



**Cambridgeshire
& Peterborough
Economic Growth
Conference**

Cambridgeshire & Peterborough Economic Growth Conference

Conference Report

Wednesday, 5th December 2018
Guildhall, Cambridge

#CPEGC18

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Foreword



Keith Griffiths,
Managing Director,
Built Environment
Networking

Situated on the east side of the much talked about OxCams Arc, our events in Cambridgeshire are becoming increasingly popular with a hardcore support from a multitude of businesses supplemented by new faces every time we come to the region.

This was the second edition of our Cambridge and Peterborough Economic Growth conference and our third visit to Cambridge in 2018, highlighting our commitment to the city and its thirst for investment, innovation and development.

It was great to have Mayor James Palmer open the conference by setting out the combined authority long term vision for the area. James was able to dedicate a significant chunk of his daily schedule to our event even taking part in the Question Time session, encouraging probing and challenging questions and answering them with honesty giving the audience some brilliant market intelligence.

One of the noticeable traits in this part of the UK is the high density of skills and wealth centred around small pockets of towns and villages- this was a hot topic at the conference with several of our speakers putting the redistribution of this wealth across the borough as a priority yet mainly at

odds with how to do it! The University of Cambridge is vital to the regional economy- and indeed UK PLC- so it was great to have Alexandra Bolton from the famed Centre for Digital Built Britain to give an insight as to how digital infrastructure may transform lives and bridge socio-economic gaps that currently exist between certain communities.

Another notable highlight was hearing from the newly formed This Land group who have a unique and inclusive business model which is set to deliver thousands of new homes across Cambridgeshire and Peterborough in the next few years.

I want to also take time to thank some of the businesses that supported the event including all of our national partners as well as Hadframe, Peter Brett Associates, Willmott Dixon and Barcham Tree Specialists.

We will be returning to Cambridge in March 2019, September 2019 and for the third version of this conference in December 2019. If you feel as though you can contribute to the event please do not hesitate to get in touch,

**Best wishes,
Keith**

keith.griffiths@built-environment-networking.com



From the Keynotes



James Palmer

Mayor,
Cambridgeshire
& Peterborough
Combined Authority
@CambsPboroCA

REGIONAL MAYOR CALLS FOR SINGLE PLAN

The Mayor of Cambridgeshire and Peterborough has called for a single planning strategy for the county.

Under the devolution deal for Cambridgeshire and Peterborough, the elected mayor was not given powers to draw up a spatial framework unlike in other areas like Greater Manchester. However, Mayor James Palmer, who was elected to the post two years ago, told delegates at our conference that there is a 'common understanding' that the county's local planning system is 'not fit for purpose'.

He said:

IT'S EASIER FOR DEVELOPERS IF THERE IS A SINGLE ENVIRONMENT STRATEGY ACROSS THE AREAS. WE SHOULD MAKE IT AS EASY AS POSSIBLE TO DEVELOP WITH A SINGLE SET OF RULES.

On plans for an east to west rail line to Oxford, the Mayor described the Government's belief that it can relieve South Cambridgeshire's transport problems as 'naive'.

The Combined Authority's proposal to run the route of its mooted metro system from St Neots to Cambridge along the A428 would deliver more stops and opportunities for growth than the planned east-west rail link from Soham to the city, he said: "It would be far more expensive and I very much doubt that it would lead to more growth."

And Cambridgeshire's businesses must contribute more to get much needed infrastructure off the ground: "If we are going to put new stations at the bio-medical campus and science park, we would expect the business community to put their hands in their pockets. Schemes we are proposing in the south of the county totally change the way business operates and the way people move around. If we don't invest in transport by 2030 the county's economy will start to move backwards."

Besides greater political alignment, there is a need for more investment from the business community, he said: "We can't have a situation where people expect things to be built without putting in some of the pain."

And new housing could not be delivered without putting in infrastructure in advance, he said: "The current policy of bolting on housing estates to existing towns and villages has only increased the infrastructure problems that we have. Cambourne has not been an unmitigated success and hasn't done everything that it's set out to do. It has delivered good quality housing but getting from Cambourne to Cambridge's science parks is a long process."

As an example of infrastructure-led planning, he pointed to Peterborough's development: "It has grown significantly since the 1970s on the back of a high-quality road system. Driving into Peterborough is not a problem, 80,000 more people live in Peterborough than Cambridge but it doesn't feel like it because it has been designed for growth."



