



Nathaniel Lichfield
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Planning. Design. Economics.



South Cambridgeshire District Council Cambourne Retail and Employment Study

Final Report

October 2013



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FINAL REPORT

South Cambridgeshire Council

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1.0 Introduction

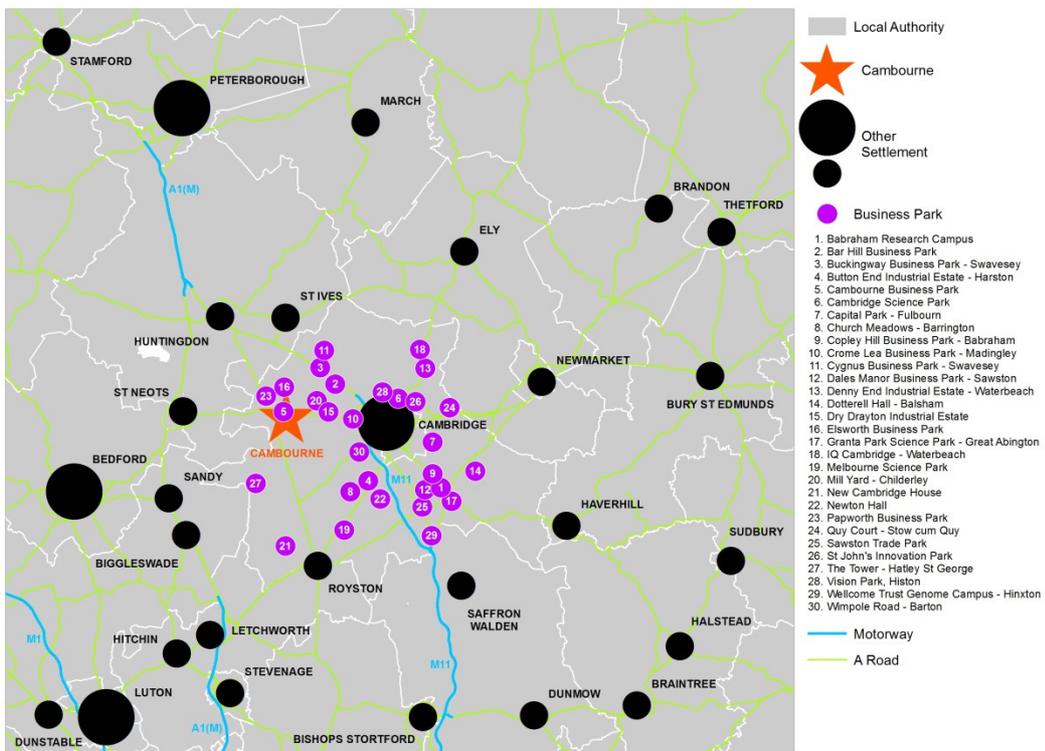
- 1.1 Nathaniel Lichfield & Partners (NLP) has been commissioned by South Cambridgeshire District Council to explore why the development of a number of allocated retail and employment sites in Cambourne has not been keeping pace with the delivery of housing in the settlement in recent years.
- 1.2 In particular, the study assesses the scale of the retail and employment offer that Cambourne can support both now and when all permitted housing has been completed, and identifies a number of options for the Council to consider with regard to the future development and delivery of Cambourne's retail and employment sites.
- 1.3 Section 2 of this report sets out the economic context and identifies the functional economic/market area within which Cambourne lies, especially the functional relationship with Cambridge and St Neots, and understand the potential economic role that Cambourne could perform within it.
- 1.4 Section 3 assesses Cambourne's retail potential, based on an analysis of its catchment area and future growth in population and expenditure.
- 1.5 Section 4 provides an overview of the commercial property market and Section 5 sets out NLP's assessment of future employment space requirements in Cambourne.
- 1.6 Section 6 summarises the conclusions and recommendations.

2.0 Economic Context

2.1 This section reviews current economic conditions, labour market indicators and recent trends in Cambourne and the South Cambridgeshire sub-region that may influence requirements for employment space.

2.2 As indicated in Figure 1 below, Cambourne is located in South Cambridgeshire, 14km west of Cambridge city centre. It is bounded to the north by the A428 trunk road from Cambridge to Bedford, providing a direct link to the M11 9km to the east of the settlement. The A1 lies 14km to the west of Cambourne.

Figure 1 Context of Cambourne



Economic Trends

2.3 To set the context for considering future employment space needs in this area, some key economic and labour market indicators are presented in Table 1 below. It indicates that South Cambridgeshire as a whole has a relatively buoyant local economy with low unemployment, high economic activity and strong overall job growth over the last 10 years, particularly when compared to nearby Cambridge and the county average.

Table 1 Economic indicators

Area	Employment (Workforce Jobs)	Job Growth (2003-13)	Economic Activity Rate	Unemployment Rate
South Cambridgeshire	85,340	21.7%	84.0%	4.5%
Cambridge	101,370	1.5%	79.5%	4.6%
Cambridgeshire	462,230	11.4%	81.1%	6.8%

Source: Experian 2013 / Nomis 2012

2.4 Table 2 summarises the level and type of business activity/new business formation in South Cambridgeshire, Cambridge and the county and suggests that South Cambridgeshire has a relatively high level of business activity and enterprise growth.

Table 2 Business Indicators

Area	Stock of Businesses (2012)	Business Starts per 10,000 Working Age Residents (2010)	% Growth in Businesses (2004-2010)	% Knowledge Based Firms (2008)
South Cambridgeshire	6,955	68.7	10.6%	30%
Cambridge	4,190	47.6	4.6%	30%
Cambridgeshire	24,695	57.1	6.5%	n/a

Source: Nomis/ONS

2.5 In terms of commuting patterns, 2008 Annual Population Survey data indicates that nearly 60% of South Cambridgeshire’s workers also live within the District, the remaining predominately living within the adjoining areas of East Cambridgeshire, Cambridge and Huntingdonshire. At the same time, there were significant outflows of residents from South Cambridgeshire, particularly to the city of Cambridge (47%). 37.7% of South Cambridgeshire’s residents also work in the District.

2.6 A recent survey of Cambourne residents¹ indicates that around 26% of employed residents work in Cambridge and 34% work in South Cambridgeshire, including 15% in Bourn/Cambourne. Just under 5% of employed adult residents of Cambourne work from home.

¹ Cambridgeshire County Council, Living in Cambourne: A Survey of Cambourne Residents, July 2006

Cambourne's Current Employment Profile

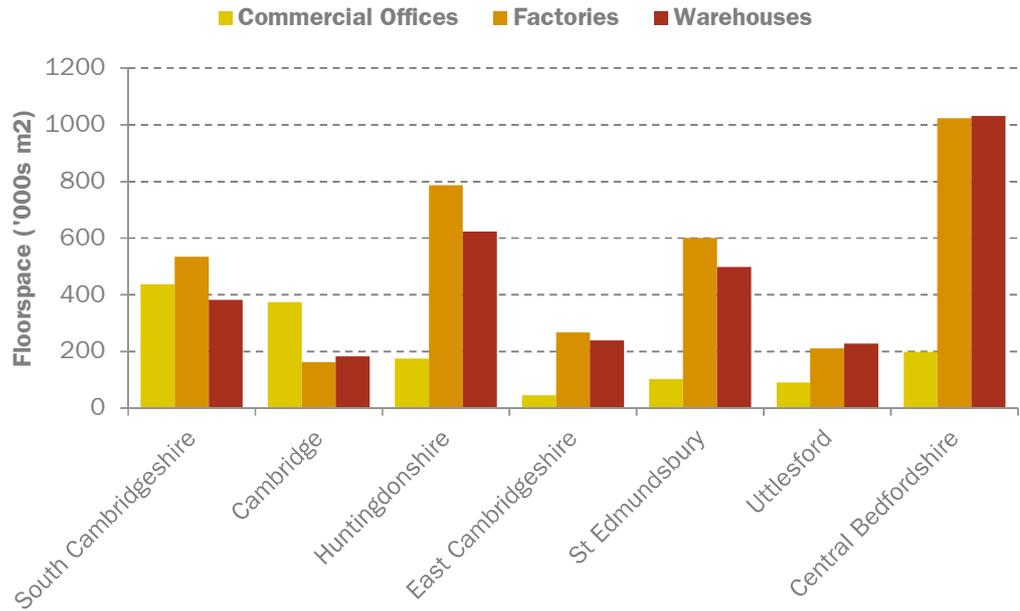
- 2.7 Monitoring data recorded by Cambourne Business Park Ltd indicates that approximately 1,250 employees currently work at Cambourne Business Park. Around 10% of these employees also live in the settlement, with the remaining 90% commuting in from elsewhere. The average distance travelled to work at the Business Park is 20.5 km (12.7 miles), slightly higher than the Cambridgeshire average of 16.4 km (10.2 miles).
- 2.8 In addition, it is estimated that the Morrison's food store, Belfry Hotel, BMW outlet and other retail/service, office and community uses within Cambourne settlement centre employ around 1,000 people. A further 200 people are estimated to be employed within Cambourne's schools, library, police and fire station. Taken together, this suggests that Cambourne currently supports around 2,450 employees in total.
- 2.9 As part of the original Masterplan for the settlement, an aspiration was set to deliver one job for each dwelling built within Cambourne. The NPPF identifies the need to ensure a broad balance between housing and job growth to minimise the need for commuting and promote inclusive, sustainable communities. Therefore the challenge for local authorities is to achieve a sustainable jobs-population balance to provide both local employment opportunities (whereby reducing overall commuting distance among residents) and homes near to workplaces.
- 2.10 It is estimated that 3,080 dwellings have been built in Cambourne to date. Therefore, total employment within the settlement falls short of this aspiration/target by approximately 630 jobs or 20%, indicating that the jobs-housing balance is tipped more heavily towards housing.

Employment Space Trends

Current Stock of Employment Space

- 2.11 The amount and type of existing employment space in the area is summarised in Figure 2 below. This indicates that South Cambridgeshire has the third largest overall stock of B Class employment space of all adjoining districts (after Central Bedfordshire and Huntingdonshire). Whilst its stock of industrial (factory and warehousing) space is comparable to its neighbours, South Cambridgeshire records the highest amount of commercial office space of all seven authorities, at around 437,000sqm (based on 2008 data).

Figure 2 Employment Floorspace by District ('000s sqm)

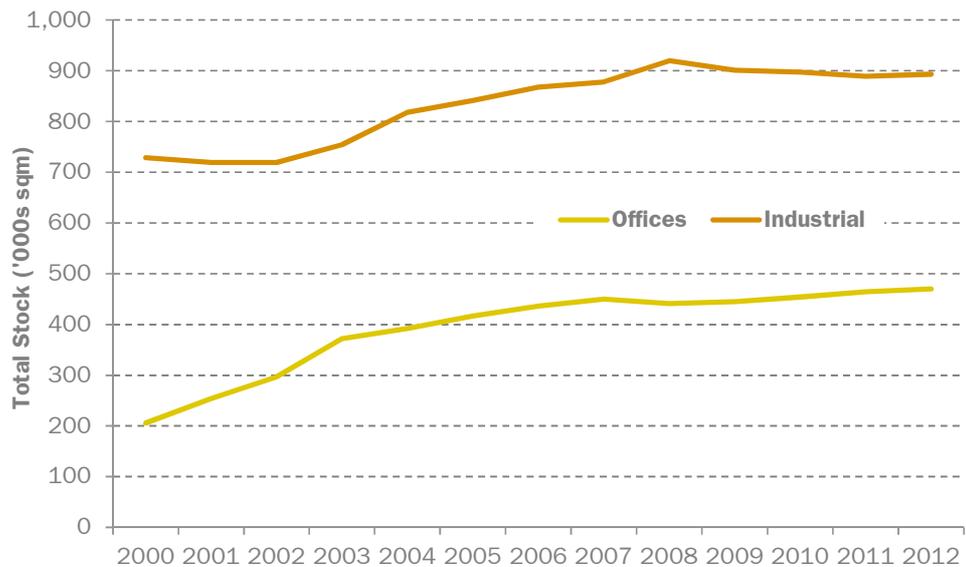


Source: VOA 2008 / NLP analysis

2.12

Commercial office space in South Cambridgeshire increased by 128% over the 12 year period 2000-2012 according to published VOA data (Figure 3), compared with just 42% across Cambridgeshire as a whole. Total industrial space also grew by 23% over the same period, compared with just 14% across the wider county.

