

Enterprise Zones
Application Forms & Guidance
Alconbury Enterprise Zone

A Submission by Greater Cambridge - Greater Peterborough Local Enterprise Partnership

June 2011

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Section A: Summary Information

A1. Proposal Title

Alconbury Business Campus (ABC)

A2. Name of the Local Enterprise Partnership submitting the proposal

The Greater Cambridge and Greater Peterborough LEP (LEP)

A3. Point of Contact:

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A4. Key partners and their roles and contributions (200 words)

Urban&Civic Limited (U&C) – Landowners/Developers

U&C are the freehold owners of the land edged blue on the Enterprise Zone Plan. The proposed Enterprise Zone (EZ) is shown edged red. U&C are promoting the redevelopment of the 575 hectare former airfield site as an employment led sustainable mixed used development. The founders of U&C, Nigel Hugill and Robin Butler, are responsible for delivering the redevelopment of Stockley Park, Paddington Basin, Stratford City and Merry Hill.

Huntingdonshire District Council (HDC)

HDC are the local planning authority for the area and have been working informally with U&C on the evolution of the Master Plan proposals for the entire site. HDC promoted the consideration of Alconbury as an EZ by the LEP.

Cambridgeshire County Council (CCC)

CCC are the strategic authority for the area with statutory responsibility for education, highways, minerals and waste. CCC have also been in discussions with U&C and HDC on the evolution of the Master Plan for the broader area.

HDC and CCC are working with U&C towards an Enquiry by Design event in September 2011 at which the proposals for the redevelopment will be consulted upon with local residents, interest groups and businesses. HDC also propose to consult on the Local Development Order to take Alconbury forward very quickly if it is selected by the Government as a EZ. To this end HDC's cabinet have

already taken the in principle decision to make an LDO for the EZ.

A5. Proposal Summary - *please provide a succinct account of how the proposal will enhance local economic growth; the intended approach for developing the enterprise zone; and how the proposal fits with wider local enterprise partnership plans (300 words)*

Our LEP is already making a significant contribution towards the revitalisation of the UK economy. We have set ourselves the target of delivering a step change in the number of significant businesses and private sector jobs in our area.

Alconbury can deliver rapidly against Enterprise Zone policy objectives before 2015 with no infrastructure hurdles to overcome. The owners and developers, Urban&Civic, have an exceptional track record in creating new and sustainable business locations including Stockley Park (Heathrow), Stratford City, Paddington Basin, Merry Hill (Midlands) and White City (now Westfield London) and share our determination to maximise the benefits of Enterprise Zone status throughout the LEP area. They have agreed unequivocally to commence construction of new incubator business units immediately upon designation which will address an identified local business need.

Our desire is to help strengthen the manufacturing base across the partnership area. In particular, to encourage second and third phase ideas being worked upon by our scientists, academics and entrepreneurs, to be taken into local production rather than lost overseas. Following the incubator units, the Enterprise Zone has the flexibility to offer a balance of employment uses consistent with established priorities and linked to the development of our globally competitive clusters in ICT, advanced manufacturing, science and technology within a low carbon green campus. Enterprise Zone designation will confirm the business friendly approach and Alconbury can look to attract and secure investment in productive facilities that might otherwise have moved overseas. We believe that it would also strengthen and consolidate a strong economic growth corridor along the transport spines running north to Peterborough (rail and road) and east to Cambridge (Guided Busway and road).

Deliverability would be cost effective for central Government and will endure. Alconbury is the largest brownfield site in the south of England and is in single ownership. Huntingdonshire District Council is working with Urban&Civic towards a comprehensive proposal across 575 hectares with the potential to deliver high quality employment space with associated housing and community facilities. This proposal would over time bring with it significant infrastructure improvements by the provision of a new railway station on the East Coast Mainline and an extension of the Cambridgeshire Guided Bus to the site. Enterprise Zone designation is being sought over those 150 hectares identified as most suitable for predominantly commercial use, in total there is potential for 8,000 jobs with 1,500 created by 2015, and does not relate to residential areas which could be brought forward separately.

Early occupiers are the most difficult to convince in promoting new strategic employment locations and overseas tenants are loath to pioneer in settings that are yet to be established. Enterprise Zone status would advance that timetable fundamentally for the reasons already given. Urban&Civic propose that the cost to Government of making good the business rate discount within the Zone be capped at £8m. Beyond this level they commit to assuming financial responsibility for any further qualifying discounts. The scale of development,

the mix of uses and the highly strategic position, bounded by the A1, the A14, the Guided Busway and the East Coast Mainline, will enable Alconbury to challenge internationally as a new major employment location during the full 25 year period. An Alconbury Enterprise Zone would therefore limit the Government's exposure whilst ensuring the maximum possible leverage from designation.

The clustering of successful and complementary neighbouring economies, supported by a proactive and responsive LEP, working to build the competitive dynamic of an exceptional regional geography would appear to accord squarely with Government growth priorities.

Section B: The characteristics of the proposed Zone

B1. Which local authority area(s) would the zone fall within?

Huntingdonshire District Council and Cambridgeshire County Council.

B2. What is the size of the proposed zone in hectares and what is the justification for choosing a zone of this size? (200 words)

Whilst the EZ would be 150 hectares, U&C propose that the cost to Government of making good the business rate discount offered to companies within the Zone be capped at £8m. Beyond this level, they commit to assuming financial responsibility for any further qualifying discounts.

The scale of the Zone proposed would provide a meaningful first phase of development with sufficient flexibility to meet the needs of small and large businesses. It would also ensure that there is adequate space to craft a sustainable landscape which would be attractive to national and international occupiers.

The location of the EZ within an emerging broader Master Plan area takes advantage of the existing access points into the site and its connectivity to the surrounding road and transport network thereby allowing an early start on site with no significant infrastructure costs.

The broader Master Plan will continue the direction of travel established by the EZ in promoting organic and sustainable growth. Transformational employment will be supported by additional public transport improvements, new links to Huntingdon town centre, exemplar Green Infrastructure and high quality new housing, which will further strengthen the EZ.

B3. Who does the site currently belong to – and would ownership change if Enterprise Zone status was granted? (200 words)

Urban&Civic Ltd own the 575 hectare site which includes the land identified for the proposed EZ. Land ownership would not change should EZ status be granted. Please refer to the Enterprise Zone Plan attached.