Industrial Strategy and the Local Economy

Panel Members:



Phil Laycock (Chair)

Director, Built Environment
Networking
@BENetworking



Jeanette Walker

Director, Cambridge
Science Park
@CamSciencePark



James Palmer

Mayor, Cambridgeshire &
Peterborough Combined
Authority
@CambsPboroCA



Sian Nash

Associate Chief
Operating Officer, Wellcome
Genome Campus
@wellcomegenome



Dr Andy Williams

Vice President,
Cambridge Strategy
& Operations, AstraZeneca
@AstraZeneca

BREXIT PROMPTS PHARMA GIANT INVESTMENT PAUSE

AstraZeneca has paused new investment in Cambridge until there is clarity about the UK's withdrawal from the EU.

Andy Williams, Vice President for Cambridge Strategy and Operations, told the conference that the pharmaceuticals giant is 'very much committed' to the Cambridge area, where it has recently relocated its HQ from the North West of England but has stopped investment until it has more clarity about Brexit.

He said:

IT'S VERY CLEAR THAT THE IMPACT ON THE BUSINESS FROM A HARD BREXIT WOULD BE VERY NEGATIVE, SOME MIGHT SAY DISASTROUS IN TERMS OF ACCESS TO MEDICINE FOR PATIENTS.

The company has invested tens of millions of pounds into establishing parallel facilities in Sweden so that the company can retain access to EU markets in the event of a Hard Brexit.

Williams welcomes the Government's commitment to increase R&D investment to 2.4% of GDP, the international average, up from the UK's current level of 1.7%: "The real concern in the UK is if R&D is reduced and the science base is not sufficient: post Brexit that would be a significant challenge for the UK."

James Palmer, Mayor of Cambridge and Peterborough Combined Authority, said that the underlying strength of the local economy means that the area will be able to ride out any Brexit downturn: "The biggest problem for businesses is not leaving or staying, it's the uncertainty. They need to plan and at the moment Parliament is not giving any certainty. We've seen that the only deal is May's deal or no deal. Other political parties are not being clear: the responsibility of Parliament is to act on behalf of the country and I'm not sure it's doing that."

Sian Nash, Associate Chief Operating Officer at the Wellcome Genome Campus, told delegates that it is taking new warehouse space to ensure that its supplies are not disrupted in the event of a Hard Brexit.

The genome mapping centre is lobbying the Government about the impact of restrictions on the free flow of labour between the UK and the EU, she said: "Scientists are constantly having to go to other cities for conferences, immigration is absolutely vital for us."

Jeanette Walker, Director of Cambridge Science Park, agreed that immigration is the key issue arising for the organisation from Brexit. She said: "If companies are restricted on attracting talent, that will have major impact on their business. It's certainly a major threat to the success of business on the science park."



Walkers added that there is a lot of interest from Asian investors in the UK science and technology sector, pointing to Chinese backing for the science park's bio-innovation centre which is due to open in April once its laboratories have been fitted out: "A lot of money from Asia is looking for a home in the UK and recognise the UK's strengths in the science and technology sector."

Addressing a question on the social implications of Cambridge's growth, AstraZeneca's Williams said that many of those who had moved following the relocation of the company's HQ had wanted to live in established neighbourhoods rather than new developments:

THE NUMBER ONE CONCERN FOR PEOPLE FROM OUTSIDE THE AREA WAS SCHOOLS. THE ASSUMPTION WAS THAT THEY WOULD MOVE TO NEW HOUSING BUT THEY WANTED TO MOVE TO ESTABLISHED AREAS.

The Cambridgeshire and Peterborough Economic Growth Conference also heard how the city's science parks are under pressure to create high-quality environments that will attract research talent from across the globe. Nash said the Wellcome campus' latest planning application for a further 150,000 sq m of research space and new homes includes facilities like gyms and shops.

And Cambridge's science park's application for its latest extension includes proposals for a hotel, swimming pool and landscaped gardens with outdoor meeting rooms, Walker said:

WE HAVE TO DO EVERYTHING WE CAN TO MAKE THAT WORK ENVIRONMENT EXEMPLARY. WE ARE TRYING TO HELP COMPANIES ATTRACT AND RETAIN TALENT BY MAKING THE SCIENCE PARK A PLACE WHERE PEOPLE GENUINELY WANT TO WORK.