Figure 3 Change in business floorspace in South Cambridgeshire, 2000-2012



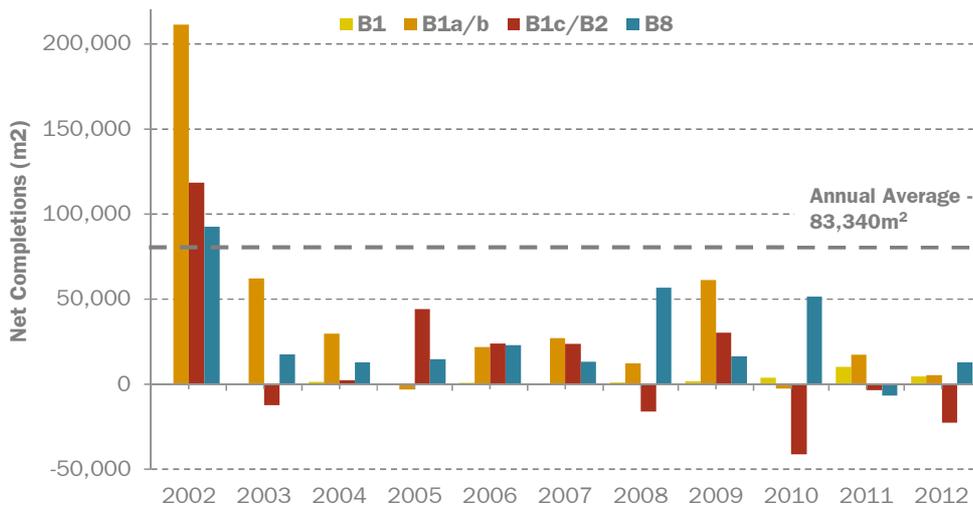
Source: VOA Business Floorspace Statistics / NLP analysis

Development Rates

2.13

The amount of new employment development in South Cambridgeshire in recent years has been reasonably high (Figure 4), with net completions recorded at just over 83,340sqm per annum on average between 2002 and 2012. This is equivalent to 91.5ha per annum. The District is home to a number of out-of-town business and science parks, many of which have accommodated significant growth and expansion over the past 10 years.

Figure 4 Net Completion Rates in South Cambridgeshire, 2002-2012

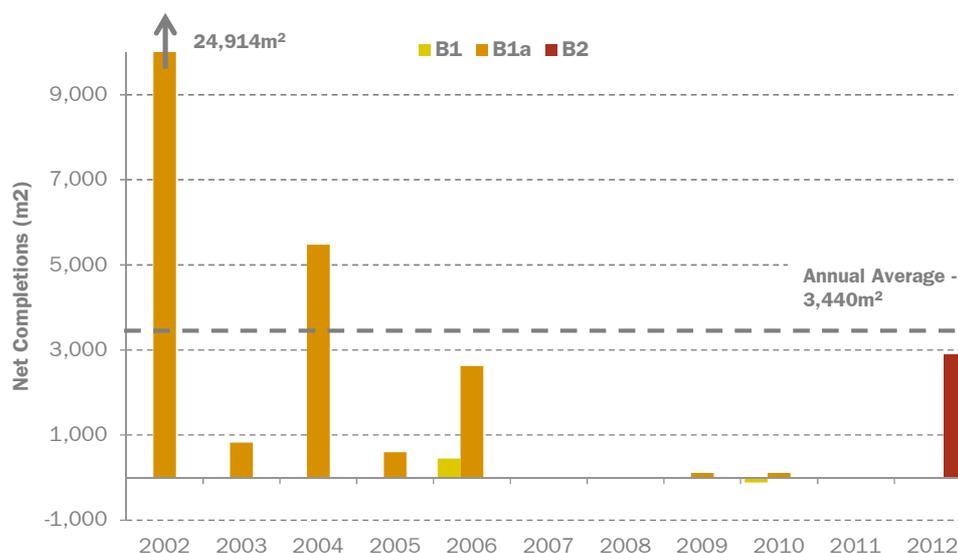


Source: South Cambridgeshire District Council

2.14

Figure 5 below presents net completions of B class space in Cambourne between 2002 and 2012, based on Council monitoring data. Annual completions over the period amounted to 3,440sqm on average, the vast majority (3,150sqm or 91%) relating to B1a office uses.

Figure 5 Net Completion Rates in Cambourne, 2002-2012



Source: South Cambridgeshire District Council

- 2.15 As shown in Figure 5, the level of new development in Cambourne has been very uneven over recent years, with 2002 recording the highest level of net completions at 24,914sqm (B1a). Very limited new development has taken place since 2006, coinciding with the economic downturn and subdued property market. 2012 stands out as the only reporting year to have recorded any B2 development – a total of 2,888sqm relating to the BMW Garage at Sheepfold Lane.
- 2.16 The level of B class development in Cambourne over the period 2002-2012 is equivalent to 11.4ha or just over one hectare per annum (with B1a accounting for 90% of this development).
- 2.17 To date, around 300,000 sqft (27,870sqm) of office space has been built at Cambourne Business Park, the focus for the settlement’s employment development. This represents about 40% of the site’s total 750,000 sqft (69,680sqm) of masterplanned office space with outline planning permission. Of the space developed so far, approximately 90% has been let or sold².

Available Employment Space

- 2.18 Cambourne currently has a sizeable amount of employment land available for development, amounting to just over 509,100sqft or 47,300sqm (Table 3). This space is equivalent to just over 11 ha of land.

² Cambourne Business Park, Travel for Work Agreement (s.106) Annual Monitoring Report, December 2012

Table 3 Available employment space in Cambourne (at May 2013)

		Maximum Space Available		
		Sqm	Sqft	Ha
Existing Premises	Building 2020 (Top Floor)	1,751	18,846	0.4
	Building 2020 (Ground Floor)	166	1,787	0.04
	Building 2030	817	8,797	0.2
	Regus Serviced Offices	278	3,000	0.07
Undeveloped Allocations	Building 4010 / Plot 4000	4,645	50,000	1.2
	Plot 3000	14,182	152,650	3.3
	Plot 5000	9,235	99,400	2.2
	Plot 6000	10,066	108,350	2.3
	Sheepfold Lane (3a)	4,812	51,796	1.2
	Sheepfold Lane (3b)	1,350	14,510	0.3
Total		47,300	509,136	11.2

Source: Cambournebusinesspark.co.uk, Savills Marketing Particulars

2.19 The vast majority of this space (81%) is located on undeveloped allocated sites in Cambourne Business Park, as well as Sheepfold Lane (13%) (adjoining the Business Park to the north). The remaining 32,430sqft/3,012sqm (6%) represents vacant space within existing Business Park premises including Building 2020, 2030 and the Regus Serviced Office building.

2.20 This space is currently being actively marketed, predominately for B class employment uses. However, some of the sites (such as Sheepfold Lane) are also being marketed for more flexible, complementary commercial uses such as leisure and retail.

Employment Site Assessments

2.21 The characteristics, quality and suitability to meet future employment development needs of undeveloped employment sites in Cambourne were assessed as part of this study. Each site was inspected and its suitability for employment use assessed against the criteria listed below, which reflect those in the ODPM Guidance on Employment Land Reviews:

- a strategic road access and local road access;
- b accessibility to public transport and services;
- c adjoining uses that might constrain employment uses;
- d site size, characteristics and potential development constraints; and
- e attractiveness to the market, including vacancy and market activity.

2.22 Individual site pro-formas are included in Appendix 3.

- 2.23 The sites perform well in terms of strategic and local access, proximity to labour and services and compatibility with adjoining uses. As cleared, level greenfield sites, no obvious development and environmental barriers to development were identified. Some of the sites also have planning permission or consent already in place. Delivery of these sites is more likely to have been restrained by the locational deficiencies of Cambourne rather than poor intrinsic quality, and future delivery of these sites will ultimately be dependent upon market conditions/demand. These sites have remained undeveloped for around 15 years, since initial construction of the Business Park began in the late 1990's/early 2000's.

Review of Previous Studies

- 2.24 This section provides a brief review of relevant recent studies insofar as they relate to the ongoing development of Cambourne and future employment land requirements in the settlement.

Living in Cambourne Survey (2006)

- 2.25 A survey of Cambourne residents was undertaken by Cambridgeshire County Council in July 2006 in order to inform planning decisions and future service provision, and to understand the way that residents feel about living in Cambourne. At the time of the survey, the population of Cambourne was approximately 5,000 occupying around 2,000 dwellings. Although the survey results are now a few years old, they provide a useful profile of local residents including their commuting and working patterns. Key points from the survey are presented below.
- 78% of all adults living in Cambourne are working, full or part-time, 9% are retired and 2% are unemployed and seeking work.
 - Just under 5% of employed adult residents of Cambourne work from home, 26% work in Cambridge and 34% work in South Cambridgeshire - 15% in Bourn/Cambourne.
 - The method that most employed Cambourne residents use to travel to work is by car (alone), which accounts for 72% of the employed population. 8% walk or cycle and 6% take the bus.
 - The majority of employed Cambourne residents (71%) work in managerial, professional or technical occupations. Lower paid occupations, such as plant and machinery operators, drivers and elementary occupations only account for a small percentage of the employed population.
 - Amongst employed Cambourne residents, business activities, health and social work and education are the most common industry sectors of employment.
 - The majority of Cambourne residents undertake the essential activities of food shopping and going to the doctors in Cambourne.
 - 80% of Cambourne residents conduct the majority of their non-food shopping in Cambridge.

Lessons from Cambourne (2007)

- 2.26 In 2007, an evaluation of Cambourne was undertaken by Cambridge Architectural Research Ltd on behalf of Inspire East to explore whether the objectives of the original Master Plan had been met and to identify what lessons had been learned to guide future large scale development elsewhere. The key findings in relation to employment are summarised below.
- People identify the lack of local employment opportunities and the need to travel to work by car as the key issues in Cambourne's failure to be 'sustainable'.
 - At the time of the evaluation, the business park and shopping centre are less than half finished and local employment opportunities are expected to increase with time as the settlement grows.
 - At first sight it would seem sensible to locate all new settlements near main-line railway stations. But only a small proportion of working residents travel to work in London and in today's highly mobile labour market, it may be unrealistic to plan for most people to work where they live even if there are local jobs available.
 - Live-work and business starter units may need subsidising to woo new businesses from cheaper accommodation in neighbouring villages. The units in Cambourne also lack scope for adaptation and expansion.