B4. Is this a 'clean' site? If no, what existing buildings and structures are located in the site and what land uses exist within the site? Are the buildings and structures operational (i.e. in use) or derelict? (200 words)

The proposed EZ site consists of large expanses of "clean" areas including a disused runway and buildings with further areas of undeveloped land between the buildings and structures. As is usually the case with redundant airfields, the buildings and structures on site are in a variety of conditions. These consist mainly of aircraft hangars from World War II and the Cold War period together with some more modern buildings and office facilities.

A temporary planning permission is in place until 2015 which allows the use of the buildings and runway on part of the site for B1, B2, B8 and sui generis uses. The attached drawing shows the land use permitted (under the above permission) for the existing structures.

Within the proposed EZ there are at present:

- 139,643 sq ft of derelict/unlettable space
- 341,201 sq ft of occupied buildings (mainly former aircraft hangars - over 50% B8)
- 66,246 sq ft of unlet buildings
- 1,698,840 sq ft of open occupied land (open storage – all B8)

The total rates payable on these temporary uses is £700,595/year reflecting their low value.

Although some of the buildings within the proposed EZ are occupied for commercial purposes, these uses are by nature of the temporary consent short term (until 2015) employing lower skilled labour. Furthermore, Huntingdonshire District Council would not permit the current use of these structures on a permanent basis. As part of a planned approach to the delivery of the EZ these temporary uses will be appropriately relocated to other commensurate localities as the leases are only on a short term basis and can be terminated as required.

B5. Where is the site located? – *please provide a map indicating site boundaries and key infrastructure features and postcode details.*

The address of the site is Alconbury Airfield, Ermine Street, Little Stukeley Cambridgeshire PE28 4WX.

Please refer to the attached:

- Site Context Plan
- LEP Context Plan; and
- Enterprise Zone Infrastructure and Transport Links Plan.

B6. What evidence or analysis is available to suggest that the site will meet the needs of the targeted businesses? (200 words)

The LEP has aspirations to build on the strengths and established economics of Greater Cambridge and Greater Peterborough. In doing so, businesses in a number of target sectors have been identified including ICT & Communications,

Knowledge Industries, Bio & Pharmaceuticals, and High Tech Manufacturing.

The Cambridgeshire economy has been one of growth and the reputation of the Cambridge area is of excellence in R&D and knowledge based industries. However growth is beginning to slow and there are constraints around infrastructure, labour markets and land limiting its ability to capture growth locally creating leakage internationally (Cambridge Cluster at 50 – SQW Report 2011 and Cambridge and South Cambridgeshire Employment Land Review 2008).

Peterborough was identified as the leading English city for GDP growth by 2025 (Mckinsey Global Cities Report 2011) and has one of the largest clusters of environmental goods and services in the country with above average representation in financial services, manufacturing and media.

The Huntingdonshire economy is diverse and resilient. Growth of VAT registered businesses has outperformed the national average at over 7% (vs 3.8% nationally). Huntingdonshire's most significant deviation from the county, regional and national average is in its lower percentages of businesses employing between 10-249 employees. The lack of suitable premises for expansion is a key reason for this growth bottleneck.

Alconbury is uniquely placed to help deliver the conditions to attract targeted businesses in a manner that complements and adds value to the wider LEP and UK economies, addressing key weaknesses, and market failures, and providing new opportunities,

In particular Alconbury has:

- proximity to a skilled labour pool
- strong London and wider connections
- proximity to established clusters and research (Cambridge & Peterborough)
- ability to deliver high speed broadband
- Scale to deliver flexibility and a high quality working/living environment

And addresses current market failures to facilitate growth by:

- meeting an identified for need for new start-up and grow-on space
- creating a high quality living environment

Alconbury has the scale, strategic location, and excellent communications links (including the new Guided Busway) to provide for the growth needs of the Cambridge-based clusters, and to draw the Peterborough and Cambridge economies closer together. It also has the potential to draw in footloose businesses who may otherwise locate in London or elsewhere in Europe.

B7. Please describe the nature of infrastructure and transport links that are currently associated with the zone (200 words).

Please refer to the Enterprise Zone Infrastructure and Transport Links Plan which details the high capacity infrastructure and transport links currently associated with the Zone.

Alconbury Airfield occupies a site of huge strategic importance. Heading south you can reach London in an hour by road (A1(M), A14 and M11) or via rail (East Coast Main Line from Huntingdon). To the north via the A1(M) lies the manufacturing centres of Peterborough and the industrial heart of England (also accessible via the A14 to the M1 and M6). Rail links cross country from Peterborough are extensive and the Felixstowe to Nuneaton freight rail service also travels via Peterborough. To the east is Cambridge (connected by the Guided Busway and the A14) with its internationally renowned research base and spin-out enterprises. The east coast ports are also accessible beyond Cambridge, as is London Stansted International Airport (M11 and rail). West lies Bedford, Oxford and the Thames Valley.

The proximity to the main road and rail networks and the historic use of the site also ensure significant existing utility capacity for gas, water and electricity. The site has operational facilities for the management of waste and surface water which have adequate capacity for immediate delivery of employment space.

B8. What designations of land apply in the zone?. Are there any additional existing or potential constraints affecting the zone? (200 words)

Alconbury has been identified as a strategic employment location for a number of years. The site is identified as a strategic employment site in the saved structure plan policy P2/3. Moreover the site also benefits from an extant but unimplemented planning permission for class B8 warehousing and ancillary offices and industrial space.

There is one listed building within the proposed EZ which along with its setting could be excluded from the Local Development Order without unduly restricting the delivery of development.

B9. Please provide an overview of the key aspects of the planning history of the zone, and whether there are currently any existing planning permissions which are not yet implemented (200 words).

The 575 hectare site has a long and varied planning history given its historic airfield status.

The most significant recent application was submitted by Alconbury Developments Limited (ADL) in 1997 for the erection of B8 warehouses (7 million sq ft) with ancillary offices, industrial buildings, leisure facilities, roads and rail sidings, and associated infrastructure (97/H1500). Associated applications for a recycling depot (97/H1507) and a rail link to connect the site to the East Coast Main Line (TWA/99/APP/13) were also made. All applications were allowed on appeal in 2003 and following extensions are extant until 2015. U&C does not intend to implement the extant consents.

Since 1997, business uses of existing buildings and hardstandings have been permitted on site via temporary planning consents. These temporary consents are extant until 2015 to allow the uses to continue while a comprehensive redevelopment proposal for the site is formulated.

