

NORTHSTOWE ECONOMIC DEVELOPMENT STRATEGY

Submitted in Support of the Northstowe Phase 2
Planning Application

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EXECUTIVE SUMMARY

The new town of Northstowe, located 5 miles North West of Cambridge, will provide homes for around 25,000 people over the next three decades. A thriving economy is vital to its success as a new community and the purpose of the Economic Development Strategy is to provide a coherent framework for defining and delivering this economic growth.

Northstowe sits within a dynamic sub-regional economy driven by the success of Cambridge as a hub for high growth business clusters in information technology, biotechnology and clean technologies. As a new economic driver, the town has the potential to perform a distinctive economic role, not only supporting and adding value to these clusters, but also developing and sustaining its own economic specialisms based on its unique status as a new town.

The development of the economic strategy has involved a process of engagement with a wide variety of stakeholders representing the public, private and voluntary sectors and the local community. Through this process an assessment of potential economic “futures” has helped to identify a clear economic role for the town, reflected in an Economic Vision and set of Strategic Aims on which the Economic Development Strategy for Northstowe will be based:

The Northstowe economy:

A community for enterprise, innovation and sustainable development

Northstowe will be:

Aim 1 “... a new kind of enterprise community”

Aim 2 “... an incubator of talent and new ideas”

Aim 3 “... a champion of clean technologies”

Aim 4 “... a collaborative and flexible business environment”

Strategic Aim (1) to be **a new kind of enterprise community** recognises that Northstowe can provide the place and the space for business to do new things or do some things in a different way or environment - this is a challenge to entrepreneurs to put the “market” into the town.

Strategic Aim (2) to be **an incubator of talent and new ideas** emphasises the potential of the town in terms of gearing educational provision towards innovation and business engagement and as a place which is seeking to draw in some of the “development” aspects of R&D which can take place in an environment that is well connected to the Cambridge clusters.

Strategic Aim (3) to be **a champion of clean technologies** reflects the potential for businesses operating in the low carbon economy to cluster in Northstowe in response to the scale of development planned for Northstowe and the potential for the town to act as a showcase/living laboratory and present itself as an innovator at a national and international level.

Strategic Aim (4) to be **a collaborative and flexible business environment** responds to the new ways of working (incl. “home” and “third space” working) which are driving change in the wider economy and the need for physical environments as well as business support networks to be responsive to this.

This vision statement reflects a set of positive outcomes and attributes for Northstowe and realising it will require a dedicated and focussed delivery effort that can be sustained over time as the town, the community and its economy evolves. It will require economic leadership that is capable of building confidence in entrepreneurs and investors and committed to the central tasks of:

- ❑ Creating the conditions in which the enterprise community can establish, evolve and flourish and support the development of entrepreneurial culture in the town;
- ❑ Embedding enterprise and innovation into the town and creating an environment that is attractive to the “development” aspects of R&D activities;
- ❑ Evolving an economic specialisation in Northstowe providing practical opportunities for entrepreneurs, organisations and institutions operating the low carbon economy and the Cleantech sector; and
- ❑ Building responsiveness and resilience into the business environment and providing the means for effective collaboration.

Making a start and generating economic momentum is critical as the development of the first phase of 1,500 new homes gets underway and plans for a second phase of 3,500 homes are progressed. It is proposed to establish a multi-sector Economic Leadership Group of key partners and stakeholders to direct early work to develop the inward investment proposition of Northstowe and put in place strategies to stimulate new enterprise formation, promote inward investment and facilitate sector development activity, particularly in the Cleantech sector.

Drawing on resources and support from stakeholders, the Economic Leadership Group will focus on a set of early actions designed to develop the town’s initial economic assets – processes, networks, services, skills, facilities and infrastructure – which will provide the foundations for future economic growth in Northstowe.

These early actions will include for example the provision of business incubation facilities, establishing incentives to stimulate businesses investment and putting in place agreements between housebuilders and specialist training providers to deliver sustainable development skills in Northstowe. These and other early actions will help to set the tone for the Northstowe economy while promoting a flexible and adaptable approach to respond to opportunities as they arise.

Developing the economy of a new town is a unique challenge. Working together to develop this strategy has enabled partners and stakeholders to think creatively and objectively about the type of economy that can be evolved and to set a course for Northstowe that responds to the dynamics of the economic community in the sub-region and the aspirations of those who want to participate in its development.

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1 Introduction

1.1 Background

In December 2013 GENECON was appointed by the Homes & Communities Agency (HCA) to prepare an Economic Development Strategy for Northstowe. The commission was jointly managed by a steering group consisting of the HCA, Cambridgeshire County Council, South Cambridgeshire District Council and Gallagher Estates.

The work programme for the commission was broken down into five phases:

- ❑ **Phase 1** Scoping
- ❑ **Phase 2** Scenarios
- ❑ **Phase 3** Economic Capacity
- ❑ **Phase 4** Economic Assets
- ❑ **Phase 5** Strategy

These phases reflect the strategy development process, from scoping the baseline policy and socio-economic context and assessing different approaches to economic development in Northstowe, through to an assessment of the capacity and assets needed to underpin the delivery of economic growth.

Two workshops were undertaken as part of this process, the first to consider different economic scenarios, roles and functions, and the second to consider both “hard” (facilities and infrastructure) and “soft” (processes, networks, services and skills) economic assets. In addition a number of one-to-one meetings were held with key stakeholders throughout this process. A full list of consultees is included at Appendix A.

1.2 Report Structure

This report is structured as follows: -

- ❑ **Section 2** outlines the policy and strategic context for Northstowe and the socio-economic profile of the wider sub-region based on a range of indicators (demography, labour market, business performance etc);
- ❑ **Section 3** identifies the key considerations that help define what the economic development strategy should seek to achieve and outlines a range of potential economic scenarios;
- ❑ **Section 4** sets out a new Economic Vision for Northstowe and a series of Strategic Aims which express a set of economic development outcomes; and
- ❑ **Section 5** outlines the proposed approach to the leadership and delivery of the strategy and where the focus of initial activity should be in order to begin to develop the economy of Northstowe.

2 Northstowe In Context

2.1 Overview

This section outlines the prevailing policy context for Northstowe and the socio-economic profile of the wider sub-region based on a range of indicators including demography, labour market and business profile.

The policy context focuses on planning and economic development policy to outline the strategic context. It highlights key policy drivers and issues that influence the economic development of Northstowe.

The policy context mainly focuses on the sub-regional and local policies of public bodies and relevant partnership and representative organisations but recognises and takes account of the importance of national policy. A schedule of source documents is included at Appendix B.

The socio-economic profile combines the South Cambridgeshire District and Cambridge City areas due to their closely linked inter-relationship and the influence exerted by the City on that part of the sub-region. This is then compared to the wider geographies of Cambridgeshire, the Greater Cambridge & Greater Peterborough Local Enterprise Partnership (“GCGP LEP”) area and England.

2.2 Policy & Strategy Context

2.2.1 *Planning & Infrastructure Policy*

Planning policy for Northstowe has spanned more than a decade. Its selection as a site for major housing development was first established in the **Cambridgeshire & Peterborough Structure Plan** and marked a reversal of a previous policy of dispersal of housing and employment away from the Cambridge area.

Since that time Northstowe has remained a constant feature of planning policy for the area, spanning the move from the previous two-tiered regional planning system in England to the new **National Planning Policy Framework (NPPF)** and **emerging Local Plans**.

The **South Cambridgeshire Local Development Framework (LDF)**, adopted under the previous two-tier system, aimed to focus a higher proportion of Cambridgeshire’s growth into the Cambridge sub-region, with much of the development concentrated in and on the edge of Cambridge itself.

The **Northstowe Area Action Plan (AAP)**, part of the LDF, was adopted in 2007 and sets out the overall vision for the new town:

“Northstowe will be a sustainable and vibrant new community that is inclusive and diverse with its own distinctive local identity which is founded on best practice urban design principles, drawing on the traditions of fen-edge market towns, which encourages the high quality traditions and innovation that are characteristic of the Cambridge Sub-Region.”

The AAP contains a series of objectives and guidelines for the development of Northstowe:

- ❑ **Character and function** – ‘Northstowe will be Cambridgeshire’s first new town since medieval times. It should be planned in this context rather than as a detached suburb of Cambridge’ – ‘a small market town’.
- ❑ **Employment** – ‘To provide a part of the labour force for Cambridge and its locality as well as enabling people who live in Northstowe to work in the town’.
- ❑ **Economy** – ‘To provide for firms that the sub-region needs to attract in order to grow and strengthen its role as a High Technology Cluster’.

The Northstowe AAP also sets out a comprehensive range of detailed policies across planning and economic development including:

- ❑ **Town Centre** – location, form and viability, including stating that a Town Centre Strategy must be submitted as part of an initial planning application.
- ❑ **Local Centres** – including that each local centre must be developed around a primary school.
- ❑ **Housing** – a target of 10,000 new homes, density of at least 40 dwellings per hectare, house type and tenure mix including all affordable housing to be provided on site.
- ❑ **Employment** – 20 hectares of employment land to be provided.
- ❑ **Transport** – including improvements to A14 as a condition of planning approval.

A **Northstowe Development Framework Document (DFD)** was subsequently endorsed in 2012 by the Northstowe Joint Development Control Committee, formed by members from the County Council and the District Council. Representing an updated vision for Northstowe; it complements and supports the original AAP and takes account of changes to the national planning policy framework (NPPF) and of the impacts of the recession.

The DFD includes a Framework Masterplan for the town, which proposes the following key features:

- ❑ Up to 10,000 new homes;
- ❑ A town centre and 2 local centres providing shops, community facilities and uses, business and commercial premises;
- ❑ 3 employment areas;
- ❑ 1 secondary school and 7 seven primary schools;
- ❑ 4 sports hubs;
- ❑ Significant open spaces including a water park, informal open space and children’s play areas; and
- ❑ A dedicated bus-way link through the site with direct connections onto the Cambridgeshire Guided Busway.

In an addendum to the DFD, “**An Exemplar of Sustainable Living**”, the rationale for this commission was established. The need to develop a Northstowe Economic Development Strategy was outlined by stating that there should be:

“An economic development strategy that identifies the Unique Selling Points (USP) and markets a clear enterprising and economic role for Northstowe, complementing regional initiatives, capitalising on its locational advantages and addressing the need for business support, local employment opportunities and skills training.”

“Consideration will be given to the provision of an exemplar shared commercial space that can accommodate a range of business needs, accommodation, shared support services, training advice, and sets a precedent in terms of the highest environmental standards”.

The adoption of the DFD coincided with a revised approach to delivery based on phasing, and Gallagher Estates secured outline planning approval for a first phase of 1,500 homes together with associated uses, infrastructure, services and facilities in October 2012. The planning consent for Phase 1 of Northstowe includes the following:

- ❑ A local centre, including space for a community building and provision for retail, food and drink and other appropriate uses;
- ❑ A three-form entry primary school;
- ❑ 5 hectares (ha) of employment land including a household recycling centre and foul water pumping station;
- ❑ Significant formal and informal public open space, including a sports hub of over 6 ha and approximately 23 ha of additional public open space including parks / play space and a network of footpaths and cycle ways;
- ❑ Water bodies of approximately 5.2 ha including a water park (the eastern water park) providing a recreational, ecological and drainage resource;
- ❑ 1.57 ha of allotments; and
- ❑ The first length of an internal busway link to the Cambridgeshire Guided Busway (CGB).