Conclusions

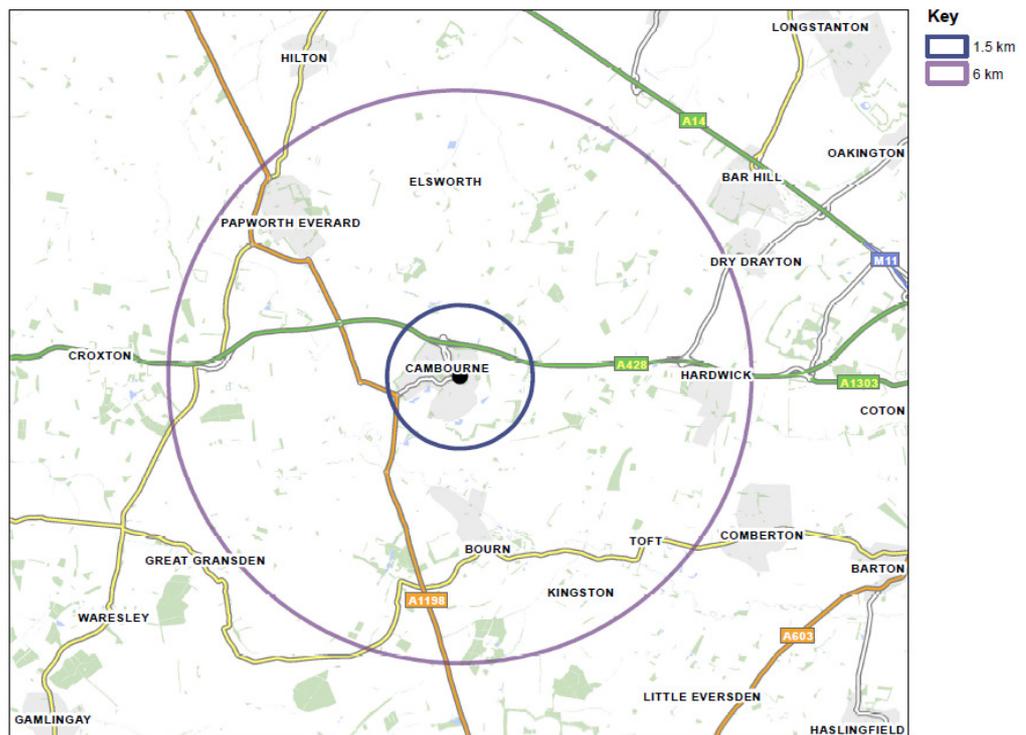
- 2.27 South Cambridgeshire has a relatively buoyant local economy and performs well across a range of economic indicators including unemployment, economic activity and business start-ups. It forms part of a wider Cambridge functional economic area, with strong linkages to the rest of the sub-region and Cambridge in particular. Just 15% of Cambourne's employed residents also work in the settlement.
- 2.28 The District has a sizeable stock of employment space (particularly commercial offices) and has recorded relatively high levels of new B class development in recent years, driven in part by the cluster of large out-of-town business and science parks located within South Cambridgeshire.
- 2.29 Cambourne has recorded uneven levels of development over the past 12 years, with significant levels of new B class development in the early 2000's followed by very limited completions in a subdued property market.
- 2.30 Less than half of the masterplanned office space at Cambourne Business Park has been completed, resulting in a significant amount of available employment land in the settlement. Most of this land comprises undeveloped allocated sites which perform well on paper, with future delivery instead dependent upon market conditions and demand.

3.0 Retail Appraisal

Cambourne’s Catchment Area

- 3.1 Cambourne lies within the sub-regional shopping catchment area of Cambridge. Retail and service facilities within Cambourne primarily serve residents within the urban area of Cambourne and villages within the rural hinterland.
- 3.2 Based on the location and hierarchy of shopping centres in the sub-region and the results of the household shopper survey within the Cambridge Sub-Region Retail Study 2008, Cambourne is likely to attract most of its trade from a 6 kilometre distance. It should be recognised that shopping catchment areas over-lap and Cambourne will not retain all expenditure within its catchment area.
- 3.3 We have defined primary and secondary catchment areas for Cambourne, based on 1.5km (covering Cambourne urban area) and 6km (the rural hinterland) distance rings from Cambourne high street, as shown on the plan in Figure 6 below.

Figure 6 Cambourne’s Primary Shopping Catchment Area



- 3.4 Population projections within the catchment area are shown in Table 4. Population within the primary catchment area (Cambourne urban area) is expected to increase from 7,190 in 2011 to 9,900 by 2018, assuming the completion of 4,250 dwellings in total by 2018. Projections have been provided

over five year intervals up to 2023. Long term retail expenditure projections beyond 2023 are less reliable and should be treated with caution. It should be noted that the emerging local plan will cover the period up to 2031.

Table 4 Population Projections

Study Area Zone	2011	2013	2018	2023
Primary catchment	7,190	7,467	9,900	9,900
Secondary catchment	11,610	11,864	12,481	13,099
Total	18,800	19,331	22,381	22,999

Source: ONS 2011 Population – Cambourne urban area 3,081 households (2.33 people per dwelling) 4,250 dwellings at 2018 at 2.33 people per dwelling. Secondary catchment population growth based on ONS 2011 projected average growth for Cambridgeshire.

- 3.5 Consumer retail expenditure per capita within the study area for convenience (food and grocery) and comparison (non-food) is shown in Tables 5 and 6, based on Experian local expenditure estimates and future forecasts. Convenience goods expenditure per capita is expected to grow by about 4.3% over the next ten years, and by 24.6% for comparison goods. These expenditure projections exclude expected growth in home shopping through non-retail businesses.

Table 5 Convenience Goods Expenditure Per Capita (2011 Prices)

Study Area Zone	2013	2018	2023
Primary catchment	£1,921	£1,945	£2,003
Secondary catchment	£1,926	£1,950	£2,009

Source: Experian 2012

Table 6 Comparison Goods Expenditure Per Capita (2011 Prices)

Study Area Zone	2013	2018	2023
Primary catchment	£3,354	£3,696	£4,179
Secondary catchment	£3,200	£3,425	£3,986

Source: Experian 2012

- 3.6 Total available expenditure is shown in Tables 7 and 8. Based on population and expenditure growth forecast, total convenience goods expenditure within the catchment area is expected to increase by £8.96 million (24%) between 2013 and 2023. Total comparison goods expenditure is projected to increase by £30.57 million (48%).

- 3.7 It is important to note that not all this expenditure will be available to support retail facilities in Cambourne, due to overlapping shopping catchment areas and expenditure leakage. The leakage of comparison goods expenditure to Cambridge and other large centres is likely to be significant and this will

continue in the future. Cambourne’s existing and potential future retention of expenditure are considered below.

Table 7 Total Convenience Goods Expenditure £Million (2011 Prices)

Study Area Zone	2013	2018	2023
Primary catchment	£14.34	£19.26	£19.83
Secondary catchment	£22.85	£24.34	£26.32

Table 8 Total Comparison Goods Expenditure £Millions (2011 Prices)

Study Area Zone	2013	2018	2023
Primary catchment	£24.04	£36.59	£41.37
Secondary catchment	£37.96	£44.00	£52.21

Existing Facilities in Cambourne

- 3.8 Cambourne’s settlement centre is anchored by a large Morrison’s superstore with associated petrol filling station and car wash. The net sales area of the food store is currently restricted via a planning condition i.e. to not more than 2,800sqm. A separate study is being prepared by Carter Jonas which will consider proposals to increase the food store’s sales area to 3,200sqm net, an increase of 400sqm net.
- 3.9 We estimate the food store’s current sales floorspace is split 2,300sqm net of convenience goods sales and 500sqm net of comparison sales. The comparison sales is predominantly lower order non-food goods bought on a regular basis e.g. health/beauty/baby products, pet products, flowers, stationery, small kitchen utensils, books and CD’s. A food store of this size would normally employ around 320 people.
- 3.10 The expected turnover of the Morrison’s store based on the company average sales density would be £28.59 million for convenience goods (assuming £12,431 per sqm net) and £5.08 million for comparison goods (assuming £10,164 per sqm net).
- 3.11 The Morrison’s store is currently supported by 14 smaller outlets located within two parades and a separate public house. These units are currently occupied by 3 estate agents, 3 takeaways, a building society, Lloyd’s chemist, a cycle shop, drycleaners, Ladbrokes bookmakers, hairdressers, Indian restaurant and coffee shop/café. There are no vacant shop units. These outlets based on normal employment densities would employ about 100 people.
- 3.12 There are no convenience goods shops and only two comparison shops (Lloyds Chemist and the cycle shop). The turnover of these two shops based on an average sales density of £4,000 per sqm net would be £0.56 million.

- 3.13 In addition to Class A retail shops and services there are other community facilities i.e. a health centres, library, police station, vets and community hall.

Retail Commitments/Proposals

- 3.14 There is planning permission for a Co-op convenience store on School Lane in Cambourne. This store has an expected convenience goods turnover of £2.19 million (292sqm net at Co-op's company average sales density of £7,496 per sqm net) and could create 20 jobs. The combined expected convenience goods turnover of Morrison's and Co-op is £30.78 million. The combined expected comparison goods turnover of Morrison's store and two shop units is £5.64 million.
- 3.15 There is planning permission for five retail units totalling 2,900sqm gross, which could have a net sales area of about 2,200sqm (based on a net to gross ratio of 75%). It is unclear who will be the occupiers of these units because no information is available regarding the expected split between convenience and comparison goods retailing.
- 3.16 In our view it is unlikely all proposed units would be occupied by convenience goods retailers due to the proximity of the Morrison's store. The largest unit (1,062sqm gross) could lend itself to a discount food store such as Lidl, Aldi or an Iceland store. This type of niche food store could operate alongside Morrison's. The convenience goods turnover of a discount store of this size is likely to range between £3 million to £5 million, and would employ about 50 people.
- 3.17 If all the remaining units (1,853sqm gross) were occupied by comparison goods retailers then the maximum comparison goods turnover would be £5.6 million in 2013, assuming 1,400sqm net at £4,000 per sqm. These units would employ about 100 people. In total retail commitments could employ 170 people.

Expenditure Retention 2013

- 3.18 Cambourne lies within the sub-regional catchment area of Cambridge. Retail and service facilities within Cambourne primarily serve residents within the urban area of Cambourne and villages within the rural hinterland.
- 3.19 Based on NLP's site visit and anecdotal evidence from council officers, the Morrison's store appears to be trading healthily and the Cambridge Sub-Region Retail Study's household survey results suggest this store attracts trade from a reasonably wide area, including residents within Cambridge.
- 3.20 The store is suitable for both bulk and top up food shopping and the retention of convenience goods expenditure within the primary catchment area is likely to be relatively high. We have assumed that up to 75% of convenience goods expenditure from residents living within the primary catchment areas could be retained in Cambourne. Within the secondary catchment area the expenditure retention is likely to be lower, with more residents choosing to do their food and

grocery shopping in Cambridge e.g. Tesco Extra at Bar Hill. We have assumed a maximum market share of 60% for Cambourne in this secondary catchment area.

- 3.21 Cambridge Sub-Region Retail Study 2008 suggested the Morrison’s store attracts trade from beyond the primary and secondary catchment areas, and we have assumed a maximum of 20% additional trade from expenditure inflow. Based on these trade draw and market share assumptions, Cambourne would attract £30.58 million of convenience goods expenditure in 2013, as shown in Table 9. As shown above, the expected convenience goods turnover of the Morrison’s store is £28.59 million. These figures endorse the view that the Morrison’s store is trading healthily.

Table 9 Convenience Goods Expenditure Retention in Cambourne

Study Area Zone	% Share/ % Inflow	Expenditure Attracted to Cambourne £M
Primary catchment	75%	£10.76
Secondary catchment	60%	£13.71
Inflow from beyond	20%	£6.12
Total		£30.58

- 3.22 Comparison goods retail provision in Cambourne is limited. Lower order comparison goods such as pharmaceutical/beauty products, books, stationery, pet products and flowers account for around 10% of all comparison goods. Higher order comparison goods such as clothing, footwear, electrical goods, furniture and furnishings account for the majority of the remaining 90%. Most customers are likely to shop in larger sub-regional centres for these higher order comparison products.

- 3.23 We have assumed Cambourne could retain up to 10% of the comparison goods expenditure of residents living in the primary catchment area and 5% of residents within the secondary catchment area and a further expenditure inflow of 15% from beyond the catchment area. Based on these assumptions Cambourne would attract £5.18 million of comparison goods trade in 2013, as shown in Table 10. This figure is broadly consistent with the expected benchmark turnover of existing sales floorspace in Cambourne (£5.64 million).

Table 10 Comparison Goods Expenditure Retention in Cambourne

Study Area Zone	% Share/ %inflow	Expenditure Attracted to Cambourne £M
Primary catchment	10%	£2.5
Secondary catchment	5%	£1.90
Inflow from beyond	15%	£0.78
Total		£5.18

Retail Floorspace Capacity – Existing Dwelling Numbers

Convenience Goods Capacity

3.24 As indicated above, the convenience goods expenditure retention rates adopted are relatively high due to the draw of the Morrison’s superstore. If these retention rates can be maintained in the future then additional expenditure will be drawn to Cambourne due to population growth and growth in expenditure per person. Available expenditure is expected to increase from £30.58 million in 2013 to £36.31 million in 2018.