Informal pre-application consultation has already taken place with key stakeholders and the local communities. An Enquiry by Design event is programmed for September 2011 where the emerging Master Plan for the entire site will be discussed and evaluated with all interested parties in line with the aspiration outlined at B2. U&C have been in dialogue with Network Rail (NR) with regard to putting a new passenger station on the East Coast Main line, which would necessitate assisting NR with much required infrastructure works. These infrastructure works (whether the provision of land for a train turnback facility, or a contribution towards the replacement of a section of track (upslow)) will increase capacity on the line and therefore increase the number and speed of trains going north to Peterborough and beyond.

U&C propose to submit the resultant planning application in early 2012, but an immediate start on site for the early stages of the EZ developments is possible, in advance of the remainder of the site, if the bid is successful, as no significant infrastructure works for this element would be required.

Section C: Plans for development of the proposed zone

C1. Please provide a description of how the proposals will make it easier for businesses to set up in the Enterprise Zone, by specifying the types of development (e.g. buildings, change of use, engineering operations) that would be permitted through the Local Development Order (500 words).

The EZ would be supported by a Local Development Order (LDO) which would permit the change of use of existing buildings, or the development of new buildings within the following use classes:

- B1 Business Use including B1, B1(a) offices, B1(b) research and development and B1(c) light industry;
- B2 General Industry; (with suitable restrictions in place and a focus on advanced manufacturing uses)
- D1 (a) crèche use;
- D2 assembly and leisure; (sports halls, swimming pools, gymnasiums)
- A1 shops and associated A2 uses to serve the business community, akin to a Science Park Centre; (retain planning control and restricted footage)
- A3 restaurants and cafes; (restricted footage)
- Colocation (Sui Generis)The electronic storage, receipt and transmission of data and information including (but not exclusively) Internet Service Provision, web hosting, disaster recovery and other server farm operations; and
- Energy Centre (Sui Generis) for generating low and zero carbon electricity and heat to serve the development.

The LDO would also permit the limited low cost infrastructure works necessary to support the EZ which would be guided by an Enterprise Zone Design Framework (EZDF) to be appended to the LDO.

Infrastructure works would be delivered by U&C in their role as master developer in order to release fully serviced sites for new businesses. The LDO is expected to cover:

- highway improvements to specific EZ access points;
- the construction of new road and cycle and footpath networks to adoptable standards;
- the demolition of existing buildings on the site and crushing and storage of any resulting concrete suitable for re-use;
- the removal or rationalisation of hardstandings, taxi-ways and aprons;
- the removal, rerouting and construction of all water, foul water, electricity, gas, combined heat and power and broadband services and related infrastructure including sub-stations, pumping stations etc.;
- the provision of associated car parking, servicing and turning areas;
- the provision of public transport stops and information displays;
- the creation of associated new open space and landscape networks;
- all associated lighting and CCTV.

The LDO (but not the EZ) will specifically exclude land around the Grade II listed WWII control tower present on the site.

U&C will act as master developer, complementing the control over design and layout within the EZDF that accompanies the LDO to ensure that quality is maintained across the development and over time.

U&C will deliver the strategic infrastructure and will also deliver new buildings within the EZ consistent with the LDO, marketing new build on a leasehold and freehold basis.

C2. It is expected that Local Development Orders will comply with national planning policy. Please tell us whether there are any significant issues that may pose a risk to achieving this (500 words).

The comprehensive planning history described in B8/B9 demonstrates the extent to which the redevelopment of Alconbury as a strategic employment site is already established in policy.

The proposed use of the site is entirely consistent with Government planning policy expressed in *Planning Policy Statement 4: Planning for Sustainable Economic Growth* which sets out the objectives for prosperous economics and the achievement of sustainable economic growth.

The Government's growth agenda and the emerging changes to be made to the planning system via the Localism Bill further strengthen the role of Huntingdonshire District Council in the promotion of the site.

Emerging planning policy in the *National Planning Policy Framework - A proposed draft from the Practitioners Advisory Group* sets out a determined policy commitment to build a strong, flexible and sustainable economy and to positively plan for existing and new business sectors and take a positive attitude to economic investment.

Our own LEP prospectus outlines how we will lead the growth of businesses and jobs in an internationally renowned low carbon, knowledge based economy promoting business success and market town vitality and drawing upon the respective strengths of Cambridge as an 'ideas brand' and Peterborough as an 'environment city'.

We believe that Alconbury is optimally placed at the fulcrum between the complementary functional economic areas of the cities of Cambridge and Peterborough to fully promote these objectives.

The LDO in promoting employment-led development at Alconbury is therefore compliant with existing and emerging policy at national and local level.

The presence of a grade II listed control tower on the site will need to be reflected in considering the boundaries of the LDO and the building and its setting will need to be excluded in line with advice at the GDPO. An alternative approach is that the relocation of the listed building outside of the EZ/LDO area be considered as this was the solution permitted by the 2003 appeal decision. The LDO will also be accompanied by an Environmental Statement that will assess the environmental effects of the development permitted under the LDO, along with supporting survey information to ensure that proper account is taken

of all relevant environmental issues.

As such, the extensive planning history of the site has identified no significant issues which would prevent the LDO complying with national planning policy. HDC Cabinet has already approved the principle of an LDO.

C3. What additional infrastructural development works or remediation, if any, is required (both on and off site)? *Please indicate how much will these cost and how they will be financed and delivered* (200 words).

The extant B8 planning consent incorporated agreed traffic generation caps. These caps were related to the impact of traffic on the local and strategic road network at the time and in the context of certain junction improvements, some elements of which have since been completed.

Set within this context the site has also been the subject of a number of temporary uses generating substantial levels of traffic but within the caps.

The development of 400,000ft² B1/B2 development by 2015 would generate approximately the same level of traffic as has been observed from the temporary uses on the site in the recent past (2007).

Some elements of the previously agreed planning condition commitments will need to be provided within the context of the proposed 400,000ft² of development relating to non-highway capacity improvements, such as additional traffic calming, minor bus priority and cycleway enhancements, and Travel Plans.

The development can proceed without major on or off-site highway works being required and the cost of these measures is unlikely to exceed £1m and will be financed by U&C.

Utilities: Existing services are established and in operation, and will provide sufficient supply for new EZ, some minor onsite connections and upgrades will be required. All works will be financed by U&C.

Ground Conditions: The surveys carried out to date show that development within the proposed EZ does not require any land remediation. Therefore no costs are predicted in this respect.