The associated Section 106 Agreement will provide a £30m contribution to support the delivery of these facilities and associated services. A series of detailed planning applications will now come forward for individual sub-phases.

The Northstowe AAP (and associated DFD) is carried forward to the emerging Local Plan and remains a live policy. The **South Cambridgeshire Local Plan Proposed Submission (2013)** includes a number of references to Northstowe and a range of district-wide policies that are directly relevant to its economic development.

With specific reference to Northstowe these include:

New high street facilities planned for Northstowe and 20ha of employment land together with 6.7ha of employment land at Longstanton for B1 uses (part of the Home Farm development);

- Employment land allocation at Northstowe particularly suitable for cluster development and expected to include provision for a range of suitable units, including for start-ups, SMEs and incubator units; and
- A retail hierarchy that puts Northstowe and Waterbeach town centres at the top of the list for new retail provision but which ensures that neither should perform a sub-regional shopping role that has a significant impact on the role of Cambridge.

Broader policies of note include:

- The selective management of employment policies to be retained with large scale warehousing and distribution not permitted in the district;
- An overall Local Plan target of 22,000 new jobs created by 2031; and
- A specific policy to promote shared social spaces in employment areas.

In its assessment of the local economy the Local Plan points to evidence that suggests the local high-tech cluster is “maturing” but that growth in Research and Development (R&D) will be slower than in the past. New sectors that are considered likely to account for a higher proportion of growth include: renewable technologies; creative ICT; digital; health and bioscience; professional business services; and tourism and leisure.

It further notes that there is a significantly higher proportion of micro-businesses in the District than either regionally or nationally, with 85% of businesses employing fewer than 10 people, and that home working is growing in the area. Northstowe is also referenced in the spatial strategy of the **Cambridge Local Plan Proposed Submission (2013)** in relation to the role it plays in meeting the need for market and affordable housing in the housing market area.

The evidence base for both the South Cambridgeshire and Cambridge Local Plans includes the jointly commissioned **Employment Land Review**. In terms of the supply of employment land in particular, it concludes that there is currently sufficient overall provision across Cambridge City and South Cambridgeshire but suggests that there is likely to be a shortage of B1a office space overall. Demand for office space in the sub-region is particularly focused on two areas of pressure: Cambridge City Centre, and the northern fringes of Cambridge around the Science Park. The study highlights market signals that:

“Increasing provision elsewhere [in the sub-region] 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.”

This is supported by anecdotal evidence from stakeholder consultation for the economic development strategy, regarding the challenges of attracting and retaining high value end users in areas outside the City of Cambridge itself. Connectivity, including access to London, is understood to be an important determining factor in this respect. The experience of Cambourne as a business location has been highlighted by consultees with reference to a perceived weakness in connectivity to Cambridge.

The A14 is a key transport corridor that will influence the development of Northstowe. At a sub-regional level proposals for major improvements to the A14 from Cambridge to Huntingdon have a long and protracted history. In 2012 the Government announced a policy commitment to the A14 improvement, initially to include some tolling although this feature was subsequently dropped. Work is ongoing on a number of interim schemes to improve conditions, with a comprehensive scheme currently scheduled to commence in late 2016 subject to consultation and Secretary of State approval.

The **Draft Transport Strategy for Cambridge and South Cambridgeshire** outlines a series of interventions on the Alconbury, Huntingdon, St Ives and Northstowe to Cambridge corridor. The corridor is considered an exemplar of quality passenger transport provision with the Cambridgeshire Guided Busway (CGB) carrying over 2.5m passengers per year.

A loop of the Busway will be provided through Northstowe as part of its development and the Longstanton Park & Ride facility on the north-west edge of the town will be expanded to 1,000 spaces. Other infrastructure to be delivered as part of the Northstowe development will include road access works to the site itself and a bypass for Oakington. There are also proposals to create walking and cycling networks connecting employment sites to residential areas.

Northstowe is identified as a target area in the **Cambridgeshire Green Infrastructure Strategy** with a recognition that green infrastructure plays a key role in place-making and that it can help attract and keep high-quality workers and attract visitors, as well as contributing to the character of local settlements and countryside to create attractive and distinctive new places.

2.2.2 **Economic Development**

The economic development policy and strategy context for Northstowe has evolved considerably in the decade since its formal conception. This evolution is a response not just to the impact of recession and changes to Government priorities but also to the natural dynamics of a sub-regional economy which has distinctive characteristics of national importance.

An initial **Northstowe Economic Development and Training Strategy** was published in 2007. This outlines potential economic roles for Northstowe taking account of:

- ❑ The scope for Northstowe to contribute to the continued growth of the Cambridge high tech cluster;
- ❑ The opportunities and potential for Northstowe in relation to the buoyancy of Cambridge as a growing regional service centre; and
- ❑ The future obligations on Northstowe in relation to the employment and business development needs of its own population.

The strategy broadly recommends a role that balances these factors, particularly in terms of provision of employment land and premises, with a preference towards the knowledge-based cluster reflecting the recognised dynamics of the sub-regional economy. This work also highlighted changes occurring in the high tech sector which saw some slow-down in

the first half of that decade primarily due to restructuring in the electronics and computer sub-sectors.

Cambridge and its immediate sub-region has a distinct and evolving economic geography in terms of the location of particular types of activities. Whilst the southern areas of Cambridge have evolved as a key location in terms of bio-technology – with a strong cluster linked to Addenbrooks Hospital – the northern fringes have evolved as the focus for high technology and associated sectors, with a strong focus on the area around Cambridge Science Park.

The 2007 AAP for Northstowe specifically identifies its role in helping to strengthen the high technology cluster. A report on the performance of the **Cambridge Cluster at 50 (SQW 2011)** raised a number of issues of relevance in this respect and suggests that Northstowe could provide both office and R&D accommodation and could be an employment location especially suited to cluster development.

The report highlights the role that Cambridge fulfils as an incubator which then exports businesses and jobs to the surrounding areas and notes that a significant number of high tech jobs perceived to be “lost” from Cambridge in recent years actually went to South Cambridgeshire and therefore were actually retained within the sub-region. The report also highlights perceived shortages in business incubation space (with associated support services) and follow on space (3,000 - 5,000 sq. ft.) in the sub-region.

This latter issue was also highlighted in the **Greater Cambridge Sub Regional Economic Strategy**. This strategy, although largely superseded by the work of the GCGP LEP (see below) identifies a series of challenges to the sub-regional economy relating to the continued local growth of high-tech businesses and issues around the commercial exploitation of the science, technology and research element of R&D.

The sub-region, as defined by GCGP LEP, encompasses a much wider economic geography that extends beyond South Cambridgeshire. It has a diverse economy with national and international strengths in Information & Communications Technologies (ICT), creative industries, bio-medical, low carbon and environmental goods, high value engineering and manufacturing sectors. The LEP’s goal is *“to create an economy with 100,000 major businesses and to create 160,000 new jobs by 2025, in an internationally significant low carbon, knowledge-based economy”*.

At this sub-regional level growth has been constrained by under-investment in transport infrastructure, inadequate broadband infrastructure, skills disparities and shortages, and a chronic shortage of affordable homes. The continuing growth of population and creation of new communities is one of the LEP’s top priorities, with the requirement for major sites, infrastructure, homes, public and private services, consumption and business investment being fundamental to future economic growth.

The **LEP’s Growth Prospectus** set out its economic development vision and priorities for the LEP area. Of particular note for Northstowe are priorities in relation to:

- ❑ **Enterprise** – Boosting start-up rates and improving access to enterprise finance across the area;
- ❑ **Science, innovation and industry** –Improving the performance of the business base through the adoption of ideas and innovations; and
- ❑ **International** –To be an internationally renowned low-carbon, knowledge-based economy – with business strengths in key sectors attracting both inward investment and increased indigenous growth.

The LEP has recently submitted its **Strategic Economic Plan (SEP)** to Government. This comprises a series of prioritised intervention packages allied to a development programme for 2014-2020 European Union (EU) funding which will also prioritise investment, innovation, research and development, and support for the low carbon economy. The SEP makes specific reference to encouraging the expansion beyond Cambridge of high-technology businesses and targeting the provision of research, innovation and “follow-on” commercial space.

The role and development of Northstowe is a feature of the ongoing negotiations over the proposed **City Deal for Greater Cambridge**. This involves the LEP, local councils and Government focusing investment to address “*the economic challenge of providing the infrastructure that will unlock the potential of the Cambridge sub-region*”.

The City Deal proposal highlights the need to connect high tech/high potential clusters to each other, to the centre of Cambridge, to the proposed new railway station adjacent to Cambridge Science Park, to the necklace of science parks and research centres, and to the new housing settlement at Northstowe.

Crucially there is a recognition in the City Deal proposal of the need to move people and intellectual property around the city region in order to maintain the networks and connectivity that have characterised the success of the area, and to achieve a sense of “Cambridge” that incorporates a wider city-region.

South Cambridgeshire plays a key role in the economic prospects of the Greater Cambridge sub-region. The **South Cambridgeshire Economic Development Strategy 2010-2015** builds on work undertaken in 2010 to understand the economic dynamics of the district, which culminated in the production of the South Cambridgeshire Economic Assessment.

As a “Growth Area” within this strategy, Northstowe is identified as a “driver for change” and priority is given to the need to outline and aid the economic development requirements of the new settlement. The strategy highlights the opportunity for Northstowe to become an eco-town (Eco-towns were a Labour Government initiative circa 2007 which was not continued by the current Coalition Government) that plays a considerable role in improving South Cambridgeshire’s housing stock and choice. Similarly proposals for Northstowe are also recognised for their potential to strengthen South Cambridgeshire’s role in accommodating the supply of a pool of flexible and skilled labour in the District and the Greater Cambridge sub-region.

Under the strategic priority/theme of developing “A Low Carbon Economy”, the Strategy also places particular emphasis on providing the physical infrastructure for the local economy that provides the foundation for low-carbon business activities: buildings, utilities, transportation and communications, taking particular advantage of opportunities in the growth areas such as Northstowe.

The potential role of Northstowe in relation to sustainable development and the growth of the low carbon economy in the area permeates planning, infrastructure and economic development policy, strategy and plans. The **Cleantech Strategy and Action Plan** made specific reference to the role of Northstowe in supporting the development of a sub-sector of Cleantech¹ – sustainable construction and building technologies which have emerged through the convergence of information technology, biotechnology and the broader development of Cleantech.

The action plan promotes the idea of Northstowe as a “Living Laboratory” as a potential exemplar of Cleantech and an opportunity to showcase the greater Cambridge area as a centre of innovation and excellence in Cleantech. It recognises that Northstowe could be a location to prototype and create “scale-economies” for products and to undertake low-

¹ ‘Cleantech’ is defined variously as any product or service that improves operational performance, productivity, or efficiency while reducing costs, inputs, energy consumption, waste or environmental pollution and promotes energy efficiency.

carbon light industrial/manufacturing activities linked to the long-term programme of development that will take place there. It further highlights the range of opportunities this might present, from high end research and development through to the practical skills needed to install and maintain these new technologies in both domestic and commercial environments.