Housing

Panel Members:



David Collins (Chair)

Managing Director,
Hadham Construction



Hannah Pattinson

Strategic Land Regional
Director, Linden Homes



David McQuade

Chief Executive, Flagship
Group & Board Member,
Evera

@_FlagshipGroup

AMAZON HOLDS TALKS WITH HOUSING ASSOCIATION

Amazon has met an East Anglian housing association to discuss how homes can be delivered more cheaply, its Chief Executive has revealed.

David McQuade, Chief Executive of the Norwich-based Flagship Group, told delegates that he had recently held a meeting with the online retail giant: "They're not only looking to help housing associations on technological issues, they are focusing on how to build a house for less."

McQuade said Amazon's interest in housing demonstrated the changing nature of the sector, which was also reflected by the entry of private investors like Blackstone and Legal & General.

He did however admit that many of Flagship's residents struggle to even pay the sub-market rents charged by his association. Half of those living in the homes that Flagship rents out at 60% of market levels, struggle to meet their payments, which typically work out at £100-120 per week for a two-bed property: "Many customers struggle to pay rent because incomes are low."

He said there is a 'very limited supply' of affordable housing coming through even at this 60% level:

AT SOME POINT THAT WILL BECOME A BIGGER ISSUE.

Flagship Group, which will own and manage 28,000 homes when its merger with Norfolk-based Victory Housing Trust goes through, has an aspiration to build 10,000 new dwellings over ten years. Of this total, it aims that 80% will be sub-market rented housing or shared ownership with the balance comprised of outright sale in order to cross-subsidise the association's core affordable provision.

Whilst most of Flagship's new units currently tend to be acquired through the section 106 process, it aims to undertake 'much more land led development'. To help accelerate its rate of delivery Flagship is forming a joint-



venture (JV) with Longhurst, Hyde and Crossquays known as Evera, with the objective of delivering 2,100 site starts within five years when it is up and running.

The JV's first project is the redevelopment of a clinic in Ramsey, where it plans 60 new homes, 24 of which have been earmarked for affordable housing.

Matthew Sampson, Development Director of U+I, said that the regeneration specialist has just submitted a £200m Housing Infrastructure Fund bid with the landowners of its Cambridge northern fringe east development with a decision on the bid expected towards the end of the first quarter of 2019: "If we are successful it will be a big vote of confidence in the region."

Sampson said the new city quarter, which is due to be developed on an Anglia Water owned site to the west of Cambridge rail station, will accommodate around 5,000 homes and 1m sq ft of commercial, leisure and community space. U+I will be engaging with community and stakeholders over the next couple of years on its masterplan for the site."

In the meantime, U+I has plans to create a container village,



Matthew Sampson

Development Director, U+I

@uandiplc



Tim Leathes

Development Director
of Strategic Land,
Urban & Civic



including affordable start up laboratory space, to kickstart the site's regeneration, Sampson said: "It gives the opportunity to test things with people and get a buzz on the site."

U+I is also examining built to rent (BTR) to help accelerate delivery on the site, which would take more than 20 years to build out at normal market sales absorption rates:

WE WANT TO DELIVER THIS MORE QUICKLY SO WILL BE LOOKING AT BTR BECAUSE IT HELPS TO IMPROVE DELIVERY SPEEDS BY SEVEN TIMES.

They'll also be looking to form partnerships with registered providers as the earmark a high proportion of the development for affordable housing to both comply with policy and further help speed up delivery.

Tim Leathes, Development Director of Strategic Land at Urban & Civic, said that it has 2,546 acres of strategic land with consent for more than 15,000 homes across Cambridgeshire. He said that every week, two or three families moving into the strategic developer's scheme at Alconbury.

Cambridgeshire and Peterborough Combined Authority and

county councils are amongst the tenants which have already moved into the 1m sq ft of employment space to have already been built at the site, he said: "It's going incredibly well and ahead of expectations."

Urban & Civic is also already building on site at Wintingham St Neots, having only submitted a planning application for 2,800 new homes in October: "It's possible to go quickly in this area."

Hannah Pattinson, Strategic Land Regional Director at Linden Homes, said cash strapped planning departments are 'really struggling' with the consequences of cutbacks in local Government: "All developers prefer the plan led process rather than aggressive, speculative applications which are high risk and adversarial. We would always prefer to talk to the right people so that we know we are heading in the right direction. Political risk is the high threat at the moment and the longer this goes on more, the more risk there is."