Waste: There are opportunities for recycling the existing concrete pavements (old runway) on site to generate material required for the delivery of the new scheme infrastructure proposals, (e.g. road material, drainage material, etc). This operation is estimated to be cost neutral.

C4 Please describe the scale and nature of proposed development in the Enterprise Zone (to April 2015) – including the total volume (m²), the type of development (industrial, warehouse & distribution, retail, office, other) and the mix between refurbished and new developments (200 words).

By 2015:

We estimate: circa 400,000 sq ft (37,160 sq m) of new B1 Business Use, B2 General Industry and sui generis:

- 100,000 sq ft (9,290 sq m) B1(a) offices,
- 80,000 sq ft (7,432 sq m) B1(b) research and development,
- 120,000 sq ft (11,148 sq m) B1(c) light industry
- 100,000 sq ft (9,290 sq m) B2 General Industry / sui generis

Development will include a mix of high specification business and manufacturing units and low rise office. Designs will offer uninterrupted floorspace affording the occupier maximum flexibility between office and production areas. Units allow for future expansion and are specifically targeted at the needs of advanced manufacturing and high-tech incubators.

An appropriate mixed use EZ centre that provides the day to day needs of businesses. To include:

- 5,000 sq ft (464 sq m) mix of A1 small scale shops, A3 restaurants and cafes; and associated A2 uses
- 2,500 sq ft (232 sq m) of D1 (a) crèche use and D2 assembly and leisure.

The EZ will be an energy efficient development within an expansive landscaped environment served by an integrated foot and cycle network, public transport and appropriate levels of car parking which will integrate with the broader Master Plan for the site, maximising advantages of scale. Overall it is estimated that there will be 3m sq ft of commercial space across the Alconbury site.

C5: Please provide examples of how the proposals will simplify and better co-ordinate the work of local regulatory services to further reduce the overheads for business in the Enterprise Zone, and integrate these into wider economic planning (200 words).

HDC is committed to the delivery and success of the EZ and it is anticipated that it would provide a small dedicated team to manage the regulatory aspects of the Zone going forward, working with the County Council as key partners.

It is also intended that an “Advisory Board” comprising of senior council officers and other appropriate public and private stakeholders would be established and this would consider the opportunity for further public/private partnership in the delivery of the proposal.

The HDC team would create a “one stop shop” service for all EZ related enquiries from planning to business rates which could be accessed by any current or potential occupier within the Zone, based on the “development team”

model.

U&C propose to provide the LEP/HDC/CCC with office/exhibition space on site to ensure that local regulatory services are available at the point of need.

The LEP, HDC and U&C will also work with Job Centre Plus and Work Programme providers to make an explicit link between matching employment opportunities created by the EZ with those seeking work within the LEP area.

Section D: Plans for use of the proposed Zone

D1. Please provide an estimate of the total number and type of businesses the proposal seeks to attract:

- the best estimate as to the number of businesses in the proposed Zone by 2015. What is the range around this central estimate?
- which sectors or activity types and occupational classification within them?
- what size enterprises?
- the proportion of new and expanding businesses expected
- where will relocating businesses be coming from? (250 words).

By 2015 the EZ has the capacity to attract:

- 400,000 sq ft of new employment space (B1,B2 & sui generis), as identified in Sections C1 and C4
- Between 25 - 40 new businesses delivering c.1,500 new jobs

The strengths of our LEP provide unrivalled opportunities for the EZ to attract significant new investment in innovation and technology. The EZ will have a sectoral focus on Low Carbon Industries High Tech & Creative Industries, ICT, Research and Development and advanced manufacturing, engineering and processing, all of which are identified by the LEP and at a national level as critical to future growth.

The EZ will respond to identified needs including:

- Start-up space to meet the local and sub-regional numbers of start-up innovation businesses
- Grow-on space to facilitate the second phase of a company's development and respond to unmet demand in the LEP area
- Large scale integrated space that incorporates offices, R&D facilities and manufacturing space to attract major new inward investment to the LEP and UK
- Provision for new headquarter offices, meeting unmet demand in the Greater Cambridge economy

The EZ will deliver opportunities across the scale, from the local start-up, growing small business, right through to the major international inward investor, truly a place for all. This will offer both lifeline local business opportunities and the potential for marketing as a credible international location.

D2. What is the economic rationale for the intended pattern of use detailed above in terms of benefits to the local economy, including (but not limited to):

- barriers to growth in local area;
- labour market conditions and expected employment impacts;
- agglomeration benefits;
- cluster benefits and sectoral focus; and
- other productivity impacts. (250 words).

Please provide or reference evidence and analysis to support the explanation.

NESTA research highlights the importance of innovation and technology and the knowledge based industries which is key to job creation and wider prosperity through direct employment, and critically through wider multiplier effects. The potential contribution of these and the environmental industries to the UK economy is recognised by the OECD, London School of Economics and the Department of Business Innovation and Skills.

The Greater Cambridge, Greater Peterborough LEP is in a uniquely strong position to respond to these sectors and this is recognised in the LEP prospectus as discussed in sections B6, C1, D1. Alconbury has a clear role to play, both in cluster and agglomerate benefits and addressing barriers to growth and labour market conditions.

One of the key recommendations of the recent Cambridge Cluster at 50 Study is that more land is made available for manufacturing to help the Cambridge cluster move out of research and ideas and into the development of products.

There are reasons for optimism. Huntingdonshire's business creation has been significantly stronger than the national average, employment in knowledge based industries increased almost 60% (Centre for Local Economic Strategies Nov 2010. Understanding the Resilience of the Cambridgeshire and West Suffolk Economies) and companies have access to an above average level of skilled workers.

However, there are real issues to be faced. The economy is made up mainly of small businesses employing 10 or fewer (Cambridgeshire Economic Assessment 2011), and the bottleneck to progression is such that the number of businesses employing 10-249 employees is below trend and there is a lack of suitable employment space, with few options for local companies looking to grow.

Population growth across Cambridgeshire is forecast to be substantial (Cambridgeshire Local Economic Assessment) which will exacerbate out commuting issues and growth constraints. Delivering the EZ would facilitate Huntingdonshire accommodating its share of this growth and unlock the potential for the area to generate jobs.

The EZ forms part of a wider response to the LEP area that will deliver significant agglomeration benefits as part of a mixed use approach to become an additional economic hub alongside Peterborough and Cambridge and equidistant between the two.