2.2.3 **Implications**

The policy and strategy context for Northstowe sets a wide variety of expectations in terms of the economic role and functions that it might be expected to fulfil. What emerged as a policy primarily responding to pressures in the housing market has evolved into a much broader policy base that responds to its potential to contribute to the economic development of the Greater Cambridge sub-region and beyond.

To some extent these are two sides of the same coin since housing has always had a key role to play in economic development. However, the central issues that emerge from the policy and strategy context are:

- The extent to which Northstowe functions as a labour supply to the Cambridge sub-region (i.e. the balance between commuting and self-containment) and how this is met within the overall masterplan;
- The type and range of economic functions it can fulfil as a consequence (i.e. the balance between tertiary and higher value added employment and business activities) whilst remaining complementary to the sub-regional economy.

The sub-region has a track-record of successful cluster development which has evolved to establish a broadly recognised economic geography. However, this should not presuppose a specific role for Northstowe in relation to the high-tech cluster alone (as has previously been referenced) since there is also potential for example for it to establish a role in relation to the Cleantech cluster, particularly sustainable building technologies. Overall this suggests there may be a specific economic role that Northstowe could fulfil in terms of supporting new/emerging clusters that complement and strengthen the sub-regional economy.

2.3 **Current Economic Profile**

The development of the Northstowe economy will be directly influenced by the existing economic geography of the sub-region. An understanding of this context is therefore an essential input to economic strategy considerations. South Cambridgeshire is a mix of rural and semi-rural settlements surrounding the urban core of Cambridge. There are recognised intrinsic economic and labour market links between the two districts which collectively form the Cambridge sub-region.

The *Local Economic Assessment (Cambridgeshire County Council, 2013)* highlights the key characteristics of the South Cambridgeshire and Cambridge economy. The distinguishing features and strengths in the socio-economic profile of the area lie in its focus as an internationally recognised centre for higher education and R&D, with employment in these sectors far outstripping the national average. The employment focus is concentrated in Cambridge, but extends beyond into South Cambridgeshire.

2.3.1 **Place and Demography**

276,000 people live within the Cambridge and South Cambridgeshire area, 206,100 of whom are of working age. There has been a long term growth in total population at significantly higher rates than County wide averages – 15.4% growth between 2001 and

2012, compared to an increase of 13.5% across the County². Population growth has been driven by a mix of both natural change and net inward migration. The city itself has an inflated student population of 28,550, around in one in four of its total population³. In line with the national picture, longer life expectancies are driving the trend towards an ageing population. Population growth over the coming 10 years is projected to be higher amongst those aged above 65⁴. Population growth has increased pressures on existing infrastructure assets and the provision of housing and services across the sub-region.

This is particularly true for housing, where completions within the city have steadily declined over the past decade. Increased demand for housing in the sub-region has fuelled increased pressures on the housing market, with significant increases in house prices across the area and recognised affordability issues – mean average house prices are 8-9 times mean average earnings in the sub-region⁵. There has also been a long term increased trend for in-commuting to Cambridge from South Cambridgeshire and beyond (from as far as London)⁶. Increased congestion and reduced accessibility may be impacting on business productivity. There is a particular need to improve the accessibility of jobs by public transport, cycling and walking in rural areas.

2.3.2 Employment and Unemployment

The labour market profile of the sub-region is similar to that of the nation, but with a few marked differences. South Cambridgeshire currently has a significantly higher employment rate (77.2% of the working age population) than Cambridge (71.5%), although both show high levels of employment when compared to equivalent areas – cities across the UK typically have lower than national average employment rates (71.4%). South Cambridgeshire also has a significantly higher proportion of self-employment (12.0%) compared to Cambridge (7.0%) and England (9.8%). Unemployment is lower in both areas with 4.0% unemployment in South Cambridgeshire and 5.3% in Cambridge (7.7% in England)⁷.

2.3.3 Occupations and Incomes

There is a greater proportion of higher order occupation (SOC Groups 1-3) across the sub-region than at County, LEP and national levels. 56% of jobs across the sub-region were in managerial or professional occupations, compared to 52% across the County, 48% across the LEP and 44% across England. Conversely, the sub-region has significantly fewer residents employed in lower order occupations (SOC Groups 6-9) than at wider geographies, with 27% employed in lower order occupation in the sub-region compared to 31% across the County, 33% in the LEP area and 34% in England⁸. In 2013, the median average weekly income in Cambridge was some £51 more than the average for England and levels in South Cambridgeshire were higher still (some £114 per week higher than England)⁹. Higher wage rates and high labour costs may influence investor decisions in the sub-region and negatively impact on place competitiveness

2.3.4 Employment sectors

The sub-region's hi-tech economy is significant both globally and locally – the hi-tech and bio-tech sector provide around 1 in every 5 jobs across the sub-region¹⁰. The sub-region is characterised by high-value-added sectors, with national strengths in R&D, high-value manufacturing. These sectors have higher levels of forecast GVA and employment

² ONS Mid-Year Population Estimates, 2013.

³ Cambridgeshire Local Economic Assessment, 2013

⁴ ONS Mid-Year Population Projections, 2013

⁵ DCLG Live Housing Statistics, 2014

⁶ ONS Annual Population Survey (Commuter Flows), 2012

⁷ ONS Annual Population Survey, 2013

⁸ Ibid.

⁹ ONS Annual Survey of Hours and Earnings (ASHE), 2013

¹⁰ Cambridgeshire Local Economic Assessment, 2013

growth over the coming years. The hi-tech sector is both expanding and diversifying to encompass growth in creative industries and clean technologies; important growth sectors in their own right. Alongside this, the city has developed a substantial tourism industry that generated £351m of expenditure in 2007 and employed over 6,500 people¹¹. This role has also been critical in place shaping and branding, providing the city and its periphery with a unique identity. Despite substantial growth among the area's distinctive growth sectors, it continues to have significantly higher levels of employment in the public sector. This is largely driven by inflated employment within the Education and Health and Social Care sectors¹².

2.3.5 Business Sectors and Locations

Average business size is greater than the national average and employment growth among smaller businesses is strong. Business survival rates are slightly above averages for wider areas¹³. This has helped create a high jobs density among the area's workforce. High levels of in-commuting to Cambridge reflects a concentration of jobs within the city – for every 10 working-age city residents there are 11 jobs. South Cambridgeshire also has a high jobs: resident's ratio – with 9 jobs per 10 working age residents¹⁴. Consequently, both areas witness an influx of workers from beyond the sub-region. To support this growth, both areas have seen a significant recent increase in business floorspace in recent years and longer-term trends show significant growth in retail floorspace within the city itself, supporting a growing retail sector. There has been a distinct trend in business office relocations from the city into its periphery which has resulted in marked increases in business floorspace, predominantly office space, in South Cambridgeshire¹⁵.

2.3.6 GVA and Economic Prosperity

With a combined output of £1.3bn in 2013, the mix of high-value-added industries across the sub-region results in the area being highly productive, with significant wider contributions to overall GVA compared to other areas of the County and LEP - 44% of the County's total population contributed 58% to its total GVA and 20% of the GCGP LEP area's total population accounted for 29% its total GVA¹⁶. The sub-region is therefore outperforming wider averages. The sub-region also has higher than national average household income and GVA per capita. This reflects a healthy economy with relatively high levels of prosperity within the sub-region but this masks pockets of deprivation and economic disparity in the city and sub-region¹⁷.

2.3.7 Skills and Qualifications

Given the area's historic strength as a seat of learning, it is unsurprising that it has become a focal point for higher-skilled individuals, with over half of employed residents qualified to NVQ level 4+ (Degree equivalent)¹⁸. This is generally recognised as the skill level required to drive innovation and leadership within an economy and to enable businesses to compete globally. There is a continuous replacement supply of highly-skilled workforce that has supported the sub-region's strengths in a hi-tech economy. There is no doubt that the impact of University provision has fuelled this trend. The sub-region does, however, have a high proportion of residents with no qualifications, and GCSE pass rates are relatively low within Cambridge. There is also a relatively high proportion of young people not in education, employment or training (NEET) within the

¹¹ Cambridgeshire Local Economic Assessment, 2013

¹² ONS Business Register & Employment Survey (BRES), 2013

¹³ ONS UK Business Counts, 2013

¹⁴ ONS Jobs Density, 2011

¹⁵ Cambridgeshire Local Economic Assessment, 2013

¹⁶ ONS Sub-national GVA Estimates (Income Based Approach), 2013

¹⁷ Cambridgeshire Local Economic Assessment, 2013

¹⁸ ONS Annual Population Survey, 2013

city. This is in contrast to South Cambridgeshire, where pupil attainment is particularly high¹⁹.

2.3.8 Wider Socio-Economic Characteristics

There are significantly lower levels of deprivation across the districts than would be expected nationally²⁰. This feeds into relatively high levels of resident satisfaction with the local area as a place to live²¹. Community participation and levels of volunteering are high across the area and South Cambridgeshire also has low levels of recorded crime. Although relatively high, there have also been recent reductions in recorded crime within Cambridge itself²².

2.3.9 Carbon Emissions

Per capita sources of CO₂ emissions in South Cambridgeshire (8.7mt in 2011) were slightly higher than the County average (8.5mt). This is largely the result of higher emissions from transport across the authority (measured from the residential source). In Cambridge per capita emissions (5.7mt) were particular low, reflecting lower levels of car ownership and higher public transport use. Cambridge did however have slightly higher average emissions from industry than South Cambridgeshire and the County. CO₂ emissions from domestic sources in 2011 was similar across the geographies.²³

2.3.10 Implications

A number of important considerations emerge from analysis of the existing economic geography of the sub-region, which will influence the potential economic role of Northstowe:

- ❑ Northstowe can act as a 'release valve' for increasing housing market affordability pressures and drive continued population growth to support economic development. This is an important function in terms of addressing labour supply shortages.
- ❑ Cambridge is a dense urban centre and has high levels of in-commuting. Northstowe offers the scope to provide new sites and premises for growing businesses experiencing growth constraints. This can support the sub-region in retaining and growing key sectors, including specialisms in R&D and technology related activities.
- ❑ Northstowe could offer the scale and range of economic infrastructure to enhance growth and diversity in the sub-regional economy, creating an alternative growth pole and contributing to a more sustainable outcome in terms of travel to work patterns / carbon footprint, while adding capacity to attract both high value and job dense activities to the area.

¹⁹ Cambridgeshire Local Economic Assessment, 2013

²⁰ ONS Indices of Deprivation, 2011

²¹ Cambridgeshire Local Economic Assessment, 2013

²² Crime Survey for England & Wales, 2013

²³ DECC CO₂ Emission Estimates 2011

3 Economic Futures for Northstowe

3.1 Key Considerations

The scoping work set out in the previous section provides a context for beginning to define the future potential economic role and functions of Northstowe and an indication of the key considerations that need to be taken account of in determining what the economic development strategy should seek to achieve.

