needs to be join discussions about place-making and housing in the Corridor.



4. LOCAL AUTHORITY PLANS, CHALLENGES AND SOLUTIONS

Cllr Tim Wotherspoon – Lead member South Cambridgeshire District Council

Councillor Wotherspoon reflected on the local planning processes which South Cambridgeshire had been involved in over the past two years. The Cambridge Sub-Region Housing Market Area includes Cambridge, East Cambridgeshire, Fenland, Huntingdonshire, South Cambridgeshire, Forest Heath and St Edmundsbury.

Progress has been made – out of the assessed housing need between 2011 and 2031. 27,407 houses have been built, with only 6,000 outstanding.

The total infrastructure costs required to support all of the developments in the local plans for Cambridge City and South Cambridge total £1.25 billion. With £2 billion allocated to transport, this leaves £0.75 billion for the Cambridge City Deal to deal with other major infrastructure needs. This is important, as much of the historic and planned housing development in Greater Cambridge is in the north and east of the city, whereas the major employer developments have occurred in the south.

Noel O'Neill, Assistant Director, Regeneration, Stevenage Borough Council

Stevenage is the first New Town to be developed, with the 70th anniversary of its foundation in 2016. It now has a population of 85,000 and a labour market catchment of 155,000. With an area of 2,600 hectares in the borough, it is compact. It is planned that Stevenage will grow by 20 per cent over the next 10 years.

A unique selling point for Stevenage is connectivity. Stevenage has an excellent strategic location on the A1(M) and the East Coast Main Line. Rail connectivity

to Central London is in 19 minutes, and house prices significantly below other areas such as Reading, Hatfield, Watford and Hertford.

Crossrail 1 will also mean faster travel times to Heathrow (49 minutes) and Canary Wharf (38 minutes). Thameslink services will also serve Stevenage by 2018. Network Rail plan to add a 5th platform at Stevenage Rail Station between 2019 and 2022.

Stevenage's latest regeneration strategy and local plan has the aspiration to create a vibrant town centre that is more liveable. The local plan proposes the delivery of 7,600 new homes, 3,600 of which are in the Town Centre, and the remaining in three urban extensions.

The Town Centre Regeneration Strategy will deliver a new Rail Station, 3,600 new homes, 65,000 square metres of Grade A office space, 3 new 4-star hotels, a new civic hub and a 21st Century Leisure offer.

Central to the approach is to encourage more use of the Town Centre by all who work and live in Stevenage, and to encourage more skilled workers to consider living in Stevenage. This will be achieved by installing a new gateway via the railway station, a new leisure district, attractive office environments, a new civic hub, and a new theatre district.

Challenges for Stevenage include:

- Previously, development has been over-reliant on the market for delivery
- Urban extensions have been designated previously, but housing developers have not built out to their full consents
- Congestion on the A1(M)

However, there is significant interest from private developers in Stevenage, and property owners and developers such as Legal & General have set aside £15 billion for an infrastructure fund nationally, we just need to design the payback vehicles.



Linda Haysey, Leader, East Hertfordshire District Council

East Hertfordshire offers a high quality, high amenity location with established towns and villages. The challenge is maintaining quality life within current patterns of economic activity and prospective growth.

East Hertfordshire is a commuter economy, with 50% of the workforce (36,000 people) commuting out each day and 22,000 commuting into the district. East Hertfordshire has 7,000 businesses, predominantly small and micro- businesses.

Over the next 15-20 years we can't be complacent. East Hertfordshire has a new economic development strategy. The district needs to supply skills for the knowledge-based economy.

Of course, a major challenge is housing. To meet assessed demand, the district must build 15,000 dwellings over the next 20 years, in an area where one-third of land is designated as green belt. This scale of housing building will be a practical challenge, as well as a conceptual challenge for existing residents. However, most residents are in-comers, they were not born in East Hertfordshire. Politicians and residents want the infrastructure and public services to be provided to support this level of housing growth. It is not acceptable that this growth should put further pressure on existing infrastructure and services.

New housing should have character, and quality of place at the heart of any development. Infrastructure should be delivered in advance, or at least in plans and with funding in place to give confidence to both investors and communities. Superfast broadband is also a critical infrastructure requirement if we are going to support local businesses and more sustainable modes of working, as well as reduce commuting.