The focus on transformational employment within a high quality landscape and green infrastructure facilitating new inward investment, will radically transform

the local economy by targeting barriers of supply, delivering high value employment opportunities and maximising the benefits of a growing labour supply with endogenous employment growth.

Targeting the sectors highlighted in D1 will address challenges being faced by the LEP economy, avoid competing with existing locations and help support the aspirations for a Greater Cambridge, Greater Peterborough 'super cluster' by broadening the global brand and attracting new kinds of inward investment.

D3. How is the implementation approach and plans for the ongoing management of the zone designed to ensure that the proposal will succeed in attracting the preferred types of businesses? (250 words).

The management team of U&C has a long track record in delivering large scale high profile development schemes. The single ownership structure of Alconbury ensures that the site will be marketed with a clear brand and a focus on integrated and co-ordinated delivery.

The team's experience of delivering Stockley Park by Heathrow Airport is particularly relevant to this site. In that case the team started by seeding the development with local businesses needing space to grow whilst promoting the site internationally. This combination achieved an early critical mass which then provided an activated and dynamic space with which to entice international businesses.

U&C will work with Huntingdonshire District Council to target businesses including local businesses that are known to be constrained by lack of grow-on space, and where the move to the EZ would allow rapid new job creation. U&C have committed to build speculative incubator space once Alconbury has been designated as an Enterprise Zone to kick start the development process.

U&C have already retained Jones Lang LaSalle and CBRE to advise on the commercial component of the Master Plan and the marketing of the site. These agencies will target national and international occupiers who typically search across a wider area when locating since consented sites that are "oven ready" and can deliver buildings to occupier's specifications are relatively rare.

Jones Lang LaSalle and CBRE believe that the combination of the knowledge based economy and the enhanced branding of the site as an Enterprise Zone will be a strong incentive for international occupiers to consider locating at Alconbury and will accelerate positioning of the site in the international market.

U&C would establish a professional management company for the site which would deliver a first class tenant experience. This management company would provide an integrated service with Huntingdonshire District Council's "one stop shop" and the LEP's presence on site.

D4. To what extent is the bid for Enterprise Zone status scalable? (250 words)

Our LEP is of the view that, given the scale of the broader Alconbury site and

the flexibility required to meet a range of demand characteristics, an enterprise zone of less than 150 hectares would not achieve the critical mass needed to realise the area's maximum growth potential.

In terms of need for flexibility this has been seen at other major commercial developments. One of the large early lettings at Stockley Park for example was a Data Centre for M&S which allowed the scheme to gain momentum faster than otherwise. Setting a larger boundary will allow more flexibility within the area to ensure that its designation is as future proofed as possible.

Furthermore, U&C have offered to cap the Government's exposure to the business rate discount at £8m.

D5. Would any other forms of public support be required to deliver the bid, for example capital allowances, superfast broadband, UKTI support? Why? (250 words). *Please indicate the likely scale and nature of this support*

Given the potential for an EZ at Alconbury to attract international attention the assistance of UKTI in promoting the site would be of considerable assistance and further strengthen the branding of the site.

Research shows that for the full economic impact potential to be achieved from broadband infrastructure investment, IT solutions must be integrated into business practices and systems.

Whilst larger companies have the resource to make this transition, smaller companies are much slower adopters. Given our economy's structure (above average no. of small businesses) this is particularly significant.

As part of the Cambridgeshire Broadband Together Strategy, ERDF funding is being sought to implement a business support programme intended to assist small business with this process.

Funding for the roll out of Broadband on the Alconbury site (as per Govt. EZ prospectus) could be enhanced with BDUK funding (depending on timelines) in order to provide access beyond the immediate EZ.

Further and economic benefit would be derived from the IT focused business support programme (if the bid is successful).

D6. How will the proposal leverage in other forms of financial and in-kind contributions? (250 words). *Please indicate the scale and certainty associated with this support. Relevant impacts include (but are not limited to):*

- *private sector leverage*
- *use of RDA or other public sector assets*
- *alignment of other sources of funding (e.g. ERDF, Regional Growth Fund)*

At the most fundamental level the capacity for EZ designation to leverage private sector spend runs into many hundreds of millions of pounds. EZ designation and the associated Government initiatives helps establish a business location, the development of which can endure. The base construction cost of the commercial buildings within the EZ are likely to exceed £400m at current day prices, separate from all associated occupational spend. U&C have committed to commerce development, if designation is secured. Section B2 and C1 outlines the initial infrastructure provided by U&C to support the EZ. Thereafter investment becomes self-reinforcing within the broader parameters of the Master Plan. Moreover, significant further private sector leverage from direct developer contributions are likely to be contained within the wider master plan, if approved. These could include extensions to the Cambridge Guided Bus network, rail enhancements, highway improvements and comprehensive community infrastructure provision. No additional RDA or Regional growth Funding is being sought.

Working with the LEP, U&C plan to leverage from the value of the superfast broadband element of the EZ package to address the broadband “notspots”, predominantly occurring in rural areas across the LEP. This would provide an economic boost for those areas, enhance the flexibility of the labour market, help to address social exclusion problems and provide the NHS, Government and local government with more opportunities to deliver services through the internet. Whilst we are still working on the details of this package, it has the potential to generate enormous additional benefits across the LEP, way beyond the immediate positive impacts of superfast broadband on the site itself.

D7: All business rates growth within an Enterprise Zone, for a period of at least 25 years, will be retained by the local area, to support the Partnership’s economic priorities. How will the uplift in business rates be used? (200 words).

The LEP Board has begun to identify priority areas for action to address barriers to economic growth across the area. Given the rapid economic and population growth of our area in recent years, we are facing significant infrastructure constraints, particularly in relation to transport and housing.

The creation of locally-controlled revenue streams in the shape of business rate increments will allow us to put in place innovative funding mechanisms such as Tax Increment Finance, loans or equity investments, to help overcome these barriers, drawing upon our strong track record within the LEP area in using funding imaginatively to deliver major projects.

The major projects will enable the LEP:

- to invest in the transition to a low carbon economy underpinned by modern skills
- provide new and affordable homes in sustainable communities

- reduce skills inequalities
- invest in infrastructure, especially low carbon
- provide a better quality of life by safeguarding and enhancing our environment

The final decisions on which investments will be prioritised will be made by our LEP but will draw upon a strong existing evidence base across the area, captured in documents such as Integrated Development Programmes and the Peterborough Model. We will look to favour projects that are shown to deliver the greatest economic benefits and underpin our broader plans to drive private sector job growth across our whole area.