3.1.1 *Building market perceptions of Northstowe as an investment location*

At its most basic level, the economic development strategy will set the 'tone' for Northstowe as a future investment choice. It needs to present a coherent set of external messages about the long-term ambitions for the town, the type of economic investment sought and how that investment will be managed and sustained. If the town is to attract the residents, investors, employers, learners and visitors that will drive its future, there needs to be a clear basis on which Northstowe can be differentiated as a place of choice in the Cambridgeshire sub-region. The relationship between the economic development strategy and the town's 'branding' and marketing will need to be carefully developed.

3.1.2 *Capitalising on known economic growth opportunities locally, sub-regionally and nationally*

The Northstowe economy is to a greater extent a blank canvas but it will operate in a highly dynamic existing economic context. The ongoing growth of Cambridge as a national and international economic hub is creating opportunities for Northstowe to perform a complementary economic role in the asset base for established growth sectors. Equally, Northstowe has the potential to develop its own economic specialisms – the economic development strategy must seek to identify the economic 'ground' on which Northstowe can develop a competitive edge by virtue of its demographic and development profile as well as newly planned social and economic assets.

The explicit selection of any sectoral specialism needs to take full account of the spatial distribution of existing business activity in the sub-region and how existing specialisms, particularly in the technology sectors have evolved. It should also account for drivers of business location preferences, including established assets in and around Cambridge, as well as incentives and land availability elsewhere, such as within Alconbury Enterprise Zone.

3.1.3 *Addressing identifiable deficits in sub-regional economic assets*

A critical economic role for Northstowe may be to plug gaps in the existing sub-regional economic offer. The labour and skills shortages emerging in the area are set to intensify and so the ability of Northstowe to create a release valve in the overheating housing market will add economic value in its own right, irrespective of any indigenous economic potential within the town itself. There are also acknowledged shortages of certain types of business space, particularly for the 'grow-on' of small companies in Cambridge and the wider area.

Emerging sectors, such as those associated with Cleantech may require space and assets in order to 'scale-up' research and, in particular, development potential. The spatial constraints of Cambridge will inevitably lead to pressure for relocation of some larger-scale employment activities, particularly those in lower-value sectors for which a central Cambridge location may become inefficient or uneconomic. Northstowe could offer the spatial and connectivity assets to facilitate relocations and more efficient distribution of economic activity for the sub-region.

3.1.4 **Managing uncertainty**

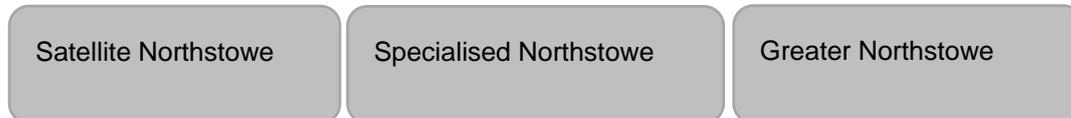
Planning for a new local economy is inevitably hamstrung by uncertainties. Projections and forecasts can help to guide strategic thinking, but recent history illustrates the weaknesses of over-reliance on trend data. We cannot predict how people will work, what sectors will grow and what global shifts could emerge. So the economic development strategy must be flexible and adaptable, not a 'tablet of stone'. What is certain is that Northstowe's economy will evolve over time and therefore an over-prescriptive approach to economic strategy may be unhelpful. In the absence of a single major employer or economic function around which the Northstowe economy will be based, the economic outcome is likely to be diverse.

3.2 **Possible Scenarios**

At this early stage in Northstowe's development, the role of the economic development strategy should be as a 'road map' to influence the direction of the local economy and to put in place a series of processes, assets and governance arrangements to promote a preferred outcome. It should recognise that Northstowe's economic role and functions will evolve and change as the town develops and be flexible to respond to new opportunities as they arise in a dynamic sub-region.

To facilitate debate around economic possibilities for Northstowe, a range of economic scenarios were identified that offer a basis on which a future Northstowe economy can be imagined and on which the risks and implications of alternative economic outcomes can be understood. In particular, the scenarios provide a framework for exploring the link between economic and spatial outcomes for Northstowe.

Three scenarios were identified:



The characteristics and key features of these scenarios are described below. They are not intended as options but rather to support the process of determining a preferred approach that could be developed into a new Economic Vision for Northstowe.

In addition to these scenarios a reference case, "Northstowe 2040," was formulated to provide a picture of the socio-economic characteristics of Northstowe as it could evolve to 2040 if it were to mirror current trajectories for South Cambridgeshire and Cambridge combined. The value of establishing the reference case is in helping to understand the implications of the different scenarios. A copy of the reference case produced in February 2014 is included at Appendix C.

3.2.1 Satellite Northstowe

Characteristics
<p><i>Satellite Northstowe</i> derives its identify / USP from its proximity and accessibility into Cambridge – it has a “sense of Cambridge.” The town acts as a labour pool for Cambridge / South Cambridgeshire based employers, with the guided busway and A14 connections providing commuting routes for Northstowe residents. Satellite Northstowe is primarily a net exporter of labour. Employment levels within the town are driven by indigenous enterprise and home working, with some limited provision for inward investment from outside Northstowe. Planned employment areas are scaled back to reflect a level of indigenous business demand, but very limited inward investment. Support services for innovation and enterprise are drawn in from sub-regional providers.</p> <p><i>Satellite Northstowe</i> offers a highly attractive lifestyle opportunity, with local commercial services orientated to meet local community needs. Sport and leisure opportunities develop through positive uses for open space and the secondary school acts as a focus for local education and skills development. Institutions associated with sport, lifestyle and learning are promoted in Northstowe.</p> <p><i>Satellite Northstowe’s</i> town centre acts as a focus for community, leisure and cultural assets, including some primarily convenience retail provision, healthcare services, library and some localised formal leisure facilities. Local services, food & drink outlets and lower order commercial leisure outlets – alongside multi-functional buildings and dual use of assets, such as the secondary school – create opportunities for social enterprise and ‘third place’ working.</p>
Key features
<p><i>Demography / labour market</i></p> <ul style="list-style-type: none"> • Lifestyle-driven community • Under 45s workforce / commuter population • Supporting the Cambridge economy through labour supply / skills • Accessibility into Cambridge is critical – limited in-commuting • Risks of long distance commuter appeal e.g. East London <p><i>Local employment profile</i></p> <ul style="list-style-type: none"> • Some local employment opportunities but with higher order services in Cambridge • Organic growth, indigenous economic activity <p><i>Town centre</i></p> <ul style="list-style-type: none"> • Town centre uses with community and leisure emphasis • Local service provision to meet local needs • Superfast / Ultraband connectivity and 3rd place working facilities • Emphasis on convenience retail provision, limited comparison • Limited penetration into wider catchment <p><i>Local economic assets</i></p> <ul style="list-style-type: none"> • Strong focus on local education and skills development • Secondary school acts as community hub and town centre anchor • Centre of excellence for sport • Strong focus on home / 3rd place working for local residents • Local cultural and leisure provision <p><i>Strategic intervention / management</i></p> <ul style="list-style-type: none"> • Market-led, driven by demands of growing resident population • Opportunity for community-led approach to delivery / management of assets

3.2.2 Specialised Northstowe

Characteristics
<p><i>Specialised Northstowe</i> derives its identity / USP from its focus on the growth and development of specialised functions and / or sectors. Economic specialisation is based on a selective approach to the types of economic activity to be located in the town and deliberate and planned investment is made in economic assets to support specialisation. The town has a more balanced labour market with in and out commuting, and the economy has well-developed interaction with Cambridge and the wider sub-region. It develops a national and international reputation in its specialised role. Employment sites are orientated towards target business sectors. Bespoke business and innovation support services are developed and intensified in Northstowe alongside sub-regional networks.</p> <p>Cleantech is identified as a potential sector focus for <i>Specialised Northstowe</i>. The town's role as a major construction project over an extended period enables Northstowe to become a 'living laboratory' and centre of excellence for building technology R&D and skills programmes, bringing together the policy focus of the HCA, the SmartLIFE innovation & skills agenda developing in Cambridge and the productive and supply-chain opportunities for growing businesses in Cambridgeshire's clean-tech cluster. '<i>Specialised Northstowe</i>' showcases leading-edge prototypes in clean-tech products and services and acts as a national exemplar in sustainable development / low carbon technology.</p> <p><i>Specialised Northstowe</i>'s town centre is a focus for enterprise and innovation, with a critical mass of integrated economic activity and services to support its specialist function. The town centre acts as a 'knowledge exchange' as well as commercial retail and service centre for town and hinterland. It offers a mix of business accommodation from enterprise 'pods' linked to the secondary school, managed workspace for growing companies and larger units for grow-on retention or to attract inward investment. Other business sites are provided outside of the town centre for businesses requiring hybrid office / manufacturing units but with links to Northstowe's burgeoning town centre-based 'knowledge and innovation hub'.</p>
Key features
<p><i>Demography & labour market</i></p> <ul style="list-style-type: none"> • A younger population profile, focus on under 35s • More population churn as entrepreneurs relocate in and out • A more balanced labour market, commuting in / out <p><i>Local employment profile</i></p> <ul style="list-style-type: none"> • Focus for enterprise and technology development – the 'D' in 'R & D' • Potential for specialization in 'clean tech', building on emerging assets in Cambridge • Business location for range of companies linked to breadth of clean tech agendas • Centre of excellence in sustainable building technologies linked to 'SmartLIFE' <p><i>Town centre</i></p> <ul style="list-style-type: none"> • Critical mass of business incubation and grow on space • Town centre with '3rd place' / networking provision • Mix of convenience / comparison retail provision – 'market town' feel <p><i>Local economic assets</i></p> <ul style="list-style-type: none"> • Range of business accommodation – town centre and business park • Sector skills facilities, linked to 'living laboratory' concept • Bespoke networking and business support services for target sector <p><i>Strategic intervention / management</i></p> <ul style="list-style-type: none"> • Bespoke policy framework to position Northstowe in specialist role • Public-private partnership intervention to deliver specialised economic assets

3.2.3 Greater Northstowe

Characteristics
<p>'Greater Northstowe' derives its identity / USP from its role as a free-standing economic driver with the scale and range of economic assets to act as a growth and trading centre for a sub-regional catchment. It acts as a 'driver for change' and an economic growth pole in the sub-region. It has the employment capacity to meet the full economic needs of its resident population but adds value to the sub-region through its labour, service and product trading role. Greater Northstowe has a reputation as a high quality business location of sub-regional and regional importance.</p> <p>'Greater Northstowe' is not subsidiary to other centres but acts as a focus for business growth and inward investment in its own right. As such, it seeks to build a broad based and diverse economy across a range of sectors, including small and larger scale economic activities. It offers the range and scale of economic infrastructure provision to attract inward investment and to draw in labour from a wide catchment.</p> <p>Planned employment areas are expanded to meet business growth demands. Bespoke Northstowe-based business support and inward investment services are developed to promote the town's investment opportunities to external markets and drive economic growth.</p> <p>Greater Northstowe's town centre is a trading centre – for higher order goods and services but also for ideas and innovation. It provides a counterweight to Cambridge through relocation of institutions and employers that have growth constraints in central Cambridge or can support Northstowe's role as a sub-regional service centre. Its retail offer includes modern destination comparison goods outlets alongside a more traditional 'market town' offer, creating the diversity, vitality and distinctiveness that can draw trade from a wide catchment</p>
Key features
<p><i>Demography & labour market</i></p> <ul style="list-style-type: none"> • More broadly based demographic – 'cradle to grave' population. • Diverse local skills base • Net in-commuting location <p><i>Local employment profile</i></p> <ul style="list-style-type: none"> • Scaled-up economic role, pitching independently for inward investment • Diverse employment, including larger-scale, job dense activities, including regional HQs <p><i>Town centre</i></p> <ul style="list-style-type: none"> • A destination town centre with higher order facilities • Sub-regional retail and leisure offer, with high penetration rates into Greater Cambridgeshire catchment <p><i>Local economic assets</i></p> <ul style="list-style-type: none"> • Upgraded A14 • Larger-scale business sites • Inward investment support services • <p><i>Strategic intervention / management</i></p> <ul style="list-style-type: none"> • More relaxed policy framework to support growth • Bespoke Northstowe economic development management function from the outset

4 Economic Vision for Northstowe

4.1 A “Blended” Vision & Strategic Aims

Consultation with stakeholders and the first workshop to consider scenarios provided a sense of a preferred direction for the economic development of Northstowe. An economic development strategy has to be flexible and adaptable to manage uncertainty and it must reflect a balanced response to the potential assets, aspirations and realistic opportunities that present themselves for Northstowe.