Sustainable Developments

Panel Members:



Phil Laycock (Chair)

Director, Built Environment
Networking
@BENetworking



David Gelling

Managing Director,
This Land



Chris Haworth

Founder, Huntstowe Land



Pete Craig

Managing Director,
Bishopgate Developments



Asa Soderberg

Associate, Peter Brett
Associates

CAMBRIDGESHIRE: INDUSTRY URGED TO GET BEHIND MAYOR

The industry has been urged to get behind Cambridgeshire's directly elected mayor even though he may be a 'divisive figure'.

David Gelling, managing director of This Land, said in his presentation during the conference's 'Developers' session that the county's growth is being held back by vying tiers of local government.

This Land has been set up by Cambridgeshire council, which is separate to the mayor James Palmer's combined authority, and it has plans to develop 1600 homes over five years.

He urged the industry to get behind mayor Jason Palmer's 'clear vision', who had kicked off the conference earlier in the day with a call for the combined authority should be equipped with planning powers.

Gelling said: "We should have a mayor with statutory planning powers. The only way to make a clear statement is one statutory spatial plan."

He added that the only time that the planning process had truly gelled was during the regional spatial strategy introduced under the last Labour government.



The area was now characterised by what he described as a 'supreme amount of political misalignment', with South Cambridgeshire seemingly 'hell bent' on stopping any local economic development'.

But Gelling acknowledged that the mayor is a 'divisive' figure and that his team needs to engage 'more effectively' with borough councils.

And he said Palmer's proposal for a land value tax could be 'too little too late' because transport links need to be in place before land value can be captured.

Instead Gelling backed the concept of a mayoral community infrastructure levy like that used by the Greater London Authority to help fund Crossrail, describing it as 'a great way of getting early funds into the transport strategy.'

Chris Haworth, founder of site promotion company Huntstowe Land, agreed with Gelling that land value capture doesn't work.

IT'S BEEN TRIED IN THE PAST BUT IT'S VERY DIFFICULT TO PERSUADE LANDOWNERS TO BRING SITES FORWARD IF THEY ARE GOING TO LOSE MOST OF THE VALUE.

Land promotion agreements are a better mechanism for bringing forward sites than options, he said: "Under option interests are aligned, but once consent is granted, developer is looking to buy land as cheaply as possible and the landowner wants as much as possible, under promotion both want to sell for as much as possible.

He said the Cambridgeshire and Peterborough have a 'tremendous synergy' and that while Cambridge is a "hotbed of



innovation but strangled by lack of land', Peterborough is yet to reach its potential.

"I believe that the Cambridgeshire Peterborough link up can work well: each has things the other doesn't. Cambridge has the university but is strangled by its lack of development land and infrastructure. There is a huge opportunity for both centres to benefit from working closely together."

Pete Craig, chief executive of Bishops Gate Developments, agreed with Haworth that Peterborough has 'never quite fulfilled its potential'.

ITS CONNECTIVITY AND INFRASTRUCTURE ARE SPOT ON WITH EXCELLENT RAIL LINKS BUT SOMEHOW PETERBOROUGH HAS FALLEN A LITTLE SHORT AND NOT REALISED ITS POTENTIAL.

He said the establishment of a university at Peterborough will make a 'huge difference' but that it should have a technical focus that would complement Cambridge's strengths.

Craig said he is keen for Bishops Gate to use a combination of sustainable materials and innovative construction methods to create developments that will be the conservation areas of the future.

THE WAY WE LIVE HAS CHANGED AND CONTINUES TO EVOLVE, WE FEEL A RESPONSIBILITY TO ADDRESS THAT AND AS DEVELOPERS TO BUILD SPACES THAT WE WANT TO LIVE IN AND THAT WORK FOR MODERN LIFE.

Asa Soderberg, an associate at planning consultancy Peter Brett Associates, said that it is difficult to get floods and highways authorities to work together on creating sustainable urban drainage schemes.

Referring to a SUDS scheme that her firm had worked on it, she said the highway authority were not willing to adopt the road due to health & safety concerns.