3.25 Growth in retained available expenditure is compared with the expected benchmark turnover of existing retail floorspace in Table 11, in order to quantify the amount of surplus expenditure available to support new floorspace. Surplus expenditure is then converted into floorspace potential based on an average sales density of £5,000 per sqm net.

Table 11 Convenience Goods Retail Capacity in Cambourne

	By 2018	By 2023
A - Expenditure attracted to Cambourne £M	£36.31	£38.33
B - Expected turnover of existing floorspace £m	£28.59	£28.59
C - Expected turnover of proposed Co-op £m	£2.19	£2.19
D – Surplus expenditure £M (A-B-C)	£5.53	£7.55
E – Turnover density new floorspace £ per sqm net	£5,000	£5,000
Floorspace capacity sqm net (D divided by E)	1,105	1,509

3.26 Allowing for the Co-op commitment there will be an expenditure surplus of £5.53 million at 2018, which could support 1,105sqm net of additional sales floorspace. This figure increases to 1,509sqm net in 2023. This surplus expenditure could be absorbed by the proposed Morrison’s extension depending on the split between convenience and comparison sales floorspace and/or some of the five retail units with planning permission.

3.27 As indicated above, a discount food store’s turnover could have range between £3 million to £5 million. If half of the additional sales floorspace (i.e. 200sqm net) proposed in the Morrison’s store is devoted to convenience goods then additional sales would absorb about £2.5 million of surplus expenditure (200sqm net at £12,431 per sqm).

Comparison Goods Capacity

- 3.28 As indicated above, Cambourne currently has a low retention of comparison goods expenditure within the primary and secondary catchment area. The implementation of proposed retail floorspace with planning permission should provide a critical mass of new floorspace to increase comparison goods expenditure retention.
- 3.29 As a realistic example, we believe Cambourne's existing comparison expenditure retention rates can be increased by 50%. If this uplift is achieved then population and expenditure growth could support the additional floorspace as shown in Table 12. Surplus expenditure is then converted into floorspace potential based on an average sales density of £4,000 per sqm net.

Table 12 Comparison Goods Retail Capacity in Cambourne

	By 2018	By 2023
A - Expenditure attracted to Cambourne £M	£10.34	£11.91
B - Expected turnover of existing floorspace £m	£6.14	£6.68
C – Surplus expenditure £M (A-B)	£4.20	£5.23
D – Turnover density new floorspace £ per sqm net	£4,000	£4,000
Floorspace capacity sqm net (C divided by D)	1,051	1,202

- 3.30 There will be an expenditure surplus of £4.20 million at 2018, which could support 1,051sqm net of additional sales floorspace. This figure increases to 1,202sqm net in 2023.
- 3.31 Again this surplus expenditure could be absorbed by the proposed Morrison's extension depending on the split between convenience and comparison sales floorspace and the five retail units with planning permission.
- 3.32 If half of the additional sales floorspace (i.e. 200sqm net) proposed in the Morrison's store is devoted to comparison goods then additional sales would absorb about £2 million of surplus expenditure.
- 3.33 The planning permission for five retail units could have a net sales area of about 2,200sqm (based on a net to gross ratio of 75%). This exceeds the floorspace projection up to 2023 (1,202sqm net), which implies about 1,000 sqm net or more of the sales floorspace will need to be occupied by non-comparison sales i.e. convenience sales and/or non-retail services (Class A2 to A5). Alternatively Cambourne would need to increase its retention of comparison goods expenditure by more than 50%.

Retail Floorspace Capacity – Increased Dwellings

- 3.34 We understand that the emerging South Cambridgeshire Local Plan may include an additional 1,200 dwellings to the west of Cambourne over the plan period. If implemented (during the period 2018 to 2023) these proposals would increase the population within Cambourne’s primary catchment area as follows.

Table 13 Population Projections – increased dwellings

Study Area Zone	2011	2013	2018	2023
Primary catchment	7,190	7,467	9,900	12,696
Secondary catchment	11,610	11,864	12,481	13,099
Total	18,800	19,331	22,381	26,494

Primary catchment area population at 2023 based on an additional 1,200 dwellings at 2.33 people per dwelling.

Convenience Goods Capacity

- 3.35 The revised retail capacity based on an additional 1,200 dwellings is shown in Table 14.

Table 14 Convenience Goods Retail Capacity in Cambourne (1,500 additional dwellings)

	By 2018	By 2023
A - Expenditure attracted to Cambourne £M	£35.29	£42.53
B - Expected turnover of existing floorspace £m	£28.59	£28.59
C - Expected turnover of proposed Co-op £m	£2.19	£2.19
D – Surplus expenditure £M (A-B-C)	£4.51	£11.75
E – Turnover density new floorspace £ per sqm net	£5,000	£5,000
Floorspace capacity sqm net (D divided by E)	902	2,350

- 3.36 Based on 1,200 additional dwellings, convenience goods retail capacity at 2023 will increase from 1,509sqm net to 2,350sqm net. The increase in surplus expenditure (£11.75 million at 2023) would be more than sufficient to support a discount food store (turnover of up to £5 million) and additional sales floorspace within the Morrison’s store (say a turnover of about £2.5 million). Based on this scenario there could be scope for about 800sqm net of convenience goods sales floorspace, over and above commitments and the Morrison’s proposals.

Comparison Goods Capacity

3.37 The revised retail capacity based on an additional 1,200 dwellings is shown in Table 15. With these additional dwellings comparison goods retail capacity at 2023 will increase from 1,202sqm net to 1,782sqm net. The planning permission for five retail units could still (up to 2,200sqm net) still exceeds this increased floorspace projection.

Table 15 Comparison Goods Retail Capacity in Cambourne (1,500 additional dwellings)

	By 2018	By 2023
A - Expenditure attracted to Cambourne £M	£10.08	£13.81
B - Expected turnover of existing floorspace £m	£6.14	£6.68
C – Surplus expenditure £M (A-B)	£3.94	£7.13
D – Turnover density new floorspace £ per sqm net	£4,000	£4,000
Floorspace capacity sqm net (C divided by D)	985	1,782

Non-Retail Services

3.38 Within most shopping centres there will be service facilities, which include other non-retail Class A1 uses such as a post office, travel agent etc. together with Class A2, A3, A4 and A5 uses. The two existing parades in Cambourne are dominated non-retail services.

3.39 Cambourne should meet the needs of local residents for these non-retail service facilities. There is no clear definition of need, but residents in Cambourne will expect to find all of the following services and community uses within their local area:

- banks;
- Post office;
- takeaways, cafés and restaurants;
- public houses;
- bookmakers;
- laundrette/dry cleaners;
- hairdressers/beauty salon;
- estate agents;
- community hall;

- doctor’s surgery and dentist;
- library; and
- dispensing chemist.

3.40 In qualitative terms most of these facilities are available in Cambourne, but the choice of facilities is limited. Within district centres or small town centres we would normally expect to see approximately 30% of the floorspace of the centre devoted to Class A2 to A5 uses.

3.41 The baseline retail projections above suggest there could be scope for 2,711sqm net of convenience and comparison floorspace, or 3,873sqm gross, based on a 70% net to gross ratio. If a further 30% over and above this is devoted to non-retail services then 1,660sqm gross of Class A2 to A5 could be provided in Cambourne by 2023. This Class A2 to A5 floorspace could generate about 100 new jobs.

Retail Conclusions

3.42 Existing facilities in Cambourne are dominated by food and grocery shopping within the Morrison’s store and non-retail services. The retention of convenience goods expenditure in the primary catchment area is high, but the retention of comparison goods expenditure is low.

3.43 Population growth, increases in expenditure per person and the potential to increase the retention of comparison goods expenditure provide an opportunity to expand retail provision in Cambourne. Based on current retention rates and expected dwelling completions, by 2023 there could be scope in Cambourne for:

Convenience retail floorspace	- 1,509sqm net (2,156sqm gross)
Comparison retail floorspace	- 1,202sqm net (1,717sqm gross)
Class A2 to A5 non-retail services	- 1,660sqm gross
Total A1 to A5	- 5,533sq m gross

3.44 The planning permission for five new retail units in Cambourne will provide 2,900sqm gross. The implementation and occupation of these units may be sufficient to absorb around 75% of the projected retail capacity up to 2023, leaving scope for about 1,000sqm gross of additional retail provision, and 1,660sqm gross of non-retail services.

3.45 These figures suggest there could be scope for at least 2,600sqm gross of Class A1 – A5 on the remaining high street development sites by 2023, based on current new dwelling projections. This floorspace figure suggests both retail development plots have the potential to be delivered by 2023. Retail commitments could generate 170 new jobs. The scope for additional retail over and above commitments and non-retail services could support a further 150 jobs.

- 3.46 Based on this scenario, total new job creation could be 320 within Cambourne settlement's centre.
- 3.47 However to ensure this growth potential is retained in Cambourne a critical mass of facilities is required in order to attract customers. The implementation of the current retail planning permission will be important in providing this critical mass. The proposals will also provide better linkages between the Morrison's store and car park with the development sites south of the High Street.
- 3.48 Nevertheless the projections suggest it may take 5-10 years to deliver the remaining high street development sites.
- 3.49 If new dwelling numbers increases, for example 1,200 dwellings to the west of Cambourne, then the potential for development could increase significantly. The additional 1,200 dwellings by 2023 would increase the retail projection from 3,873sqm gross to 5,903sqm gross, or 8,433sqm gross A1 to A5.
- 3.50 Based on this scenario, total new job creation could be 490 within Cambourne settlement's centre.
- 3.51 If dwelling numbers are increased in Cambourne then the importance of retaining retail development around the high street will be more significant.

4.0 Commercial Property Market

- 4.1 This section describes current property market conditions in the Cambridge area, including recent trends in the demand for and supply of B class premises. These findings are based on discussions with commercial property agents active in the area (see Appendix 1) and a review of sub-regional property market reports.

Overview

- 4.2 The UK commercial property market is still recovering from the financial crisis of 2007/8 and the ensuing recession and property slump. Falls in the capital value and rental levels of office and industrial premises of up to 40% combined with stricter lending criteria from banks and the abolition of tax relief on empty property mean that property development is less profitable, finance is hard to obtain and the risks of developing space without an end-user identified are high. As a result, speculative development has become very rare in virtually all of the UK outside of prime London markets. This is particularly the case in more economically marginal locations, and those without a significant existing commercial property market, where lenders and developers are likely to be especially cautious.
- 4.3 There are differing views on how the market will evolve in the coming years. For example, competing forces such as a scaling back of public sector space requirements but a fall in employment land prices may play out in different ways in different locations. In any case, this study looks at Cambourne's longer term economic prospects and the inherent qualities of the settlement as a commercial location must therefore be considered.

Market Trends

Offices

- 4.4 The Cambridge office market has proved resilient during the continuing economic downturn, particularly compared to other UK regional cities. The city benefits from a diverse occupier market and the presence of high growth sectors such as ICT and Professional Services.
- 4.5 Cambourne sits within the wider Cambridge office market area and is viewed as an extension of the Cambridge city market. The majority of enquiries originate from Cambridge, with very few enquiries received from the A1 market corridor to the west of Cambourne, from locations such as St Neots and Huntingdon. Although rare, these enquiries tend to be for smaller premises and potential occupiers are generally unwilling to pay the higher rents commanded by Cambourne's good quality, modern office buildings.
- 4.6 The office market in Cambourne tends to be strongest for medium occupiers searching for property in the range of 10,000-15,000 sqft. Deals tend to be

made with occupiers that have immediate requirements for accommodation, and are unable to wait for/commit to a new build. The accommodation needs of small and medium sized enterprises (SMEs) and start-up firms are well served by Cambridge city centre which offers a vibrant range of amenities and critical mass of similar, like-minded enterprises. Smaller firms therefore tend not to filter out from the city centre to out-of-town locations like Cambourne.

4.7 Table 18 below outlines some of the key strengths and weaknesses of Cambourne as a business location, particularly when compared with the wider Cambridge market area.