Perhaps inevitably there is a tendency towards pursuing a “blend” of the possible scenarios set out in the previous section as the framework for economic development in Northstowe. The lead scenario based on stakeholder responses was the *Specialised Northstowe* but integrated with elements of the other scenarios, notably the education, community and leisure focus reflected in *Satellite Northstowe* and the degree of independence and diversity reflected in the *Greater Northstowe* scenario.

Previous plans for Northstowe have been developed within the context of sound principles of sustainability and it is therefore not surprising that the potential for the development of the low carbon economy in the town featured strongly during stakeholder consultation.

There appears to be genuine potential to focus part of the town’s economic base around the Cleantech sector, particularly the design, manufacture, installation and maintenance of low carbon sustainable development technologies, including for example solar thermal, ground and air source heat pumps, photovoltaics and rainwater harvesting

The combination of a new town development programme together with locally-based sector-specific skills training organisations, a dedicated business support network for the Cleantech sector and a strong research base in the sub-region presents a unique opportunity for Northstowe to be both an exemplar and a focus for the development of new products and services in the expanding low carbon economy.

There is an inherent danger in specialisation as there is with any over reliance on a specific sector in terms of resilience and future proofing. However there is little doubt that Northstowe will be a focus for sustainable development technology over the next generation by virtue of the scale of residential development that will take place over the next two decades and the commitment of the HCA and local authorities (and by inference the local communities) to sustainability and the low carbon economy.

The vision for Northstowe needs to give credence to this potential but also reflect the need for flexibility and to encourage innovation and collaboration in a manner that is consistent with the successful attributes of the Cambridge cluster and sub-regional economy and will support the continued growth and development of this unique environment.

There was also a clear steer from stakeholders that the vision needed to embrace and promote economic opportunity at all levels and that education and the incubation of talent and enterprise should play a central role. Likewise there is a need to establish a strong sense of community within the business environment and a vibrancy that fosters a sense of place and a uniqueness for Northstowe.

The following vision and strategic aims are proposed as the foundation for the economic development strategy for Northstowe:

The Northstowe economy:

A community for enterprise, innovation and sustainable development

Northstowe will be:

Aim 1 “... a new kind of enterprise community”

Aim 2 “... an incubator of talent and new ideas”

Aim 3 “... a champion of clean technologies”

Aim 4 “... a collaborative and flexible business environment”

4.2 Key Messages

This is not a typical vision statement because Northstowe is to a greater extent a blank canvas onto which a new local economy is to be developed. This offers the opportunity to think both creatively and objectively about the type of economy that can be evolved and to set a course for Northstowe that responds to the dynamics of the economic community in the Cambridge sub-region. It is on this basis that the vision statement seeks to convey an ethos and a set of attributes that will guide the economic development of Northstowe; it is more about the way things will be done rather than being prescriptive about what will be done.

The key message therefore is that the local economy will be actively encouraged to develop from a **community** of interests, like-minded individuals and organisations which are drawn to Northstowe by a set of positive attributes; **enterprise, innovation and sustainable development**.

This implies a different kind of economic clustering, one which is not exclusively based on a specific sector(s) but rather a clustering based around a set of shared values. Enterprise and innovation are endemic in the sub-region and the vision statement sends an important message that Northstowe is positioning itself in that particular economic landscape.

Sustainable development is clearly both a reflection of the way in which development will take place “on the ground” but, as importantly, it sends a message that in economic terms Northstowe will look to engage directly in the development of the low carbon economy.

The vision “aims” express a set of outcomes that the economic development strategy seeks for Northstowe.

There is no doubt that Northstowe will be a *new enterprise community*, but the aim (1) to be a **new kind of enterprise community** conveys an acknowledgement that this is not an attempt to emulate or challenge the role and functions of Cambridge but rather to provide the place and the space for business to do new things or do some things in a different way or environment. More than anything this is a challenge to entrepreneurs to put the “market” into the town.

The aim (2) to be **an incubator of talent and new ideas** emphasises the potential of the town in terms of gearing educational provision towards innovation and business engagement and as a place which is seeking to draw in some of the “development” in R&D which can take place in an environment that is well connected to the Cambridge clusters. It also reflects a role for the town centre as a place for “ideas exchange” not just for trading good and services.

The aim (3) to be **a champion of clean technologies** reflects the importance of sustainability in general and the potential of the related sector(s) in particular (incl. Cleantech) to establish a critical mass on the back of the physical development taking place in Northstowe. It also reflects the potential for the town to act as a showcase/living laboratory and present itself as an innovator at a national and international level.

The aim (4) to be **a collaborative and flexible business environment** implies that there are new ways of working (incl. “home” and “third space”²⁴ working) which are driving change and that physical environments need to be responsive to this and that business engagement and support networks need to reflect this in their design and delivery.

4.3 Developing Strategic Aims

Each of the strategic aims has been developed to provide an indication of the key components and assets and capacity that would be required in order to achieve the vision of Northstowe as **a community of enterprise, collaboration and sustainable development**. They also help shape the spatial response in terms of how the masterplan for the town evolves and adapts to accommodate the development of the local economy.

4.3.1 Aim 1: “A new kind of enterprise community”

This aim is about creating the conditions in which the enterprise community can establish, evolve and flourish, and the development of an entrepreneurial culture in the town.

There are four key components to achieving this aim:

- ❑ Supporting a “whole town” economy;
- ❑ Entrepreneurial economic leadership;
- ❑ Building brand and repute; and
- ❑ Developing the cultural, leisure and green infrastructure.

The notion of a “whole town” economy is a recognition that the location of economic activity is increasingly diversified as markets, technology and social changes impact on the way in which business is done. And this should to be reflected in the spatial characteristics and infrastructure of the town and its ability to function effectively as a “cluster” and a complementary “satellite” to Cambridge.

This means a move away from a more traditional segregation of economic, social and community uses particularly in the town centre towards a genuine mix of uses that encourages high levels of interaction. This applies equally to the planning of economic activity in other areas of the town, which need to be considered in terms of their social and community mix rather than simply as “business parks” or “industrial estates.”

Entrepreneurial economic leadership in Northstowe is fundamental to achieving this aim and the vision as a whole. This leadership requirement should not be underestimated – it needs to be purposeful, delivery-orientated and outward-looking and requires a well-orchestrated and effectively led approach to institutional and resourcing priorities. This will require an assessment of the operation and effectiveness of the existing “economic leadership” functions that apply to Northstowe (building on earlier studies of local management²⁵) and options for new approaches to championing the economic vision.

²⁴ Easily accessible public or semi-public space such as community facilities, cafes etc.

²⁵ Northstowe Local Management Study Final Report; URBED and Martin Taylor Associates (2006)

A key leadership role will be that of building and maintaining the Northstowe “economic brand” and this needs to be based on the tangible application of the positive attributes of **enterprise, innovation** and **sustainable development** in Northstowe – together these represent the USP for Northstowe. For the brand to have legitimacy it needs to be reflected in the way things happen in Northstowe and what happens “on the ground.” It needs to send a clear set of messages to entrepreneurs and investors about the nature of the Northstowe “offer” and be backed by a mechanism capable of responding to the opportunities that come forward as a consequence.

The cultural, leisure and green infrastructure of Northstowe need to be seen as fundamental factors of economic production, intrinsic to its ability to function as an enterprise community and explicit as a means of attracting entrepreneurs and investors to an environment that is distinctive and different to that offered elsewhere in Cambridge and the sub-region.

This is not necessarily about building new cultural and leisure facilities and institutions, but rather the focus should be on how and what cultural and leisure activities can take place within Northstowe that reflect both its brand/attributes and the physical environment and take advantage of its excellent public transport connectivity to draw people into a Northstowe “experience.”

4.3.2 Aim 2: “An incubator of talent and new ideas”

This aim is about embedding enterprise and innovation into the town and creating an environment that is attractive to the “development” aspect of R&D.

There are a four key components to achieving this aim:

- Education anchored in the town centre;
- Providing entrepreneurial opportunities for young people;
- Incubation facilities and services; and
- Attracting R&D activities/end users.

There is an important spatial dimension to this aim which would involve placing educational facilities within the mix of uses provided in the town centre. Secondary and further education facilities will be amongst the first to be built in phase two of the development of Northstowe and this provides an opportunity to literally be a town “built on education,” which sends an important message about the importance this has for Northstowe.

This message needs to be fulfilled in terms of proactive engagement of businesses with schools in order to encourage enterprise and in terms of the provision of facilities and programmes of activity that maximise productive, entrepreneurial opportunities for young people. Some workspaces could be linked to or integral to educational facilities, providing both inspiration/aspiration with entrepreneurs “on site” and the practical means through which young people can begin to develop their talents and ideas. Other workspaces may be more suitably located in the town centre.

Incubation facilities and services will be required to actively support new talent and support the development and commercial realisation of new ideas. The facilities need to be considered in terms of their social and cultural connectivity as well as the physical environment and need to be located in, and part of, the mix of the evolving town centre. Support services need to be related both to the functional requirements of business (finance, skills, access to markets) and the development of specialisms emerging from the Cleantech and sustainable development technology sectors (see Aim 3 below).

Northstowe needs to establish itself as a space and a place to develop ideas in order to attract R&D activities and end users. This will require a set of differentiated strategic propositions that emphasise the practical benefits to be derived from locating these activities in Northstowe. This can take place on several levels.

At one level this can simply be as a short-term location for business networking/events highly accessible from the Cambridge clusters but presenting an entirely different environment. This requires the provision of centrally located meeting/interaction spaces. At another this can be through the provision of specific facilities for R&D “development” activities to take place which need to be close to the Cambridge clusters but not necessarily in the heart of them. This could include prototyping and testing facilities which could be part of an education/training facility.

This will require a combination of inward investment/business marketing services applicable to Northstowe and which reflects the overall brand and attributes of the town whilst being complementary or additional to activities taking place elsewhere in the Cambridge sub-region. Northstowe should not be considered as a competitor location within this wider area and therefore needs to be very clear about the distinctiveness of its offer.