East Hertfordshire District Council is willing to be bold to achieve its aims. The recent purchase of the old River House site in Bishops Stortford signals our intent to take more control over strategic sites in our district and act in the best interests of communities.

Gilston has been identified as a potential site for housing growth. It will provide a garden village development for over 10,000 homes.

To help places like East Hertfordshire achieve growth, the following initiatives and tools would be helpful:

- Full business rates retention
- Continue the New Homes Bonus
- Stability in the planning system and national planning policy – i.e. one that doesn't keep changing

Devolution offers a once in a lifetime opportunity to shape and influence place making. The future is about making brave and intelligence decisions, and dealing with change. Commuting and working patterns will change. Smart growth is the answer – that provides the infrastructure and quality of place that people, and employers want.

Cllr Guy Nicholson, London Borough of Hackney

Since the credit crunch in 2009, Hackney has experienced double digit rates of economic growth each year. Hackney is part of a global community, and is a diverse community. The average price for a two-bedroom house is £940,000. Government legislation on social rent makes it completely unaffordable for many working households let alone those dependent on benefits. Businesses pay £60 to £65 per square foot for commercial rents in Hoxton and Shoreditch. There is barely any office supply left.

New legislation threatens to allow offices to be converted into residential use with no recourse to planning permission. The London Borough of Hackney



has been fighting for communities and has been collaborating with other London Boroughs to lobby to change government policy on issues such as this (office conversions to housing) as well as adult learning and skills funding.

The London Borough of Hackney is also a property developer. It owns a 6-acre site in Shoreditch and, in a joint venture with the Greater London Authority, is developing one-million square feet of commercial employment space with over 250 affordable homes and up to 700 other private homes. The London Borough of Hackney shows that local government has the ability to become a property developer unfettered by government legislation. This is essential to developing and sustaining communities.

As a result, The London Borough of Hackney is building the second highest number of new homes in England, 30-40 per cent of which is affordable housing.

Reflecting on Hackney's experience, place-making is crucial for the London Stansted Cambridge Corridor. Public services need to respond to community needs – and this means enabling people to live near where they work. The London Borough of Hackney has embraced growth and prosperity but with support from central and regional government this can be inclusive and can build real communities.

Panel discussion (all speakers)

HOW DOES THE LONDON BOROUGH OF HACKNEY FUND ITS PROPERTY DEVELOPMENT ACTIVITY?

The London Borough of Hackney's finances are sound, and it has used its reserves wisely. The borough's commercial property earns it a good return. Housebuilding finance is kept separate from commercial property finance. Commercial property is a longer-term development, and gives more secure returns. Housing is much more volatile. A long-term

view on property enables the borough to provide workspace for SMEs as well as affordable housing.

Stevenage Borough Council has sound finances. It owns land and buildings. The returns are long-term. A challenge is finding the up-front funds for infrastructure and other viability works. With the local government grant for central government ever-decreasing, Stevenage is looking to private finance to enable its growth and regeneration plans.

WHAT IS THE ROLE OF PUBLIC TRANSPORT OVER AND ABOVE RAIL LINKS TO LONDON?

There is a need for more devolved transport authorities, and the flexibility to deliver transport solutions that fit with the local area – e.g. rural transport in East Hertfordshire. Bus service improvements tend to often get overlooked. Transport is about connectivity and frequency improvements, not just about big investments.

THE CHALLENGE FOR THE PLACES IN-BETWEEN CAMBRIDGE AND LONDON

The main challenge, is that to make them viable for the future, they need to be attractive places to live for young people. Another challenge is to follow London's lead in the massive improvement in educational services and improvements. London is even more attractive now as a residential location for families due to the quality of schools.



Panel discussion:

A wide ranging debate amongst panellists and the audience covered the following issues:

- **Opportunity from local devolution:** if we get combined authorities, however configured, then that would probably be a good starting point to address joint problems, challenges and solutions.
- **Challenge for Growth Commission:** how to join up local government, business, central government and stakeholders to address two or three major issues which would significantly benefit from collaboration?