Table 18 Strengths and Weaknesses of Cambourne as a Business Location

Strengths	Weaknesses
<ul style="list-style-type: none"> • Good road access to Cambridge city, M11 and A1 (particularly for business travellers and sales based firms) • Very little congestion (particularly compared with Cambridge city centre) and good parking • Competitive rents offering good value, high quality ‘Grade A’ business premises • Range of retail and leisure services (albeit limited) within the centre • Planned future housing development/labour supply 	<ul style="list-style-type: none"> • Relatively peripheral location and poor public transport links (placing a greater reliance upon private car travel) • Limited range of on-site amenities and services (particularly compared with Cambridge city centre) • Lacks the kudos/profile of nearby locations such as Cambridge city and more established business parks • Limited critical mass of businesses to attract further occupiers

4.8 In the current climate, the prime city centre zone (in close proximity to the railway station) represents the only location within the Cambridge area that has seen speculative development. Local agents currently report available space in the majority of Cambridge’s business and commercial parks, including Cambridge Science Park and Vision Park. This vacant space ranges in size from small self-contained units up to floorplates of 30,000sqft in size. The quality of office stock is generally good across the area with Cambourne Business Park accommodating some of the highest quality, ‘Grade A’ space on the market.

4.9 The office development pipeline in the wider Cambridge area totals approximately 4.15 million sqft of floorspace with planning consent. Alongside Cambourne Business Park, key schemes include cb1, Medi Park, Cambridge Research Park, Chesterford Research Park and Granta Park.

4.10 Local commercial agents have received some preliminary enquiries for the remaining undeveloped plots at Cambourne Business Park, although this interest has not extended beyond the initial feasibility stage and materialised into firm deals. The pre-let market in the Cambridge area is relatively subdued, characterised by very few potential occupiers with bespoke requirements for large scale office space (for example up to 40,000 – 50,000 sqft in size).

Furthermore, many of Cambridge's research based businesses tend to operate on short term product life cycles and therefore suffer from low covenant strength. This makes it difficult for many potential tenants to take-up new buildings on a freehold or long-term lease basis.

- 4.11 Market feedback suggests that the short to medium term prospects of these large undeveloped sites, which together represent nearly eight ha of land, coming forward for development for B1a/b uses are uncertain. Local agents believe that releasing some of the site for other, higher value uses could be the most pragmatic approach to managing the delivery of the site in the future, by subsidising commercial development on a speculative basis to ensure that at least part of the site comes forward for employment uses and is able to accommodate future demand in Cambourne.

Industrial

- 4.12 Whilst industrial take-up in the Cambridge market has remained relatively buoyant in recent months, the remainder of the county has seen activity levels fall, echoing trends in the office market. According to a recent property market report³, demand for industrial accommodation in the Cambridge market far outweighs the supply of new and good quality second-hand accommodation.
- 4.13 Cambourne is not currently a recognised industrial location, with employment development historically having been focused upon office space at Cambourne Business Park. Local agents believe that introducing light industrial (B1c/B2) development at Cambourne Business Park (in an effort to diversify the settlement's business base and provide more local employment opportunities for residents) could potentially undermine its existing office offer, by making the site less attractive for office occupiers, for example if industrial traffic were to increase through the Park. There could potentially be scope for light industrial uses on the undeveloped site on Sheepold Lane which would utilise a separate access point from the main Business Park.
- 4.14 An industrial market at Cambourne could also directly compete with the nearby Papworth Business Park which provides a range of light industrial and warehousing accommodation. Local agents have struggled to attract occupiers to Papworth recently, with some premises having been on the market for more than two years. The introduction of industrial development at Cambourne would therefore need to be carefully planned, to ensure that new provision complements, rather than duplicates, the existing offer of nearby sites and industrial estates.

³ Bidwells, Business Space Data Book, Summer 2012

Rental Values

- 4.15 Local agents report a diminishing supply of available Grade A office and R&D accommodation across the market, but particularly within Cambridge city, driving prime city centre (Zone 1 – Figure 7) rents up to circa £30 per sqft.

Figure 7 Cambridge Market Zones



Source: Carter Jonas 2012 ('Commercial Edge Cambridge')

- 4.16 A lack of good quality stock in the city centre is forcing some occupiers to consider more outlying locations such as the northern fringe business parks where rents currently range from £15 - £21 per sqft. Agents also report a considerable level of activity within the northern cluster (Zone 3) including the Cambridge Science Park, Cambridge Business Park and St John's Innovation Park where rents typically fall between £21.50 and £26 per sqft.
- 4.17 Out-of-town business parks within the wider Zone 4 have remained comparatively quiet and are currently achieving rent of between £18 and £22 per sqft. Rental levels at Cambourne Business Park are amongst the lowest within the wider Cambridge area, at around £20-£21 per sqft.

Other Business Parks

4.18 Reflecting its role as a hub of UK science and technology, the city of Cambridge and the surrounding area is home to a cluster of business parks providing a range of office, R&D/laboratory and industrial space. The location of these business parks is presented in Figure 1 (on page 2). These include:

- **Cambridge Science Park** (on the northern fringe of Cambridge) – one of the UK's oldest and most prestigious science parks, home to over 100 companies and 1,650,000 sqft of buildings. It provides a wide range of accommodation for high technology companies and support services, with a focus upon office and laboratory space.
- **Cambridge Business Park** (to the north east of Cambridge city) – providing nearly 320,000sqft of office and R&D accommodation across 12 buildings. Home to a variety of businesses from professional practices to market leading technology companies.
- **Vision Park** (to the north of Cambridge in Histon) provides a range of office accommodation in a landscaped setting renowned for its technology, science and commercial excellence.

4.19 Papworth Business Park and Elsworth Business Park lie closest to Cambourne.

4.20 The majority of these business parks are currently marketing vacant space within existing premises, while some also have undeveloped sites available for commercial development. For example, Link 428 at Papworth Business Park is a 5 acre/2 ha site with outline planning consent currently being marketed for development. Cambourne Business Park competes with these nearby business parks for tenants and investment and will continue to do so in future, particularly if its proximity to Cambridge continues to be promoted to the market.

4.21 It should be noted that, due to its relatively peripheral location, Cambourne Business Park represents a secondary office market location that is more likely to directly compete with other secondary locations such as Vision Park to the north of Cambridge. This is reflected in average rental values in Cambourne, which at around £20 per sqft, offer a significant cost advantage over prime Cambridge city centre (up to £30 per sqft) and northern cluster (up to £26 per sqft) locations, such as Cambridge Science Park.

South Cambridgeshire and Cambridge ELR Update

4.22 South Cambridgeshire District Council and Cambridge City Council jointly commissioned SQW and Savills in early 2012 to update the employment land review for the two districts (having previously been undertaken in 2008) for the period 2011-2031 and review existing Selective Management of Employment policies in the Cambridge area.

4.23 Table 19 below summarises some of the key points arising from the study, including key findings and recommendations specific to Cambourne.

Table 19 Key findings from the 2012 Employment Land Review Update

Demand
<ul style="list-style-type: none"> • The study identified potential demand for 220,000-240,000sqm of employment space (on 55-60ha of employment land) over the period 2011-31. • Investor demand for prime locations such as Cambridge remains robust and heavily driven by the desire for income security and a ‘safe haven’. Cambridge as a historic established location remains attractive to both national and international investors.
Supply
<ul style="list-style-type: none"> • There is currently sufficient overall provision of employment land across Cambridge City and South Cambridgeshire. • However, forecasts predict a shortage of B1a space. Demand for office space is particularly focused on two areas of pressure: the city centre, and the northern fringe around Cambridge Science Park. The market signals are very clear that increasing provision elsewhere will not on its own solve the problem – more has to be done to increase supply in those locations where firms most want to be. • City centre locales and access to London are becoming key drivers of demand for employment provision and hence: <ul style="list-style-type: none"> • the area around Cambridge railway station and, prospectively, the area around the planned Cambridge Science Park station (on the northern fringe) are crucially important, particularly where these intersect with the route of the Cambridgeshire Guided Busway • employers within these locations are increasingly accepting of high employment densities and very limited parking provision (and this in turn links to the far greater incidence of homeworking) • The availability of R&D and office space has fluctuated over the last 10 years and decreased towards the end of 2011, mainly due to no new speculative development being completed and no significant releases of older space. • Availability of Grade A space reduced throughout 2011 and now stands at its lowest point for 10 years. Nearly half the vacant grade A office space in the area is located on business parks in South Cambridgeshire (representing 10,239 sqm of the 21,749 sqm recorded as available), mainly at Cambourne. • Similarly, nearly 40% of the vacant R&D space is on science parks in South Cambridgeshire – mainly Cambridge Research Park, but also Granta Park.
The Future
<ul style="list-style-type: none"> • Market sentiment suggests that over the medium and long term, the Cambridge sub-region is expected to see substantial economic and population growth. Although temporarily placed on hold in light of delayed infrastructure improvements, the area is still expected to see future growth including large new developments at Cambourne and Phase 1 at Northstowe. • It will be important to reappraise the role and potential of sites on the edge of Cambridge. As it stands, Cambridge East is ruled out while West Cambridge is under the University’s control and will be developed, but gradually. To the north, there is scope for intensification on Cambridge Science Park and/or finding a way to use Chesterton Sidings and/or the sewage works for high density employment uses. If these suggestions prove impossible, or additional provision on the northern fringe can only be made in the longer term, then consideration needs to be given to finding new employment land in other sustainable locations.

- 4.24 Demand for employment space is high overall, but distributed unevenly spatially, concentrated on the core of Cambridge plus successful surrounding business parks. In this respect, it is possible to categorise the Cambridge office market into three key sub-market locations:
- 1 properties located in close proximity to the Cambridge mainline station in the immediate city centre;
 - 2 the established Cambridge Science and Research Parks within the A11 and A14 and city boundaries; and
 - 3 the ring of out of town Business Parks which are favoured by occupiers choosing to avoid the congestion of the city.

Conclusions

- 4.25 The Cambridge office market has proved resilient during the continuing economic downturn. As a historic and established location, Cambridge remains attractive to both national and international investors and continues to drive demand for high quality office space.
- 4.26 Whilst overall demand is high, it distributed unevenly spatially. Outside of the prime city centre zone, demand remains relatively modest, particularly within peripheral, out-of-town locations. The majority of business parks within the Cambridge area currently have vacant space available which Cambourne Business Park will continue to compete with for tenants and investment, particularly if its proximity to Cambridge continues to be promoted to the market. However, average rental values in Cambourne are amongst the lowest in the area, offering a significant cost advantage over city centre locations.
- 4.27 Although Cambourne is not currently a recognised industrial location, there could potentially be scope for some light industrial development in order to diversify the settlement's business base and provide more local employment opportunities, for example on the undeveloped site on Sheepold Lane. However, any new industrial development could directly compete with the nearby Papworth Business Park where agents have recently struggled to attract occupiers, and would therefore need to be carefully planned, to ensure that new provision complements, rather than duplicates, the existing offer of nearby sites and industrial estates.
- 4.28 The pre-let market in the wider Cambridge area is relatively subdued, and while some preliminary enquiries have been received for the remaining undeveloped plots at Cambourne Business Park, this interest has yet to materialise into firm deals. The short to medium term prospects for delivery of these sites are very uncertain. Releasing some of the site for other, higher value uses could subsidise commercial development on a speculative basis and ensure that at least part of the site comes forward for employment uses and is able to accommodate future demand in Cambourne.

5.0 Assessment of Future Employment Space Requirements

5.1 Drawing together information from the preceding sections, this section considers potential future requirements for B class employment space in Cambourne over the period to 2023 using both labour supply growth and past take-up based approaches.

Future Labour Supply

5.2 The first approach considers how many jobs, and hence how much employment space, would be needed to broadly match forecast growth of Cambourne's resident workforce. It tests the employment and spatial implications associated with two different scenarios, using population projections from Section 3.0:

- **Scenario 1:** 4,250 dwellings (comprising the full 3,300 homes (as per original consent) and an additional 950 homes) NB – 3,080 dwellings were completed in 2011 leaving 1,170 dwellings to be completed ; and
- **Scenario 2:** 5,450 dwellings (comprising scenario 1 plus an additional 1,200 homes to the west of Cambourne).