It is estimated that once the commercial space within the EZ is fully occupied the associated retained rates benefit for the LEP will be in the region of £10m a year at current day prices.

Section E: Expected benefits

E1. What level of employment is expected within the proposed Zone by April 2015? Please record relevant assumptions and cross-refer to answers from sections C and D as appropriate. (250 words)

It is realistic to expect there will be 1,500 jobs created within the Enterprise Zone by 2015, building to as estimated 8,000 jobs over 25 years. These figures have been estimated using average employment densities given by Arup (2001) and DTZ Pineda (2004) as featured in "Planning – Employment Land Reviews: Guidance Note".

E2. Please describe i) to what extent the job estimate in E1 may be subject to deadweight and displacement; and ii) the proposed strategy to mitigate those impacts? (250 words)

The approach to the EZ has been designed to ensure additionality, minimise displacement and to complement the wider aspirations of our LEP.

The uses described in section D1 have been identified as addressing a clear gap in the LEP economic offer. The approach has been to target specific uses to meet identified market failures or secure the potential of the area that would not otherwise be met (see D1, D2, D3). The nature of the development planned has been designed to meet an identified bottleneck in both the local and sub-regional economies.

The focus on attracting inward investment from outside the LEP area and more importantly from outside the country, meets a known demand for headquarter or high tech manufacturing type uses, that is currently constrained by planning policy, land values or land availability in other parts of the LEP area.

Equally, those uses that may overlap and compete with nearby locations have been avoided. A key example is that no B8 uses are proposed for the LDO, recognising that to do so would compromise the ability of other locations in the LEP to meet identified growth aspirations in this sector.

There are currently circa 800 jobs across the entire Alconbury site. These are all subject to temporary consents and have been under review for some time. A key part of the approach to the EZ will be to work in partnership to find suitable new premises for these uses.

The EZ is fundamental to the wider economic vision for this location. The initial momentum and early delivery that it generates will ensure that the wider, mixed use approach will be sustainable.

E3. Please outline if and how new employment on offer in the Zone is expected to be of benefit to local people, and any strategies that will be adopted to ensure that local benefits are maximised (250 words).

In terms of benefits to local people, the proposed approach for the EZ will have a significant range of impacts. Of particular note:

Re-Balancing the Economy

There are real issues in the local economy around the high levels of out commuting, the relative low value of employment and an inability to attract inward investment. The EZ will ensure that new inward investment is attracted, delivering new and higher value employment opportunities for the local population.

Addressing Deprived Neighbourhoods

The EZ is immediately adjacent to one of the most deprived wards in the LEP area. By working with local schools and the College and delivering specific training opportunities on site, new educational and employment opportunities will be created.

Releasing Growth

It is clear that there is demand for growth within firms in the Huntingdonshire and wider LEP economies. The problem is one of supply of suitable grow on space. By targeting this specifically, the EZ will enable continued positive performance in start ups and the space to grow businesses that would otherwise be constrained or would have to leave the area.

Delivering Local Employment

The Management Agreement for the EZ identified in Section F would include the creation of a jobs academy for the EZ and the broader site – linked to Job Centre Plus and Work Programme objectives. The U&C management team have a track record of creating and promoting these academies which actively seek to channel local people into jobs on site and provide the appropriate training from the construction phase onwards. The LEP has been in discussions with Job Centre Plus about taking the work programmes forward.

E4. What impact will the proposed Enterprise Zone have on indirect employment in the Local Enterprise Partnership area, for example, supply chain employment? (250 words)

Alconbury will have significant impacts on the direct employment and supply chain. In terms of providing opportunities for businesses in the wider LEP area the strategic location of the site and its high level of accessibility from a number of local markets will facilitate easy access for supply chain operations to serve the new and growing businesses. The nature of the supply chain operations will vary depending on the nature of the businesses on site but the scale of the EZ will allow a significant range. Local studies have already shown that over 80% of businesses surveyed use local suppliers and there is a willingness to source more services and products locally by increasing market knowledge.

At the same time many businesses on site at Alconbury will, in themselves, form an important part of the wider sub regional supply chain economy. The accessibility of the site will also make the EZ an ideal location for businesses wishing to service both the Cambridge and Peterborough markets.

As neither the EZ nor the broader Alconbury Master Plan will incorporate more than local centre retail and/or catering, the Enterprise Zone will boost rather than harm the retail offer in Huntingdon town centre. It is expected that the EZ will increase higher value employment locally and reduce out- commuting. This will enhance spend locally, help to support the retail regeneration already

planned within Huntingdon town centre and increase the sustainability of the town as a service centre.

We expect the construction phase, occupation of the site, employment, investment and income to have a significant multiplier effect linked to the propensity of local businesses to use local suppliers, and thus applying English Partnerships multiplier of 1.5 we consider that an additional 6000 jobs could be created.

E5. What other wider economic, social and environmental benefits will the Enterprise Zone bring to the Local Enterprise Partnership area? (200 words)

The EZ forms an integral part of a wider, comprehensive development approach to the reuse of this major brownfield asset, the growth and redevelopment of Huntingdon and its economy and the wider aspirations of the LEP for economic growth. The local area supported by the LEP has ambitious plans for sustainable growth and this development opportunity could make a significant contribution to the delivery of that objective. We expect the EZ to be an outstanding exemplar of sustainable development within the LEP and to:

- Promote access to new economic markets, enhance export opportunities and attract inward investment
- Stimulate improvements to major transport infrastructure such as the East Coast Mainline and A14
- Create exemplar Green Infrastructure including linkages to the award winning Great Fen Project
- Support and sustain the ongoing revitalisation of Huntingdon, delivering new critical mass to support the vitality of the town and enhanced connections, including extensions to the Cambridge Guided Bus network
- Assist in bringing forward the remainder of the development of this strategic site including new homes
- Invest in infrastructure including broadband, and set new benchmarks in sustainable development practice and green infrastructure
- Provide significant investment in skills and training, including new built facilities, and to tie those in with existing skills programmes
- Provide scholarships, apprenticeships internships and supporting permanent job placements to the direct benefit of the local population particularly those seeking work within the LEP area
- Regenerate the largest brownfield site in the South of England and create a distinct identity and sense of place.