4.3.3 Aim 3: “A champion of clean technologies”

This aim is about evolving an economic specialisation in Northstowe which is embedded into its development and which has a natural “fit” with the Cambridge sub-regional economy. The specialised aspects of the Northstowe economy are about providing practical opportunities for entrepreneurs, organisations and institutions operating in or seeking to enter the low carbon economy, further supporting the incubation of talent and the development of new ideas.

There are four key components to achieving this aim:

- ❑ Living laboratory;
- ❑ Showcasing best practice;
- ❑ Sector development planning; and
- ❑ Embedding sustainable development skills.

The town’s role as a major development project over an extended period enables Northstowe to be both a showcase and a “living laboratory,” a centre of excellence for clean technologies, particularly sustainable development technologies, bringing together the policy focus of the HCA, the productive and supply chain opportunities for growing businesses in the sub-regional Cleantech cluster, and the practical skills and opportunities generated by the SmartLIFE programme and associated organisations and institutions. Sustainable development technologies also represent a convergence between Cleantech and Biotechnology and Information Technology, two significant drivers of economic growth in the Cambridge sub-region.

Showcasing is a mechanism for establishing and promoting Northstowe on a national and international stage as a place where best practice is being implemented and evaluated within the context of a new sector that has strong resonance in the sub-region and the wider GC&GP LEP area. Making this happen would require institutions operating in this environment to be engaged or even located in Northstowe and the presence of a development plan which addresses the infrastructure, skills, and enterprise, finance and investment requirements of the sector.

Guidance at a policy level can be used to encourage sectoral development for example in terms of financial incentives (business rate rebates, business growth finance etc.) or the use of the planning regime in terms of being selective about specific end uses (as has been the case with the development of clusters elsewhere in the Cambridge sub region) or the opposite in terms of the degree of flexibility afforded to specific sub-sectors. It might also be applied in terms of education and skills policy, for example special designations applied to specific schools or training providers.

This latter approach could be driven by an initial focus on sustainable development skills which takes account of the critical mass of skills required in order to support the physical development of the town over the coming years and to ensure that that the town really is an exemplar of sustainable living as envisaged by the *Northstowe Development Framework Document (2012)*.

4.3.4 Aim 4: “A collaborative and flexible business environment”

This aim is about building responsiveness and resilience in the business environment and providing the means for collaboration.

There are three key components to achieving this aim:

- ❑ Flexible workspace;
- ❑ Networks and networking; and
- ❑ Support for new forms of enterprise.

Collaboration and flexibility need to be built into the physical environment for business which takes account of new ways of working, including homeworking and the “third space” working. Employment space should be provided in the heart of the town centre where it can reinforce and be reinforced by surrounding cultural, community, retail and leisure uses, and be designed with maximum flexibility of configuration and tenure to evolve with the needs of entrepreneurs and the enterprise community.

Equally the growth in homeworking should be actively supported both in terms of the design of the ICT infrastructure throughout the town and in the way in which networks and networking activities engender collaboration and the development of effective supply chains within an enterprise community that also operates in dispersed locations throughout the town.

Networks that evolve from “communities of interest” should be actively encouraged to seek out and develop collaborations that cross traditional disciplines and provide an environment where innovation and risk-taking are supported; essentially new kinds of networks for a new kind of enterprise community.

Flexibility should extend to the promotion of and support for new forms of enterprise in Northstowe. This would include community, social and green enterprise, particularly those linked to Cleantech and sustainable development technologies. This might equally be applied to the provision of residential accommodation in the town, with mechanisms and processes to encourage self-build, co-housing and other forms of residential development and management. This approach may also be considered in terms of the development of premises and facilities for business uses/activities.

5 Leadership, Delivery & Outline Implementation Plan

5.1 Overview

This section outlines the approach to the leadership and delivery of the *Economic Vision* and *Strategic Aims* set out in the previous sections. The focus here is on the means by which the overall strategy can be taken forward and where the focus of initial activity should be in order to begin to develop the economy of Northstowe.

5.2 Economic Leadership

5.2.1 *A strategic approach*

Realising the Economic Vision and Strategic Aims for Northstowe will require a committed and focussed delivery effort that can be sustained over time as the town, the community and its economy evolves. This presents a new kind of challenge - maintaining the economic vision through an extended period of change as a multiplicity of both existing and new stakeholders begin to engage in the economic development of Northstowe.

Building a **community for enterprise, innovation and sustainable development** needs to involve a strategic approach to leadership that builds confidence in entrepreneurs and investors and advocates a prioritised approach to actions and activities that can generate momentum in the economy of Northstowe. Adopting this approach will require leadership that is driven, capable, flexible, inclusive and above all entrepreneurial. Leadership of the strategy must be reflective of the economic aspirations of Northstowe.

5.2.2 *Using policy and advocacy as a delivery tool*

Much of the early emphasis in the delivery of the economic development strategy will be on advocacy for Northstowe and its economic potential. Advocacy will form a key aspect of economic leadership activities in the early delivery phase of the economic strategy and will influence the application of policy mechanisms to reinforce the legitimacy of the Economic Vision and Strategic Aims. In simple terms, the strategy needs to be “adopted,” not only by key public sector institutional stakeholders but also by private and third sector organisations and representative groups. For the strategy to gain materiality in decision-making, it will need to be acknowledged and referenced across a range of linked policy agendas.

A key message of the Economic Vision for Northstowe is that the local economy will be encouraged to develop from a “community of interests” drawn to the positive attributes of **enterprise, innovation and sustainable development**. So this process of advocacy and policy adoption is the starting point for engaging with a wider community of interests and developing a cluster of support for the strategy.

Clearly, without a robust public sector policy framework, within which the economic development strategy becomes a material consideration, the ability of public sector stakeholders to influence the economic development of Northstowe will be limited, as will their ability to influence, either directly or indirectly, the scale and nature of private sector investment. It is the policy framework that gives legitimacy to decisions and actions by the public sector to support strategy delivery.

This advocacy and adoption process needs to be extended into the private and third sectors and encompass both formal and informal networks with the aim not only of engaging them, but also actively encouraging them to participate and come forward with

their own ideas, proposals, plans and projects – in other words to give it their own legitimacy.

This is an “open source” ethos and a strong signal towards the aim of establishing Northstowe as *a new kind of enterprise community* which will require a far more flexible approach to economic development than may be possible or practical in an established local economy. This is the benefit of having a largely blank canvas on which a new local economy is to be developed but it may also create challenges to established systems and protocols - careful marshalling of stakeholders will be required to ensure that a broad mix of interested parties are fully engaged and that policy alignments can be secured.

The effectiveness of the Economic Development Strategy for Northstowe as a delivery tool will be dependent upon a broad coalition of support and an open and ongoing dialogue between partners, stakeholders and the community focused on the means by which the Economic Vision can be realised and any policy or institutional constraints can be addressed. This will provide the foundations on which specific project delivery can be built and momentum can be generated during the early period of Northstowe’s development.

5.2.3 Early establishment – interim leadership and delivery

Early establishment of an interim leadership and delivery framework for Northstowe’s economic development will be essential in maintaining a strategic approach, driving the process of policy alignment and advocacy and building delivery momentum. Importantly, this will bring a degree of clarity and certainty to roles and responsibilities in making the first moves in developing the economy of Northstowe.

This does not mean committing to a long term leadership or delivery structure - this will need to evolve over time. But it is about establishing the framework to manage and expedite early delivery planning work which will itself influence the leadership and delivery options going forward, including the interaction with wider civic and political processes.

A first step would be to establish a **‘Northstowe Economic Leadership Group’** with a primary function to lead the transition from the preparation of the economic development strategy through to the initial delivery phase over the first 12-18 months. The Economic Leadership Group will be responsible for maintaining a strategic approach, promoting a focus on the Economic Vision and Strategic Aims and steering the strategy through the advocacy and policy adoption process. This Group would essentially become the “holders” of the Economic Vision.

In parallel, the Economic Leadership Group will be responsible for directing and overseeing the establishment of a set of **Principal Strategies** related to the delivery of each of the Strategic Aims and a series of **Early Actions** which will focus on the delivery of specific projects with outcomes aligned to the Strategic Aims. The suggested partners in the Economic Leadership Group is set out below.

The Economic Leadership Group needs to be action orientated and reflect a balanced mix of interests, with the organisations involved committed to the Economic Vision and Strategic Aims and the individuals able to commit their time and expertise to direct early actions of economic development in Northstowe with authority. The Group will act as the focus for actions to drive the delivery of the economic vision and strategic aims.

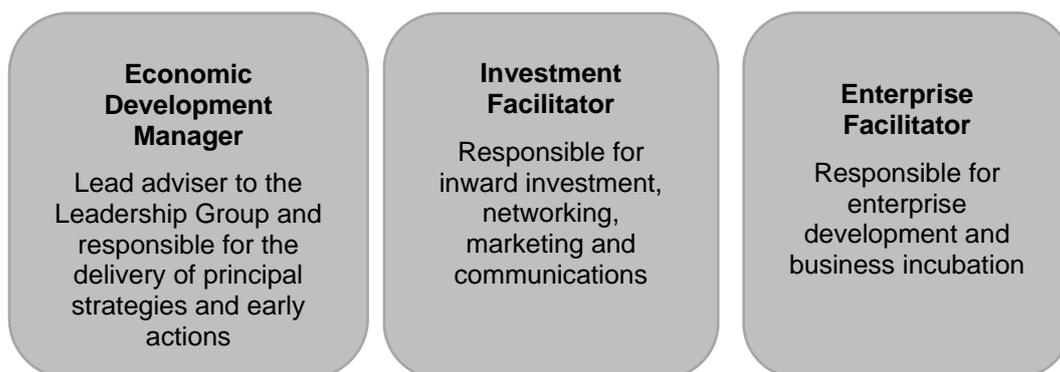
The Economic Leadership Group would not be intended to usurp any existing civic or political leadership function. It is purely a mechanism around which to galvanise interest in the delivery of the economic development strategy. It should, nevertheless, have a clear mandate and authority to promote the strategy, to coordinate the delivery roles of the key partners and monitor progress in the delivery of key economic development actions and initiatives. In order to maintain focus and retain a degree of operational

flexibility, membership of the Economic Leadership Group should be limited to no more than 8-9 and preferably have independent chairmanship.

- ❑ **South Cambridgeshire District Council;**
- ❑ **Cambridgeshire County Council;**
- ❑ **Homes & Communities Agency;**
- ❑ **Gallagher Estates;**
- ❑ **Greater Cambridgeshire & Greater Peterborough Local Enterprise Partnership;**
- ❑ **Northstowe Parish Forum** – reflecting community interests;
- ❑ **Swavesey Village College / SmartLIFE** – reflecting education and training interests;
- ❑ **Cambridgeshire Chambers of Commerce** – reflecting a broad range of business interests;
- ❑ **Cambridge Cleantech** – reflecting sector specific interests; and
- ❑ **Future Business** – reflecting social enterprise interests.