5.3 This approach draws on published demographic and employment data for Cambourne and South Cambridgeshire. It assumes that a proportion of residents will seek jobs in Non B Class sectors and that there will be job opportunities for all economically active Cambourne residents.

5.4 The table below shows the steps followed and indicates that an additional 1,170 jobs (including 625 B Class) would currently be required in Cambourne in order to achieve the original Masterplan aspiration of one job for every dwelling⁴ in the settlement.

Table 20 Employment requirements of Cambourne residents

	Scenario 1	Scenario 2
No. of additional dwellings proposed	1,170	2,370
No. of jobs required in Cambourne	1,170	2,370
% of South Cambs Jobs in B Classes	53.3%	
No. of B Class jobs required in Cambourne	625	1,264
No. of other jobs required in Cambourne	545	1,106

Source: Nomis / NLP

* Totals rounded

⁴ Assuming there are currently 3,080 dwellings in Cambourne

5.5 This requirement would increase to between 2,370 (1,264 B class) additional jobs if 1,200 houses are implemented to the west of Cambourne.

5.6 The next step is to split these B Class jobs required by Cambourne residents into different categories based on current patterns in South Cambridgeshire. In 2011, the split of B Class employment was 50% in office based sectors, 29% in manufacturing sectors and 21% in warehousing/distribution sectors. This produces the job breakdown by sector shown below for the two scenarios.

Table 21 Job requirement by B Class use

	Scenario 1	Scenario 2
Offices (B1a/b)	313	632
Manufacturing (B1c/B2)	181	367
Distribution (B8)	131	265
Total B Class Jobs	625	1,264

Source: NLP

5.7 The resulting job numbers were then translated into estimated requirements for B class employment floorspace by applying typical ratios of jobs to floorspace for the different B uses, based on the latest HCA/Offpat guidance on employment densities published in 2010⁵. To estimate space needs, the following average ratios have been applied:

- offices: 1 job per 10.5sqm
- industry: 1 job per 43sqm
- warehousing: 1 job per 65sqm

5.8 The floorspace estimates for manufacturing and warehousing space were combined since these two sectors typically occupy the same types of sites at similar development densities. An allowance of 10% is added to all floorspace requirements to reflect a normal level of market vacancy in employment space.

5.9 The amount of additional employment floorspace required to accommodate an employment based on the target of one job per dwelling is estimated at 21,545sqm (Table 22). This would increase to 43,606sqm if 1,200 additional dwellings are developed to the west of Cambourne.

⁵ HCA/Offpat Employment Densities Guide, 2010

Table 22 Floorspace Requirement by Scenario (sqm)

	Scenario 1	Scenario 3
Offices (B1a/b)	3,615	7,300
Industrial (B1c/B2/B8)	17,930	36,306
Total	21,545	43,606

Source: NLP analysis * totals rounded

Past Development Rates

5.10 Because they reflect market demand and actual development patterns on the ground, in some situations long term completion rates of employment floorspace can provide a reasonable basis for informing future land needs, particularly where land supply or demand has not been unduly constrained historically.

5.11 Data on past completions by B class sector was provided by South Cambridgeshire District Council. Completions in the period 2002-2012 have been analysed, since this is a reasonably long period that reflects a full business cycle. Over this period, average annual net completions for B Class uses in Cambourne amounted to some 3,440sqm, the majority (91% or 3,150sqm) of which was for B1a office uses.

5.12 If it were assumed that the past net completion rates noted above continued in the future then the time it would take to achieve the employment projections in Table is shown in Table 23.

Table 23 Phasing of Employment Space Requirement based on Past Trends Continuing

Use	Assumed annual completion rate (sqm)	No. years to achieve Scenario 1	No. years to achieve Scenario 2
Offices (B1a/b)	3,150	1.1	2.3
Industrial (B1c/B2/B8)	290	61.8	125.2

Source: NLP analysis * totals rounded

Land Requirement

5.13 Employment floorspace requirements for both future labour supply is translated into a land requirement using typical plot ratios for these types of uses:

- **Industrial** – a plot ratio of 0.4 was applied so that a 1 ha site would be needed to accommodate 4,000sqm of employment floorspace; and
- **Offices** – it was assumed that the majority (90%) of new floorspace would be in lower density developments with a plot ratio of 0.4, with 10% in higher density urban/town centre locations at a plot ratio of 2.0.

5.14 The resulting land requirements are set out in Table 24.

Table 24 Land Requirement by Scenario (ha)

	Scenario 1	Scenario 2
Offices (B1a/b)	0.8	1.7
Industrial (B1c/B2/B8)	4.5	9.1
Total	5.3	10.8

Source: NLP analysis

5.15 The range of land requirements for industrial development land falls between 4.5ha and 9.1ha, depending on the scenario of additional housing growth assumed. For office land, the range is slightly narrower, between 0.8ha and 9.1ha.

Quantitative Balance

5.16 As detailed in Section 3, the current pipeline supply of employment space in Cambourne comprises a number of sites allocated for employment development that have remained undeveloped, and vacant floorspace within existing premises on the Business Park. From these sources, the employment space available to help meet future needs in Cambourne is estimated to comprise 47,300sqm in net terms (as shown in Table 3).

5.17 A broad comparison of estimated demand for B Class space against all currently identified supply, as shown in Table 25, implies that Cambourne would have more than enough employment space in quantitative terms to accommodate future employment space requirements based on one job per dwelling.

Table 25 Demand/Supply of B Class employment space in Cambourne

	Scenario 1	Scenario 2
Requirement for B Class space (sqm)	21,545	43,606
Available employment space (sqm)	47,300	
Surplus (+)/Shortfall (-) (sqm)	+25,755	+3,694

5.18 Scenario 2 can be met by the current pipeline supply of employment space (i.e. assuming that all dwellings with planning consent plus an additional 1,200 homes to the west of Cambourne are built) based on an employment:housing ratio of 1:1. Under this scenario of labour supply growth, the surplus of employment space is estimated at just under 3,700sqm (Table 25).

Needs of Different Employment Uses

- 5.19 Ensuring an adequate choice of types of sites is also important even if there is adequate supply in quantitative terms. This is necessary to meet needs of different employment sectors and the aims for diversity of employment opportunities at different skill levels. Potential supply of employment space for both industrial and office uses was therefore compared with estimated requirements for these uses.
- 5.20 The majority of available employment space either relates to, or is predominately being marketed for, office (B1a/b) uses. The only obvious sites being actively marketed for industrial (B1c/B2/B8) uses are two sites at Sheepfold Lane, representing 1.5ha in total, with the ability to accommodate approximately 6,160sqm of floorspace.
- 5.21 The analysis above indicates a surplus of B class employment space in overall terms within Cambourne, the balance would appear to be more critical with regards to meeting future industrial needs, unless a more flexible approach could be taken to accommodating different B class uses across the settlement's undeveloped sites.

Sensitivity Tests

Balance of Office and Industrial Employment

- 5.22 The labour supply growth based approach uses the existing split of B class jobs in the South Cambridgeshire District to estimate the number of additional jobs within each B class category. In 2011, this split was 50% in office based sectors, 29% in manufacturing sectors and 21% in warehousing /distribution sectors across the District as a whole. This would appear to vary considerably from Cambourne's current profile of employment, the majority of which is concentrated within office based sectors at Cambourne Business Park.
- 5.23 The effect of increasing the proportion of office based jobs from 50% to 90%⁶ of all B class employment growth would reduce the overall requirement for B1a/b class space under scenario 1 from 3,615sqm to 6,491sqm. For scenario 2 the office floorspace would increase from 7,300sqm to 13,144sqm.
- 5.24 The B1c/B2/B8 projection for scenario 1 would reduce from 17,930sqm to 3,562sqm, and from 36,306sqm to 7,242sqm for scenario 2.
- 5.25 The revised overall floorspace figure for scenario 1 is 10,053sqm (split 6,491sqm of offices and 3,562sqm of industrial). The figure for scenario 2 is 20,386sqm (split 13,144sqm for offices and 7,242sqm for industrial).

⁶ Whereby reducing the proportion of manufacturing based employment to 6% and warehousing/distribution employment to 4%

- 5.26 The sites available on Sheepfold Lane are capable of accommodating (6,162sqm) 95% of the revised industrial projection under Scenario 1 and 85% of the Scenario 2. As a minimum the land at Sheepfold Lane should be safeguarded for Class B1c, B2 and B8 uses).
- 5.27 Existing vacant office premises on the business park (3,012sqm) can accommodate 46% of the scenario 1 requirement or 23% of the scenario 2 requirement. With undeveloped allocations on the business park (capacity of 38,128sqm) the scenario 1 supply exceeds the office floorspace projection by 34,649sqm. For scenario 2 the over-supply is 27,996sqm.
- 5.28 These adjusted labour supply based requirements still result in a significant surplus of employment floorspace/land in the settlement. However the adjusted scenarios arguably represent a more realistic quantum of future employment space requirements in Cambourne as the profile of jobs more closely align with the existing profile of employment in Cambourne and the type of land proposed in the settlement.
- 5.29 These figures suggest Cambourne would need to achieve a significant level of net in-commuting in order to take-up all undeveloped employment land, even allowing for the proposed extension to the west of the settlement.

Past Take-Up

- 5.30 Table 23 above shows past take up rates in Cambourne over the last 12 years, with an average take up rate of 3,440sqm per annum. Based on this average take-up rate existing premises and undeveloped plots will take 14 years to be occupied.
- 5.31 Whilst completions of new B class space have been moderate in Cambourne over the past 10 years, much of this development occurred during the first few years of the monitoring period (particularly between 2002 and 2004), reflecting the initial building phases of the Business Park. In contrast, very limited new development has taken place in Cambourne since 2006, trends that are underlined by market feedback indicating that conditions and demand for new commercial development have remained subdued during the recession and fragile economic recovery. Furthermore, enquiries now tend to be received for smaller scale business space, with some of the units on the Business Park having been sub-divided in an effort to maintain occupancy.
- 5.32 By projecting forward past levels of B class completions, in NLP's view past take-up rates would over-estimate the level of development that would be expected to occur in Cambourne in the future. To achieve past rates would effectively involve doubling the size of the existing Business Park over the next 10 years or so, and a significant level of net in-commuting. Within the context of an uncertain economic outlook, a more risk adverse development environment, continued restricted availability of credit and projected population within Cambourne, assuming past take up rates would appear optimistic.

Conclusions

- 5.33 Future employment space requirements in Cambourne based on the target of achieve 1 job per dwelling suggests a space requirement ranging from 21,545sqm to 43,606sqm of all types of employment space, implying in broad terms a need for between 5.3ha and 10.8ha of employment land.
- 5.34 Based on a review of available employment space in quantitative terms, Cambourne has in theory more than enough employment floorspace to meet future needs, although there is an imbalance between office and industrial floorspace.
- 5.35 Adjustments have been made to these requirements to test how sensitive they are to different assumptions i.e. increasing the proportion of office jobs to more closely align with Cambourne’s existing employment profile. A surplus of space will result under all scenarios, indicating that Cambourne has sufficient employment land to accommodate future needs based on the one job per dwelling target.
- 5.36 Future employment space requirements in Cambourne based on predominantly office led development (B1a/b) suggests a lower space requirement ranging from 10,053sqm to 20,386sqm of all types of employment space.
- 5.37 In order to deliver all employment space/land currently proposed in Cambourne will require, one or a combination of the following:
- a significant degree of net in-commuting, resulting in a higher than 1: job/house ratio; and/or
 - a rebalancing of proposed employment floorspace moving towards more industrial space (Class B1c, B2 and B8).
- 5.38 The provision of more industrial space could undermine the attraction of the business park for office uses, therefore the allocation of sites for additional B1c, B2 uses will need to be carefully considered. Sheepfold Lane should be safeguarded for these industrial uses (around 6,200sqm).
- 5.39 If the release of land on the business park for industrial use is considered inappropriate in terms HGV access and impact on existing/proposed office uses then the Council could consider allocating other industrial within the settlement.
- 5.40 The remaining office capacity at Cambourne Business Park (41,140sqm) would be more than sufficient to meet office requirements generated by Cambourne i.e. a maximum of 13,144sqm based on 90% office employment, one job per house and 1,200 additional dwellings to the west of Cambourne.