E6. What consideration has been given to ensuring the sustainability of benefits arising from the Zone into the future? (200 words)

The approach to development of the EZ has been specifically designed with the long term legacy to the LEP in mind. In particular this includes:

- U&C is an experienced developer committed to both the short term delivery and the long term development and management of the site in the context of an ambitious strategic vision
- Commitment from all parties to the creation of an effective management approach that will ensure ongoing quality and sustainability and the

delivery of further benefits to the LEP

- A targeted approach that is specifically focussed on supporting the vision for the LEP to deliver major new growth in an internationally renowned, low carbon, knowledge based economy
- Unlocking the potential for the private sector to invest and create jobs to deliver a successful economy at local, sub-regional, national and global levels
- Ensuring full business life cycle opportunities on one site, to enable firms to start, grow and flourish in a single location
- Benefits of 25 year business rate retention having long term impacts to the LEP area as a whole
- Develop the LEP economy which aims to release the potential of the Cambridge growth phenomenon and enhance export potential that is complementary to Peterborough growth

The proposal has the support of the LEP and its constituent bodies, political support and local planning authority support, reinforcing the status of the proposals and strategic importance of Alconbury within the LEP.

Section F: Governance and Management

F1. What consultation has been undertaken with local businesses, communities and other groups relating to this proposal and what feedback has been received? How do applicants plan to make information about the impact of the proposed Zone available, including publishing data in open and accessible formats? (300 words)

U&C have worked with the local authorities to consult with the local community, local businesses and interested groups over several months and this is an ongoing exercise (see earlier comments relating to the planned Enquiry by Design Event). The process for selecting the EZ was carried out with extensive consultation with local authorities across the LEP area, and the LEP has communicated its decision to promote Alconbury through its website and through local broadcast and print media. If successful in this competition, the LEP would seek to set out greater detail about the expected impact of the Zone through its website in the first instance, through 2 planned public meetings later this year, and through other engagement events as the development moves forward.

F2. Please outline the governance structure for management of the proposed Enterprise Zone and provide the names of key personnel. (200 words)

It is proposed that the LEP will retain a strategic oversight of the EZ development, with the Chairman, Neville Reyner taking a personal interest, and Strategy Directors, Alex Plant and Neil Darwin supporting him in this.

At the project management level, an Alconbury Advisory Board is planned, with key personnel including HDC (Managing Director Malcolm Sharp, Head of Planning Steve Ingram, Economic Development Manager Helen Donnellan and other key member and officer input as necessary with the Executive Leader Jason Ablewhite as the local champion), U&C (Nigel Hugill, Executive Chairman, Managing Director, Robin Butler) and CCC (Leader Nick Clarke and Director of Growth and Development Graham Hughes).

F3. What monitoring and evaluation plans are proposed? *Please refer to the approach, timing and resource implications of these activities.* (200 words)

The Billing Authority (HDC) is responsible for maintaining accounts and applying the correct exemptions and reliefs, and sending demand notices to liable parties and in the case of non-payment taking the necessary statutory procedures to collect payment.

F4. What risks have been identified in achieving the outcomes of the proposal and what are the mitigation plans? (200 words)

Single Ownership: Risk that owners may be unable to fulfil their commitment – we are satisfied that the owners have an exemplary record in delivering strategic sites and that they have the financial resources behind them. Single ownership is considered a delivery advantage.

Infrastructure: there are local issues around infrastructure (traffic) however these are well understood and are factored into the infrastructure requirements

identified in C1 and C3.

Demand: the strong locational characteristics of the site combined with the promotion by U&C/LEP stakeholders and marketing by JLL and CBRE create a national and international profile for the site supplementing bottleneck demand.

LDO not confirmed: there has been extensive informal consultation on the broader proposals for the site. The identification of the site as a strategic employment location is not disputed and all LEP stakeholders support this proposal. The HDC cabinet have already approved the principle of making the LDO.

Section G: Equality Information

G1. Is it expected that the proposal or its outcomes will have a detrimental impact on any of the groups with protected characteristics as listed in the Equality Duty?

If yes, please describe the impact or impacts the proposal is expected to have, the group or groups which may be affected, and any steps, if applicable, which have been taken to mitigate the impact(s).

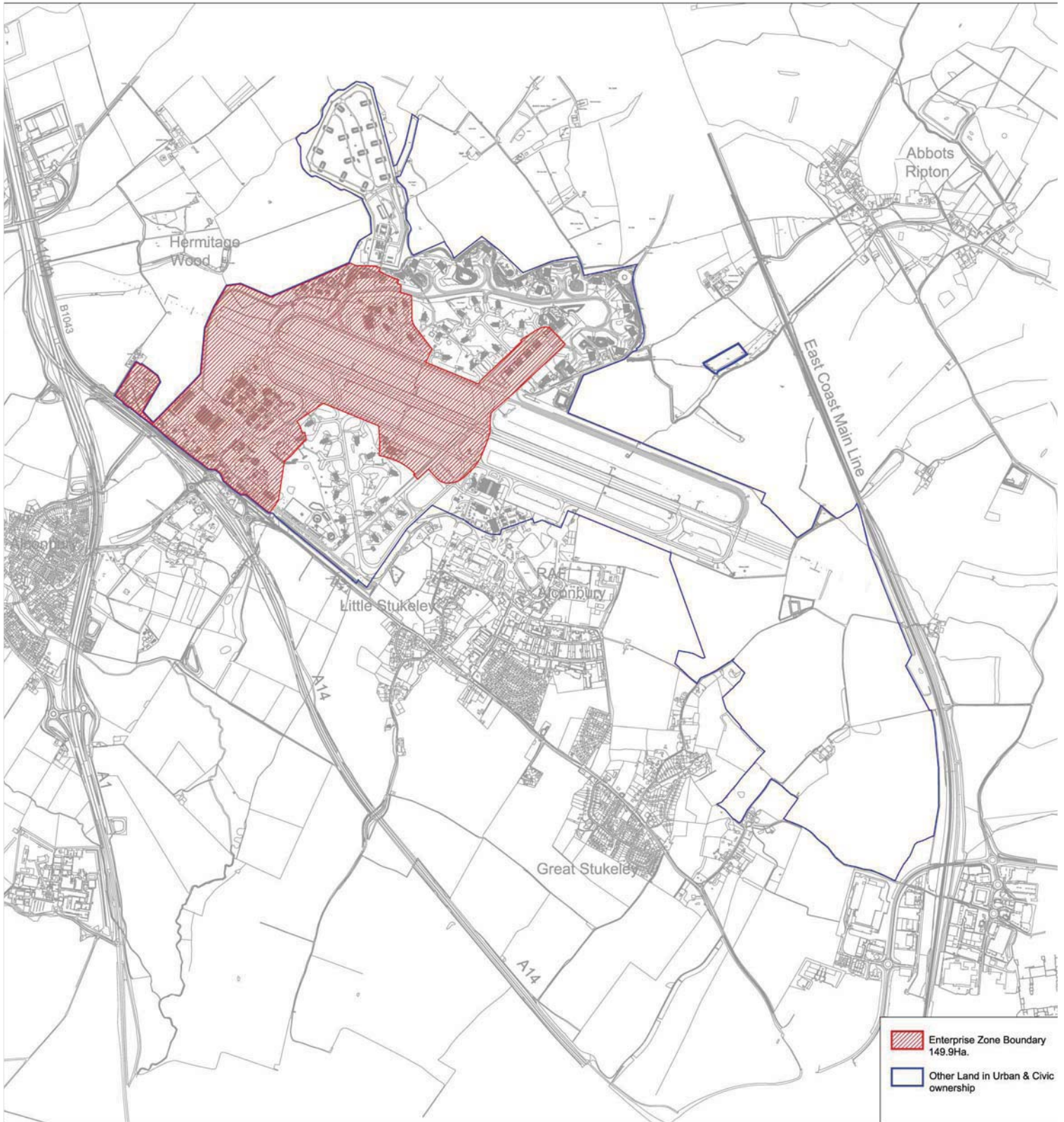
Preliminary consideration of the equalities impact has been undertaken which concluded that the Alconbury Enterprise Zone would be beneficial to all groups. No negative impacts were found at this stage. Should an Enterprise Zone be allocated in the district, a further assessment will take place to ensure there are still no negative impacts.