Since the role of the Economic Leadership Group is essentially strategic in nature, it will need to be supported by an Operational team with day-to-day responsibility for the implementation of a work programme for the first 12-18 months, including the development of the 'Principal Strategies' and 'Early Actions' referred to above. Crucially, the Operational team will act as the central point of contact for engaging and responding to stakeholders, entrepreneurs and investors with the potential to participate in the economic development of Northstowe.

The Operational team would initially need to fulfil the following roles:



The Operational team might initially operate on the basis of secondees or new employees hosted by one or more of the stakeholder organisations and may be supplemented on a project-by-project basis from external organisations as appropriate. There is a degree of overlap in the three roles identified above and these could initially be fulfilled by one person but ultimately the structure of the Operational team would be determined by the Leadership Group. A key function of the Operational team is to identify and marshal the

resources of others in support of the delivery of the economic development strategy but they would also require financial resources to acquire specialist assistance as necessary.

This preliminary leadership and delivery mechanism could operate on the basis of an *Economic Development Collaboration Agreement* between the partners. This agreement would be a signal of commitment to joint working on Northstowe's economic development and provide the means by which the functions, roles and responsibilities of partners can be agreed and decision-making protocols confirmed. It would not be intended to fetter the ability of partners to meet and deliver any of their statutory obligations but would ensure that the operation of the Economic Leadership Group had a formal basis.

The Collaboration Agreement would set out the membership of the Economic Leadership Group, its objectives, key activities, milestones, and arrangements for meetings and communications, appointment of a Chair and any financial or other commitments to be made. Likewise, it would set out arrangements for the establishment of the Operational team and mechanisms for contracting any specialist or technical support, together with a 12-18 month action plan with key milestones and deliverables.

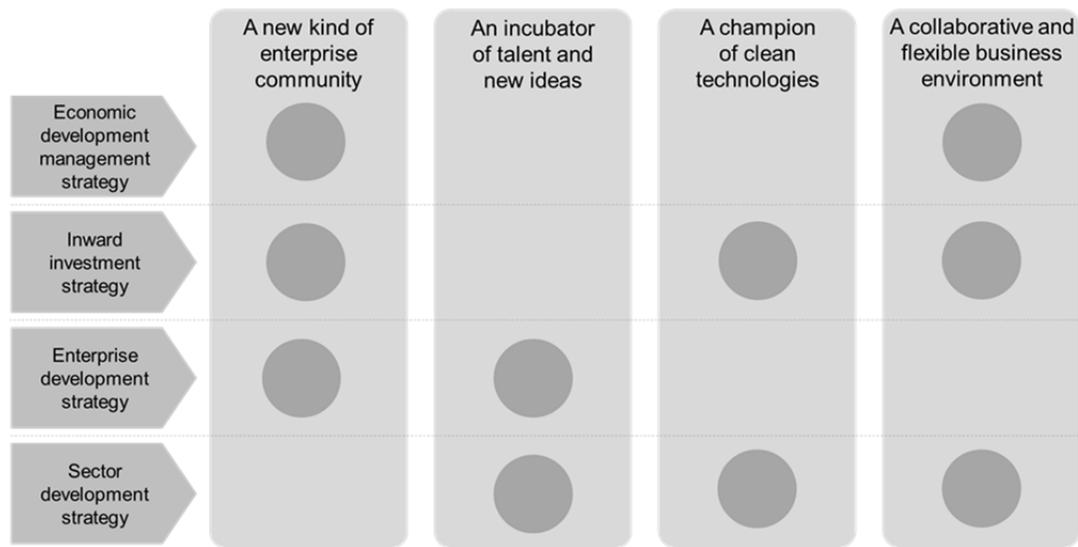
5.3 Delivery Framework

5.3.1 *Principal Strategies*

The Economic Vision and Strategic Aims set the direction of travel for the economic development of Northstowe. These will need to be supplemented by a set of **Principal Strategies** that provide the framework for the delivery of programmes and projects to stimulate and sustain economic development in Northstowe. There are four Principal Strategies that should be put in place initially:

- ❑ Economic development management strategy;
- ❑ Inward investment strategy;
- ❑ Enterprise development strategy; and
- ❑ Sector development strategy.

These will need to be supplemented by other strategies that flow from the Economic Vision and Strategic Aims, for example in relation to cultural, leisure and green infrastructure and the R&D infrastructure, but these Principal Strategies are central to the process of transition from strategy to action. The diagram below demonstrates how they contribute to the Strategic Aims:



Each of the four Principal Strategies is outlined further below and, where appropriate, these are linked to a set of *initial economic assets* – processes, networks, services, skills, facilities, and infrastructure - which need to be delivered as cornerstones of the economic development of Northstowe and the focus for *early action*.

5.3.2 Economic development management strategy

- Organising and resourcing

Effective economic development management will drive delivery of all the Strategic Aims and goes to the heart of creating a *new kind of enterprise community*. The strategy development process will involve identifying and assessing a range of options for economic development management for Northstowe and the different types of delivery mechanism that can be applied to facilitate economic development on the ground. It will also need to take account of previous work undertaken into local management in Northstowe and consider both formal and informal approaches to leadership and delivery.

The central challenge for this strategy will not be about generating economic development management options but to establish the criteria and objectives against which these options will be measured and a preferred approach selected – form must follow function in establishing the management framework for a *new kind of enterprise community*.

A further important challenge that needs to be addressed by the economic development management strategy is the interaction between economic, civic and political leadership. Whilst the focus here is on economic development delivery in Northstowe, this must operate in the context of wider democratic accountability and the established structures of governance, land ownership and legislative authority and needs to be aligned to established governance structures as far as possible whilst remaining flexible and responsive to opportunities as they arise.

Critically, economic development management structures need to be effectively resourced, which is likely to involve a mixture of public, private and third sector support to ensure the long term financial sustainability of chosen economic development delivery model.

- Delivery performance and impacts

The economic development management strategy will also need to establish the parameters for measuring and monitoring delivery performance in the economic

development of Northstowe. This will require a set of key performance indicators on a broad range of indices, both quantitative and qualitative, that can be used to guide action and determine impacts. They need to be capable of being aggregated to enable an analysis of how the economic development of Northstowe is progressing, what is working and what is not working or where the balance of any actions or interventions needs to rest in order to deliver against the Economic Vision and Strategic Aims – which will need to be regularly refreshed to adapt of circumstances and opportunities which cannot be foreseen in these early stages in the evolution of Northstowe.

5.3.3 **Inward investment strategy**

- **Defining the investment proposition**

A strategic approach to inward investment in Northstowe is fundamental to the development of the Northstowe economy. Alongside overarching economic development management, the arrangements for managing inward investment will support the other principal strategies for enterprise development and sector development.

Building on the economic baseline and the strategic economic context for Northstowe within the Cambridge and South Cambridgeshire sub-region, the inward investment strategy needs to scope the opportunities presented by Northstowe in order to develop a clear investment proposition and establish target markets from which to secure new investment. This proposition needs to compliment and add value to strategic inward investment initiatives and activities taking place at the Cambridgeshire/GC&GP LEP level and through the London Stansted Cambridge Consortium in order to maximise its potential impact.

At a basic level the relatively “blank canvas” of economic activity at Northstowe can be a powerful tool in stimulating potential investment interest from the private, public and third sectors, particularly when set within the context of a vibrant sub-regional economy and a clear Economic Vision, which is entrepreneurial in nature and flexible in outlook.

Northstowe can benefit significantly from the profile associated with the development of the first wholly “new town” in the UK in well over a generation and one which already benefits from the connectivity provided by the highly successful Cambridgeshire Guided Busway. There is a uniqueness to the economic development opportunity of Northstowe that can underpin a strong and unique proposition for a wide variety of potential investors.

The counter to this is that Northstowe is untested as an investment proposition and therefore presents inherent risks for investors that might outweigh any “first-mover” benefits. Without a strategic approach to inward investment there is no set of criteria against which potential investment can be measured in terms of its ability to contribute to the Economic Vision and there is a potential downside to accepting any new investment which might ultimately run counter this vision. Equally this strategy will also need to address the challenge of encouraging early investment in Northstowe that is capable of providing immediate employment opportunities for new residents from the outset

- **Marketing and communications**

A plan for marketing and communications will form a key strand of the inward investment strategy. An economic brand for Northstowe, with key messages and target audiences, needs to be established. This should integrate with and reinforce existing branding activities associated with the development of the new community and reflect the vision for the Northstowe economy as *a community for enterprise, innovation and sustainable development*.

The inward investment proposition needs to be flexible enough to stimulate a wide variety of potential interests from the private, public and third sectors and on different scales, whether an individual social entrepreneur or established multi-national, but also robust enough to selectively encourage appropriate investment that supports the economic vision and strategic aims.

- **Generating and responding to leads**

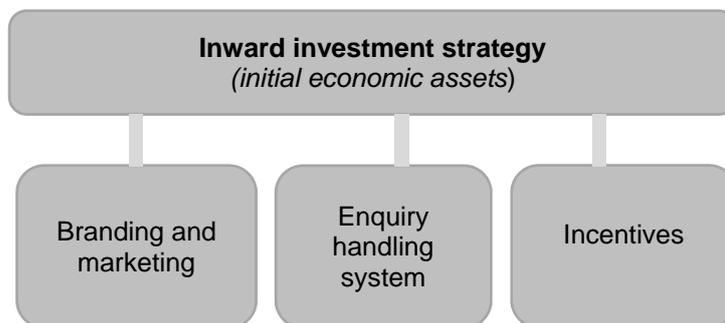
This marketing and communications activity has to be backed by capacity to deliver otherwise the value of the economic brand will be weakened. The inward investment strategy therefore needs to identify how best to direct existing capacity in the public sector to respond to potential investors and to engage individuals and organisations within the sub-region that are investing in new and established businesses to ensure that Northstowe becomes recognised as part of the investment landscape.

There are practical considerations that need to be addressed in terms of generating and responding to investment leads and enquiries, identifying suitable investment locations, account management of investments, securing planning consents within an evolving local planning context, accessing support services and facilities and so on. This is all part of the Northstowe investment proposition and is equally as valid as the work required to establish target markets and sectors – the proposition is only as strong as the ability to deliver on it and this will be a real challenge to generating investment Northstowe.

- **Investment incentives**

Investment may be encouraged through the use of incentives in respect of planning or property, finance or the labour market which send a clear signal to external investors about the direction of travel for the Northstowe economy. These can be used to influence the range of investment that is encouraged to the area over time to ensure that the local economy develops in a balanced way without an overreliance on one or more sectors – retail, leisure and services and social enterprises are as critical to the mix as high value added Cleantech business and research and development.

The diagram below highlights the *initial economic assets* which need to be the focus for *early actions* in order for Northstowe to begin to compete in the market for investment.



5.3.4 Enterprise development strategy

- **A supportive framework**

The rationale and focus for this strategy is *the incubation of talent and new ideas* and establishing a *collaborative and flexible business environment*. It needs to set out how enterprise and entrepreneurialism will be encouraged within the context of the economic development of Northstowe and the wider context of enterprise support and development in the sub-region, building upon existing formal and informal initiatives and programmes.

This strategy will encompass business start-ups as well as support services, networks and incentives to encourage and sustain the growth of businesses in Northstowe. Its focus needs to encompass private and social enterprise and take account of new ways of working particularly in terms of the use of technology and the physical environment for business collaboration and growth.