6.0 Conclusions and Recommendations

- 6.1 This section draws together overall conclusions and considers appropriate policy responses to encourage future delivery of employment and retail space in Cambourne.

Retail

- 6.2 Existing facilities in Cambourne are dominated by food and grocery shopping within the Morrison's store and non-retail services. Population growth, increases in expenditure per person and the potential to increase the retention of comparison goods expenditure provide an opportunity to expand retail provision in Cambourne. Based on current retention rates and expected dwelling completions, by 2023 there could be scope in Cambourne for about 5,500sqm gross of Class A1 to A5 floorspace.
- 6.3 The planning permission for five new retail units in Cambourne will provide 2,900sqm gross. The implementation and occupation of these units may be sufficient to absorb around 75% of the projected retail capacity up to 2023, leaving scope for about 2,600sqm gross of additional Class A1 to A5 floorspace. Both retail development plots to the south of the High Street have the potential to be delivered by 2023. Based on this scenario an additional 320 jobs could be created.
- 6.4 However to ensure this growth potential is retained in Cambourne a critical mass of facilities is required in order to attract customers. The implementation of the current retail planning permission will be important in providing this critical mass.
- 6.5 If new dwelling numbers increases, for example 1,200 dwellings to the west of Cambourne, then the potential for development could increase significantly. The additional 1,200 dwellings by 2023 would increase the retail projection from 3,873sqm gross to 5,903sqm gross, or 8,433sqm gross A1 to A5. Based on this scenario an additional 490 jobs could be created.
- 6.6 If dwelling numbers are increased in Cambourne then the importance of retaining retail development around the high street will be more significant.

Employment

- 6.7 Future employment space requirements in Cambourne based on the target of achieve 1 job per dwelling suggests a space requirement ranging from 21,545sqm to 43,606sqm of all types of employment space, implying in broad terms a need for between 5.3ha and 10.8ha of employment land.
- 6.8 Future employment space requirements in Cambourne based on predominantly office led development (B1a/b) suggests a lower space requirement ranging from 10,053sqm to 20,386sqm of all types of employment space.

- 6.9 In order to deliver all employment space/land currently proposed in Cambourne will require, one or a combination of the following:
- a significant degree of net in-commuting, resulting in a higher than 1: job/house ratio; and/or
 - a rebalancing of proposed employment floorspace moving towards more industrial space (Class B1c, B2 and B8).
- 6.10 Less than half of the original employment allocation for Cambourne Business Park has been completed, indicating that development of employment sites has not kept pace with the delivery of new housing (nearly three quarters of which is complete). As a result, a significant amount of employment space remains vacant/available in the settlement, most of which comprises undeveloped allocated sites. These sites are of good quality, perform well on paper and are being pro-actively promoted to the market. While some preliminary enquiries have been received for pre-let development of the remaining undeveloped plots at Cambourne Business Park, this interest has failed to materialise into firm deals and the short to medium term prospects for delivery of these sites are very uncertain.
- 6.11 Whilst overall demand for office space in the wider Cambridge area is high, demand is distributed unevenly spatially. Outside of the prime city centre zone, demand remains relatively modest, particularly within peripheral, out-of-town locations such as Cambourne. In the current climate, speculative development remains unviable in all but the prime market locations such as Cambridge city centre. Cambourne currently competes with a number of nearby business parks, the majority of which are also actively marketing available employment space. Although the recently updated ELR identifies a requirement for more office space in the Cambridge area in future, it recommends that this space is located in and around the city centre, where demand is expected to remain strongest.
- 6.12 Within this context, a number of options emerge when considering future development and delivery of sites in Cambourne, considered in turn below.

Rebalancing Employment in Cambourne

- 6.13 Although Cambourne is not currently a recognised industrial location, there could potentially be scope for some light industrial development in order to diversify the settlement's business base and provide more local employment opportunities, for example on the undeveloped sites on Sheepfold Lane (with capacity for around 6,200sqm. In addition the Council could consider identifying other land for industrial uses elsewhere within the settlement.
- 6.14 The lack of local employment opportunities was identified by the Lessons from Cambourne evaluation (undertaken in 2007) as one of the key issues in Cambourne's failure to be 'sustainable'.
- 6.15 Given Cambourne's proximity to a number of existing industrial sites (such as nearby Papworth Business Park), any new provision of industrial space in the

settlement must complement rather than compete with these other more established sites, perhaps beginning with a relatively small initial phase of development to test the market and appeal to potential occupiers.

- 6.16 Since initial development of the settlement, Cambourne's employment sites have offered 'open' B1 planning consent providing companies with a broad range of potential space options to meet their needs. Going forward, it would appear sensible to continue to provide this flexibility to occupiers whereby allowing development to be guided by market demand, particularly within the context of continuing uncertainty within the Cambridge property market and ongoing competition from other Business Parks and employment sites in the wider Cambridge area for limited investment opportunities.
- 6.17 Cambourne's centre should play an important part in meeting the employment projections and rebalancing employment opportunities. The implementation of current commitments should be the priority. These development proposals will help to provide a critical mass of uses that should attract more customers, and in turn help to generate more investment interest for the remaining development plots. The remaining plots remarketed on the basis of pipeline developments and the possible increase in dwelling numbers to the west of Cambourne.

Promoting Economic Self-Sufficiency

- 6.18 Judgements on how much employment space to retain for future development will ultimately be influenced by the extent to which the Council and its partners wish to change the existing structure and balance of employment in Cambourne. It is to some extent a policy choice as to what extent the employment profile might reduce reliance upon higher skilled, office based jobs to one more reflective of the wider Cambridgeshire economy, providing jobs across a wider range of sectors and skill levels, and in doing so, encouraging more of Cambourne's residents to work in the settlement.
- 6.19 In employment terms, Cambourne has not met the key masterplan objective of self-sufficiency, with just 15% of working age residents employed in the settlement (and 10% of Cambourne Business Park employees resident in the settlement). The existing balance of employment to dwellings is estimated to be approximately 0.8, indicating that total employment within the settlement falls short of the original Masterplan aspiration of one job for every dwelling by approximately 630 jobs.
- 6.20 In order to promote greater economic and environmental sustainability in future, Cambourne should aim to retain a greater proportion of its resident workforce within the settlement, in doing so achieving a more even balance of employment and housing. Based on past trends and the existing structure of employment, achieving this balance would appear to be challenging, and would involve a significant deviation from the status quo of employment within Cambourne.

- 6.21 An analysis of existing retail and non-retail commitments (such as the Co-Op store), future retail and non-retail capacity and developments currently undergoing construction (such as the new secondary school to the west of the settlement) suggests that once complete and operational, these facilities could create up to an additional 460 jobs (under scenario 2) or 630 jobs (under scenario 3) within Cambourne, mainly within non B class sectors of employment. This could help to deliver some of the additional employment required for Cambourne's existing employment:housing balance to reach 1:17, although additional jobs will continue to be required to maintain this balance as Cambourne's dwelling stock increases in future. For example, additional dwelling growth to the west of Cambourne will require a range of local retail and non-retail/community services appropriate to the scale of such an extension.
- 6.22 Alongside delivery of the proposed new settlement/extension to the west of the settlement, efforts to retain Cambourne's working residents would be likely to generate more demand for employment space in the settlement. As part of the on-going consultation on the emerging Local Plan, the Council could consider identifying and allocating a small amount of flexible employment space within the proposed urban extensions to the east and west of Cambourne. Rather than meeting an identified shortfall in supply, this could reduce the pressure and focus on Cambourne Business Park to deliver the settlement's future employment space requirements and would offer potential occupiers a greater choice of sites and locations. This approach could also support the diversification of Cambourne's employment base, particularly if allocated sites are afforded flexibility to accommodate a range of B use classes.

Practical Approaches to Bring Forward Employment Development

- 6.23 Alongside these broader policy approaches, it is possible to identify a number of practical approaches and delivery mechanisms that the Council could consider in tackling key factors preventing employment development from taking place on allocated sites.

Improving Public Transport

- 6.24 Poor public transport links are recognised as a key weakness of Cambourne as a business location and could potentially undermine future sustainability credentials of the settlement. The Cambridge and South Cambridgeshire ELR update notes that demand for employment provision is increasingly driven by location, with those areas benefiting from good public transport links, such as a railway station and intersection with the route of the Cambridgeshire Guided Busway, offering clear competitive advantage over less well connected locations. The Council could consider how public transport facilities could be

⁷ Assuming there are currently 3,080 dwellings in Cambourne

improved to facilitate access to and from the settlement for both employees and residents of Cambourne. Improvements to public transport could become more viable from an operator's perspective if Cambourne's population is significantly increased.

On-site Amenities

- 6.25 Although Cambourne provides a range of retail and leisure facilities mainly clustered around the settlement's centre, these are currently limited in extent and relatively small in scale, particularly when compared with other business parks in the Cambridge urban area. This lack of critical mass is also seen as a key weakness of Cambourne as business location. Until retail facilities are enhanced in the centre, there is scope to provide some small scale on-site amenities at the Business Park, such as a communal café. This could be provided within one of the existing premises or as stand-alone premises and could also act as a meeting venue, providing a focal point for the Business Park community.

Increasing Planning Certainty

- 6.26 A planning document which gives greater certainty for potential developers of a site, such as an Area Action Plan, a Development Brief or other Supplementary Planning Document, could enhance the prospects of the remaining undeveloped land at Cambourne Business Park coming forward to development. As a minimum, this should identify the development constraints of a site, including abnormal costs, indicate approaches to overcoming these and specify the mix and scale of uses which would be acceptable. Any specific requirements of statutory consultees can also be set out. It is important that such documents are market facing and form a positive but realistic investment prospectus for the site.

Community Infrastructure Levy (CIL)

- 6.27 CIL is a charge which local authorities will be able to levy on many types of new development in their area and the proceeds can be spent on local or sub-regional infrastructure to support the wider development of the area. Unlike Section 106 developer contributions which would normally apply to a specific scheme, CIL money from a range of development schemes in the area can be pooled and applied to other purposes, such as site delivery. It is understood that South Cambridgeshire is due to adopt a CIL charging schedule for the District in March 2014, after which the Council could explore how this funding could be used to encourage further employment development in Cambourne.

Tax Increment Financing

- 6.28 The basic principle of Tax Increment Financing (TIF) is that anticipated increases in tax revenues from a new development are used to finance current infrastructure deficiencies that constrain development. It assumes that when a new development is completed, new businesses and investment are created,

which leads to increased land values and tax revenues. Local authorities can raise funds by borrowing against these expected increases. In England, it is likely that most TIF projects will access finance from the Public Works Loan Board.

- 6.29 Proposals for the introduction of TIF in England are being developed by Government but would lead to local authorities maintaining a proportion of business rates, incentivising them to promote economic growth. Whilst TIFs may not work as well in areas of low demand where lending may be viewed as high risk, this could be an approach for the Council to consider once the economic recovery is underway and demand for employment space in the wider Cambridge area picks up.

Business Rate Reductions

- 6.30 In order to increase Cambourne's attraction to occupiers/developer the Council could consider introducing business rate reductions.
- 6.31 Cambourne Business Park already offers competitive rents for high quality space. There is limited potential for rental levels to be reduced further in order to increase demand and the attraction of premises on the business park.
- 6.32 Business rate are a significant element of property costs for occupiers. Reducing these rates could provide an attractive incentive for new tenants.

Appendix 1 List of Consultees

Lesley Scobell	Cambourne Business Park
John Vickery	Cambourne Parish Council
Andrew Wilson	McA (Taylor Wimpey)
Phillip Ridoutt	Savills
Ben Lecoq	Carter Jonas

Appendix 2 Stakeholder Feedback

A summary of the key points arising from discussions with stakeholders is presented below.