Infrastructure

Panel Members:



Ron Henry (Chair)

Ron Henry, Director Midlands & East, PBA, now part of Stantec
@PeterBrettLLP



Philip Toombs

Senior Programme Manager for South East, Network Rail
@networkrail



Richard Taylor

Growth Lead, Environment Agency
@EnvAgency



Mike Evans

Senior Project Manager, Highways England
@HighwaysEngland



Alexandra Bolton

Deputy Director, Centre for Digital Built Britain
@CambridgeCDBB



Mark Adolphus

Director of Connections, UK Power Networks
@UKPowerNetworks

DIGITALISATION COULD SAVE INDUSTRY £30BN

Savings of £30bn could be achieved within the next ten years through greater digitalisation of the construction process.

Alexandra Bolton, Deputy Director of the Centre for Digital Built Britain, told delegates that massive savings can be delivered through more widespread take-up of digitalisation:

IT DEPENDS ON THE EXTENT THAT PEOPLE WILL ADAPT DIGITAL, BUT THE SAVINGS ARE HUGE WHICH IS WHY GOVERNMENT IS SO KEEN TO INCORPORATE DIGITAL INNOVATION.

She added that infrastructure projects would take time and they would move at a much slower pace than the technological innovations that have transformed daily life in recent years: "This isn't a five-year project but a 50-year project. If you look at huge infrastructure projects coming to an end they started before I pads. It shows how quickly things move on."



Digital technology is already transforming the work of Highways England, said Mike Evans, a Senior Project Manager at the agency. He said that diversion signs are becoming increasingly redundant: "When we put in diversion routes drivers are increasingly ignoring signs and using satnavs: we won't need lots of signs when we put in diversions."

Outlining progress on the agency's major projects in the East of England, he said it will be applying in early 2019 to the Planning Inspectorate for an amendment to the development consent order for the A14 Cambridge to Huntingdon scheme. The scheme to widen parts of the A14 and A1, the county's biggest road construction project, will facilitate the delivery of 7,000 homes at the county's new settlement of Northstowe.

Subject to approval by the Secretary of State next summer, the A14 scheme is scheduled to open in December 2020: "We're pushing to get it done earlier because we want to get on with the next project."

He said that a preferred route for improvements to the A428 between Caxton Gibbet and the Black Cat junction which was expected to be announced by the end of 2018 has been held up – largely due to the Department for Transport reviewing its road investment programme.



PAGABO

Simply better procurement

Further afield, he said Highways England will be submitting a DCO for the new £6.4bn Lower Thames Crossing scheme to relieve the Dartford bridge in the spring. An examination has been timetabled for the summer of 2020, which would permit work to start in the following year.

Richard Taylor, Growth Lead at the Environment Agency, said that planner need to think longer term than they normally do when dealing with flood risk issues:

THE PLANNING CYCLE LASTS 15-20 YEARS AND NEED TO BE REVISED REGULARLY, BUT WE NEED TO THINK BEYOND THAT TO 50.

Water management also requires co-operation across political boundaries, and he pointed to how the sluices that protect Cambridge are located in a neighbouring local authority.

Taylor said infrastructure planners should examine the role that lakes could play in Cambridgeshire and Peterborough, pointing to how Milton Keynes' network of large lakes has opened up development land around the new town while performing other functions like promoting biodiversity and recreation.



But Mark Adolphus, Director of Connections at UK Power Networks, flagged up the risks of putting in infrastructure too early, referring to his experience of working in London in the Noughties: "There are many examples where anticipated development has not manifested itself. We saw a tidal wave of growth in east London which would involve building six new sub stations, however only two came forward. If we had made that investment, they would have been stranded assets that would have to be borne by London bill payers."

But Adolphus said that energy network operators, like UK Power, must engage early with developers to establish the electricity needs entailed by their plans, while also factoring in the consequences of new technologies like electric vehicles (EVs).

Pointing to how the upper end forecast of EVs in 2030 have increased rapidly from 1.8m to 4.1m, he said:

THE CHALLENGE IS TO IDENTIFY THE POINT OF INFLEXION WHERE PENETRATION OF EVS BECOMES GENUINELY MAINSTREAM.

Company Partners

Balfour Beatty



A special thanks to:



Conference Photos



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www.built-environment-networking.com

Built Environment Networking Ltd

4235 Park Approach
Thorpe Park
Leeds
LS15 8GB

Call: 0113 390 4700

Email: keith.griffiths@built-environment-networking.com

www.built-environment-networking.com