This preliminary consideration did however find evidence of positive differential impact eg:

- gender – creation of jobs that target women or young people
- supporting social equity - principles of ethics & fairness
- supporting community cohesion - the EZ promotes a common vision and sense of belonging, it promotes strong and positive relationships between people from different backgrounds
- the EZ will make explicit links between the demographic profile of the district and the jobs it will create.

Appendix One:
Supporting Plans

ENTERPRISE ZONE



June 2011
UAC002 / 132 /
NTS@A4



SITE CONTEXT



June 2011
UAC002 / 057 /
NTS@A3



LEP CONTEXT PLAN



LEP BOUNDARY

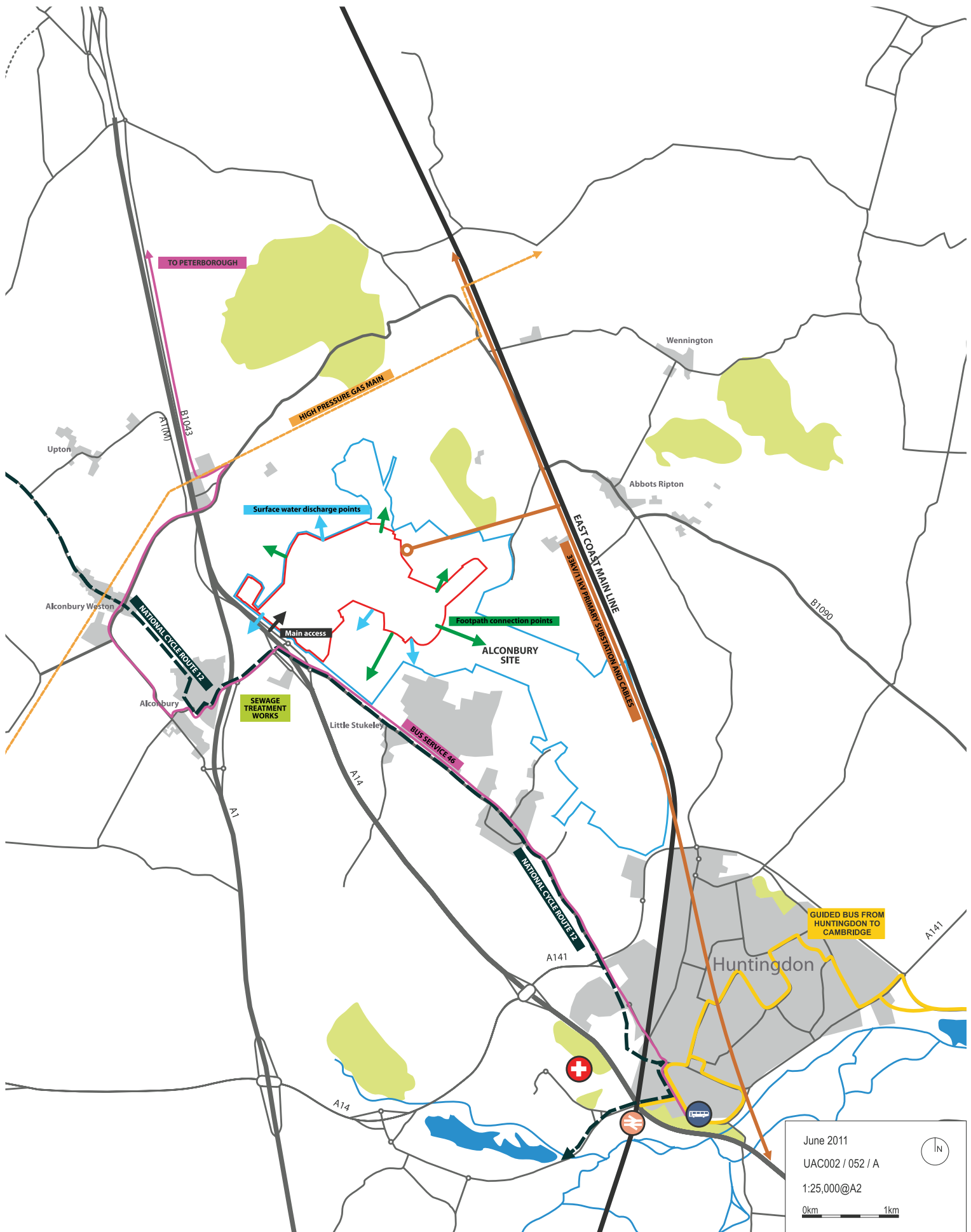
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UAC002 / 056 / A

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ALCONBURY

ENTERPRISE ZONE INFRASTRUCTURE AND TRANSPORT LINKS



June 2011
 UAC002 / 052 / A
 1:25,000@A2
 0km 1km

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