Employment Issues

- The diversification of employment opportunities is a key objective for Cambourne. A move away from office based employment will help to address net out-commuting from Cambourne. To achieve this more premises for small businesses are required, such as small manufacturing. There are too many large high tech offices.
- Turnover of tenants is generally low on Cambourne Business Park amongst the larger occupiers. Those companies that have left their premises have generally done so as a result of take-overs and strategic decisions (for example to consolidate a wider workforce).
- The Business Park was first marketed in the late 1990s/early 2000's when the market for large build schemes was buoyant. Phase 1 of the Business Park was speculatively built and all three units were let before building was complete. However, the construction of Phase 2 coincided with the collapse of the dot.com bubble and the recent recession has severely impacted upon confidence in the larger scale office market.
- Since completing the initial Phase 1 development, enquiries have increasingly been received for smaller scale business space, and the Business Park has struggled to let and maintain high occupancy of all units. In response to this trend, some units have been sub-divided to create smaller scale business space, for example in Building 2030.
- Although the Business Park has never been targeted at specific sectors, it supports an emerging cluster of software engineering and web based/mobile technology firms and many of the occupiers interact with each other and employ staff with similar skills sets.
- Stakeholders believe that occupiers are attracted to the wider Cambridge area and its reputation as a leading centre for research and development activities. Rents are less expensive in Cambourne compared with Cambridge (particularly the city centre and edge-of-town parks such as Cambridge Business Park and Science Park). Occupiers are also attracted by the high quality buildings, ease of access, parking arrangements and range of facilities on their doorstep.
- The East and West of Cambridge represent distinctive commercial property markets, and those with a preference for the West of the city area attracted to the services available at Cambourne. Compared with the wider District, the location of Cambourne also provides stronger links with the rest of the Midlands.

- The Business Park has always been supported by a high profile marketing campaign, focused upon maintaining brand profile and awareness amongst the area's business community.
- Whilst the settlement doesn't benefit from strong public transport links, it is only a short distance from the mainline station (with services to London and the North) at St Neots. It is recognised that Cambourne will never be a strong location for many professional services firms that tend to occupy shopping centre premises.
- The delay in employment sites coming forward isn't just a recessionary issue; the length of time that these sites have remained undeveloped suggests that a more structural, market issue is the cause, namely that working practices have changed in recent years, with a clear trend towards more flexible, high density working arrangements. At the same time, demand for large scale build schemes has reduced.
- While smaller scale builds accommodating self-contained units could represent a realistic prospect of delivery going forward, although this type of development could bring with it viability and infrastructure issues; for example, infrastructure is already in place on Plots 3000, 5000 and 6000 for big buildings – if new development is smaller in scale, this would require additional infrastructure investment, such as internal roads.
- Further residential development to the East and West of Cambourne is expected to create more demand for employment space in Cambourne, although this represents longer term development and is unlikely to stimulate additional demand in the short term.
- The vast majority of B class development in Cambourne has been office (B1a) space, and there is a view that office space is now over-provided for, at the expense of alternative uses such as light industrial (B1c) and warehousing (B8) which is currently reported to be in demand across the wider Cambridge market area. There could be potential to introduce these uses within new development, subject to the location of available sites. Undeveloped land adjacent to the BMW Garage appears to have the greatest potential for more industrial uses including Class B2 and B8 but not Class B1.
- It is estimated that there are around 35 businesses currently located at Cambourne Business Park, employing around 1,250 people between them. Approximately 8-10% of these employees also live in Cambourne.
- The specialist nature of many of the Business Park occupiers means that many of their employees travel relatively long distances to work. The relatively poor public transport facilities (including the recent closure of bus service routes between Cambourne and St Neots) limit the type of occupiers that the Business Park can attract.
- The site adjacent to the BMW garage should be suitable for a range of commercial uses.

Retail Issues

- The completion of the high street is a key objective for Cambourne. The delay in bringing forward the high street development sites is due to a range of factors including the national recession. The configuration of shops, which front away from the Morrison's car park, and high rents are also negative factors.
- The implementation of the retail planning permission that will fill the gaps around the car park will help to increase the prospects for commercial development to the south of the high street.
- The Morrison's store currently provides a diverse range of goods, but its proposed expansion of sales area could affect prospects for other development. New facilities could include children's clothing, banks and a post office.
- A phased approach to the development of the high street is proposed. The development plots to the south of the high street can only be delivered after the current application for retail units is implemented. Pre-lets will be required before this consent is implemented. The Morrison proposal has affected operator interest in these proposed units. There has been interest from Iceland, Just for Pets and Home Bargains.
- The proposed shop units to the south of the high street will follow, and are likely to be small units, with affordable residential accommodation above.
- The site between Morrison's store and the Belfry hotel has been market for a range of uses including a budget hotel and public house, but there has been limited commercial interest.
- The proposed urban extension to the West of Cambourne should improve the prospects for the proposed high street, but increasing the catchment population.

Appendix 3 Site Assessments

Site Name	Plot 3000 / 5000 / 6000	Reference	A
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Total site area (ha)	7.8	Current uses	Undeveloped greenfield site
Undeveloped land (ha)	7.8	Site status	Allocated for employment use

Criteria	Comment – Employment Review	Score (out of 5)
Strategic access (road network)	Good access to / within 0.5km of A428 trunk road (Cambridge to St Neots). Within 7km of M11 Junction 13	5
Strategic location (Cambridge market)	Relatively peripheral location in relation to the wider Cambridge commercial market area	3
Local accessibility (local road access and public transport)	Very good local access from existing Cambourne Business Park and settlement centre. Good condition of roads to/from and within Business Park. Site adjacent to bus stop with services to Cambridge	5
Proximity to urban areas and access to labour & services	Site located adjacent to Cambourne Business Park and close to local services and facilities in Cambourne centre (within 0.5km). Also close to residential areas (particularly Lower Cambourne)	5
Compatibility of adjoining uses	Site adjacent to existing office premises and Business Park and residential area at Lower Cambourne (although separated by tree belt)	4
Development and environmental constraints	Large flat / level greenfield site, no obvious constraints or flood risks identified. Access point already in place but would require infrastructure development (utilities etc)	5
Market attractiveness	Site is currently being actively marketed but has remained undeveloped since initial construction of the Business Park began. Site is located to the rear of the Business Park and therefore doesn't benefit from the highest profile. Size of site could act as a barrier for some occupiers/tenants. Short-medium term prospects of site delivery are unclear. Agents have received a number of preliminary enquiries for the site but these have failed to materialise into firm deals.	3
Planning factors	It is understood that a planning application is due to be submitted for a residential-led development on the site, retaining a small element (approx. 25% of the site) for employment space	
Barriers to delivery	None identified	
Potential uses	Site currently being marketed for B1a/b use. Could potentially accommodate light industrial activities (B1c)	
Timescale/availability	Available now	
	Total Score (out of 35):	30

[Scoring: 5 = best, 1 = worst]

Site Name**Plot 4000****Reference****B****Total site area (ha)**

1.2

Current uses

Undeveloped greenfield site

Undeveloped land (ha)

1.2

Site status

Allocated for employment use

Criteria	Comment – Employment Review	Score (out of 5)
Strategic access (road network)	Good access to / within 0.5km of A428 trunk road (Cambridge to St Neots). Within 7km of M11 Junction 13	5
Strategic location (Cambridge market)	Relatively peripheral location in relation to the wider Cambridge commercial market area	3
Local accessibility (local road access and public transport)	Very good local access from existing Cambourne Business Park and settlement centre. Good condition of roads to/from and within Business Park. Site adjacent to bus stop with services to Cambridge	5
Proximity to urban areas and access to labour & services	Site located adjacent to Cambourne Business Park and close to local services and facilities in Cambourne centre (within 0.5km). Also close to residential areas (particularly Lower Cambourne)	5
Compatibility of adjoining uses	Site adjoins South Cambs District Council offices and existing office premises. No conflicts identified	5
Development and environmental constraints	Large flat / level greenfield site, no obvious constraints or flood risks identified. Access point already in place but would require infrastructure development (utilities etc)	5
Market attractiveness	Site is currently being actively marketed but has remained undeveloped for a number of years (since initial construction of the Business Park began in the late 1990's/early 2000's). Site is located to the rear of the Business Park and therefore doesn't benefit from the highest profile. Short-medium term prospects of site delivery are unclear. Agents have received a number of preliminary enquiries for the site but these have failed to materialise into firm deals.	3
Planning factors	Site has full planning permission for office building (B1) and associated parking (granted in 2002) but has remained unimplemented since then	
Barriers to delivery	None identified	
Potential uses	B1a/b	
Timescale/availability	Available now	
	Total Score (out of 35):	31

[Scoring: 5 = best, 1 = worst]

Site Name	Sheepfold Lane	Reference	C
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Total site area (ha)	1.5	Current uses	Undeveloped greenfield site
Undeveloped land (ha)	1.5	Site status	Allocated for employment use

Criteria	Comment – Employment Review	Score (out of 5)
Strategic access (road network)	Good access to / within 0.5km of A428 trunk road (Cambridge to St Neots). Within 7km of M11 Junction 13	5
Strategic location (Cambridge market)	Relatively peripheral location in relation to the wider Cambridge commercial market area	3
Local accessibility (local road access and public transport)	Reasonable local access, located on Sheepfold Lane directly off main roundabout/Junction into Cambourne. Access road (Sheepfold Lane) is quite narrow with a lot of parked cars (visitors/employees of adjacent BMW garage) potentially posing a congestion issue. Site not directly located on any public transport/bus routes.	4
Proximity to urban areas and access to labour & services	Located on the edge of the settlement but just 0.5km to local services and facilities in centre of Cambourne	4
Compatibility of adjoining uses	Site adjoins BMW garage and site entrance to secondary school (currently under construction). No issues identified.	5
Development and environmental constraints	Flat / level greenfield site, no obvious constraints or flood risks identified. Site would require infrastructure development (utilities etc)	5
Market attractiveness	Relatively low profile, not located on a main road or within the nearby Business Park. Site is currently being actively marketed for a range of commercial uses but has remained undeveloped for a number of years. Short-medium term prospects of site delivery are unclear.	3
Planning factors	None identified	
Barriers to delivery	None identified	
Potential uses	Range of B1/B2/B8 uses	
Timescale/availability	Available now	
	Total Score (out of 35):	29

[Scoring: 5 = best, 1 = worst]

Site Name	Site adjacent to Belfry Hotel	Reference	D
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Total site area (ha)	0.9	Current uses	Undeveloped greenfield site
Undeveloped land (ha)	0.9	Site status	Un-allocated

Criteria	Comment – Employment Review	Score (out of 5)
Strategic access (road network)	Good access to / within 0.5km of A428 trunk road (Cambridge to St Neots). Within 7km of M11 Junction 13	5
Strategic location (Cambridge market)	Relatively peripheral location in relation to the wider Cambridge commercial market area	3
Local accessibility (local road access and public transport)	Good local access, located on the main route into the centre of Cambourne. Access potential from Back Lane and/or De La Warr Way. Site can be adequately served by public transport/bus routes.	5
Proximity to urban areas and access to labour & services	Located within the heart of the settlement and adjacent to local services and facilities in centre of Cambourne	5
Compatibility of adjoining uses	Site is adjacent to existing residential/live work units to the west and the Morrison's service yard entrance. The Belfry Hotel is located to the north and east. Neighbouring uses will limit the compatibility with potential industrial (B2 and B8 uses) uses on this site.	3
Development and environmental constraints	Flat / level greenfield site, no obvious constraints or flood risks identified. Site would require infrastructure development (utilities etc)	5
Market attractiveness	Relatively high profile site within Cambourne, but is not visible from the A428. The site has been marketed for a range of uses including a budget hotel and public house, but there has been limited interest.	4
Planning factors	Site is not allocated for employment use and promoting office uses on this site could dilute the prospects for further development at Cambourne Business Park.	
Barriers to delivery	The sites location adjacent to the Morrison's stores service yard will restrict the potential to expand Cambourne's retail/commercial centre on this site. Compatibility with neighbouring uses will restrict the potential for industrial or other bad neighbour uses.	
Potential uses	B1 office uses. Large format retail warehousing or residential	
Timescale/availability	Available now	
Total Score (out of 35):		30

[Scoring: 5 = best, 1 = worst]



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