- **Linking education & enterprise**

This work needs to establish links between education at all levels and enterprise development, from skills for business and practical opportunities for young people to work

with and develop their own ideas and business models, right through to the role that Northstowe can play in facilitating the spin-out of new enterprises from the wealth of research and development activities taking place across the sub-region.

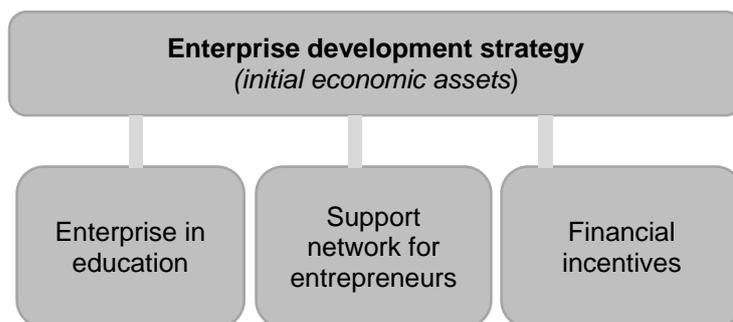
It can build on the successful model of engagement developed by Cambridge Area Partnership and supported by the Greater Cambridge City Deal, which brokers strategic links between businesses and the education sector to encourage more business involvement in schools and colleges and careers advice for young people based on local labour market information about sub-regional growth sectors.

- **Facilities & resources**

Northstowe needs to establish the facilities and services required to support enterprise development, including the provision of managed workspace and incubation facilities, home-working networks and associated support such as access to finance, training, marketing and management services and communications technology that facilitates “third-space” working.

These are all aspects of the hard and soft economic infrastructure and assets that need to be understood in terms of demand at the sub-regional level, and planned for in terms of supply to meet this demand and take account of existing provision.

The diagram below highlights the *initial economic assets* which need to be the focus of *early actions* in order for Northstowe to begin to stimulate enterprise development.



5.3.5 Sector development strategy

- **Facilitating Cleantech growth**

The sector development strategy sits alongside the enterprise development strategy with a focus on establishing Northstowe as a *champion of clean technologies*. This strategy is about skills development as well as enterprise development, taking advantage both of the growth of the Cleantech sector in the sub-region and the focus on sustainable development technologies in the physical development of Northstowe.

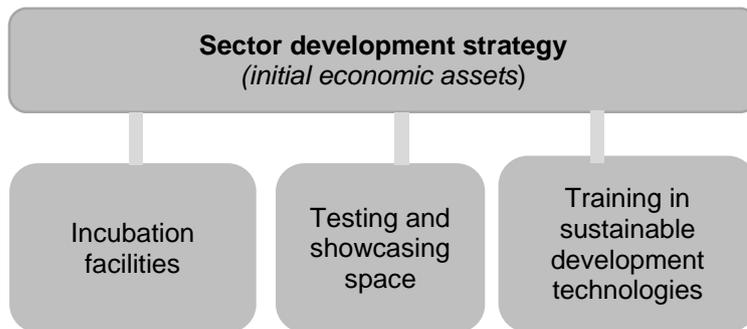
- **Supporting innovation & collaboration**

There are several significant organisations and networks in the sub-region that need to be engaged in the development of this strategy and given the opportunity to develop their own objectives within the context of Northstowe. Cleantech has emerged from collaboration and the interrelationship between different disciplines and market opportunities - this presents an area where Northstowe can position itself at the forefront of innovation if there is the infrastructure to support it. This might be through a dedicated business incubation facility in the town centre or through the provision of space for “living laboratories” as part of specific development phases, where new building technologies can be tested and “proved” in the field or showcased as part of the Northstowe ‘brand’.

- **Training**

The volume of residential development planned over an extended period provides an opportunity for education and skills organisations to invest in skills development programmes, projects and facilities that provide practical hands-on opportunities for training both in Cleantech and sustainable development technologies and it will also enable businesses to collaborate in the development of new products and services.

The diagram below highlights the *initial economic assets* which need to be the focus of *early actions* in order for Northstowe to begin to stimulate sector development.



5.4 Early Actions

A series of **Early Actions** will encompass the work to define the four Principal Strategies set out above and focus on delivering the *initial economic assets* for Northstowe over a 2-3 year period, following the establishment of the Economic Leadership Group and Operational team. These early actions are summarised on the following page.

5.5 Alignment & Review

The process of economic development delivery will need to progress alongside the wider development processes at Northstowe. The strategy as currently configured will need to be kept under review as the pace of development moves forward and to respond to opportunities as they arise. The Economic Leadership Group will play a key role in monitoring the alignment of the Economic Development Strategy and Early Actions with the delivery process and timelines across all aspects of Northstowe's establishment.

The preparation of the proposed Principal Strategies will lead to the identification of further potential initiatives that can contribute to the overarching vision and strategic aims and enable the key stakeholders in Northstowe to play a full role in strategy delivery. Importantly, they will support the process of defining priority activities and potential delivery resources. As the wider development programme advances further consideration will need to be given to the inter-relationships between the establishment of Northstowe's community and its economy, and the resourcing opportunities that could arise to support economic development activities.

Critically, the process of devising an economic development strategy for Northstowe has itself brought together a range of agencies and organisations with an interest in the town's future economic role and its potential as an economic driver in the wider sub-region. This dialogue and associated consultation events have generated a wide range of ideas and propositions that can support Northstowe's economic development, as well as helping to reinforce and make new connections between programmes and activities that can influence economic outcomes as the town evolves. This creative synergy can be further promoted through the Economic Leadership Group and other informal networks as a vital part of the strategy delivery process.

Action 1: Establish the Economic Leadership Group and Operational team

Action 2: Consider the Economic development management strategy in the context of overarching Northstowe development timelines and programme.

Action 3: Develop potential heads of terms for an Economic Development Collaboration Agreement.

Action 4: Develop the Inward investment strategy

Action 5: Prepare inward investment marketing materials and promotional tools.

Enterprise in education

Action 6: Agree inward investment enquiry handling protocols.

Support network for entrepreneurs

Action 7: Review potential for a Local Development Order, Enterprise Zone status or other investment initiatives.

Financial incentives

Action 8: Develop the Enterprise development strategy

Action 9: Assess the feasibility of establishing an enterprise centre and assessment of the optimum location at Northstowe

Enterprise in education

Action 10: Develop a programme of business networking events and activities associated with Northstowe.

Support network for entrepreneurs

Action 11: Assess the viability of a Northstowe Business Growth Fund targeting early-stage businesses.

Financial incentives

Action 12: Commission the Sector development strategy

Action 13: Assess the feasibility of establishing of a Cleantech sector business incubator in Northstowe.

Incubation facilities

Action 14: Establish opportunities for a “Living Laboratory” on a dedicated site(s) in Northstowe.

Testing and showcasing space

Action 15: Establish a compact between housebuilders in Northstowe and SmartLIFE/BRE centre of excellence or other similar organisations to provide vocational training for young people.

Training in sustainable development technologies

Appendix A: Consultees

List of consultees (workshops, presentations and one-to-one meetings)		
Kate Heydon	Parish Councillor	Cottenham Parish Council
Gill Ashby	Parish Chair	Longstanton Parish Council
Alex Riley	Councillor (Longstanton)	South Cambridgeshire District Council
Edward Cearns	Councillor (Market)	Cambridgeshire County Council
Lynda Hartford	Councillor (Cottenham)	South Cambridgeshire District Council
Nick Wright	Councillor (Papworth & Elsworth)	South Cambridgeshire District Council
Tim Wotherspoon	Councillor (Cottenham)	South Cambridgeshire District Council
David Reeves	Parish Chair	Oakington & Westwick Parish Council
Geoff Twyss	Parish Councillor	Oakington & Westwick Parish Council
John Reynolds	Councillor (Bar Hill)	Cambridgeshire County Council
Marian Cleaver	Parish Councillor	Histon & Impington Parish Council
Brian Ing	Parish Councillor	Histon & Impington Parish Council
David Jenkins	Councillor (Cottenham, Histon & Impington)	Cambridgeshire County Council
Dr David Arkell	Director	SmartLIFE Low Carbon Centre
Michael Barnes	Programme Manager	Greater Cambridge Greater Peterborough LEP
Lois Bowser	Northstowe Team Leader	South Cambridgeshire District Council
John Bridge	Chief Executive	Cambridgeshire Chambers of Commerce
Marianne Brook	Assistant Director	Deloitte Real Estate
Robert Lewis	Education	Cambridgeshire County Council
Adrian Cannard	Strategy & Planning Director	Greater Cambridge Greater Peterborough LEP
Dr Martin Clark	Deputy Chief Executive	Future Business
Steve Connor	CEO	Creative Concern
Andy Daly	Principal	Swavesey Village College
Martin Garrett	Chief Executive	Cambridge Cleantech
Iain Green	Environmental Health	South Cambridgeshire District Council
Anita Howard	New Communities	Cambridgeshire County Council
Ian Howes	Urban Design	South Cambridgeshire District Council
Caroline Hunt	Planning Policy	South Cambridgeshire District Council
Shirley Jamieson	Head of Marketing	Cambridge Enterprise Limited
Paul Kitson	Senior Project Manager	Homes & Communities Agency

Andy Lawson	Projects Director	Gallagher Estates
Sarah Lyons	Housing	South Cambridgeshire District Council
Steve McAteer	Director	Deyton Bell Limited
Bob Menzies	Infrastructure Delivery	Cambridgeshire County Council
Guy Mills	Economic Development Manager	Cambridgeshire County Council
Jo Mills	Director of Planning & New Communities	South Cambridgeshire District Council
Steve Morris	Regional Development Director	Bedford Pilgrims HA
Ellen Nowak	Arts Development	South Cambridgeshire District Council
Tam Parry	Transport	Cambridgeshire County Council
Melanie Radford	Principal	UTC Cambridge
Julie Stockton	Account Manager	Creative Concern
Jill Terrell	Support Services	Cambridgeshire County Council
Laurence Well	Project Manager	UTC Cambridge
Nicola White	Associate Director	Arup
Mark Woods	Executive Principal	Cambridge Meridian Academies Trust
Kimberley York	Area Manager – Northstowe	Homes & Communities Agency

Appendix B: Sources

Source Documents
Growth Prospectus (Greater Cambridge Greater Peterborough LEP, 2012)
(Extract) Strategic Economic Plan (Greater Cambridge Greater Peterborough LEP, 2014)
Cambridgeshire & Peterborough Structure Plan (Cambridgeshire CC/Peterborough City Council, 2003)
Cambridgeshire Green Infrastructure Strategy (LDA, 2011)
Cambridgeshire Local Economic Assessment (Cambridgeshire CC, 2013)
Cambridgeshire Local Investment Plan Update (Cambridge Sub-Regional Housing Board, 2012)
Draft Transport Strategy for Cambridge and South Cambridgeshire (Cambridgeshire CC, 2013)
Greater Cambridge Sub Regional Economic Strategy 2009-12 (Greater Cambridge Partnership, 2009)
Cleantech Strategy and Action Plan (Greater Cambridge Partnership, 2010)
Cambridge Cluster at 50: The Cambridge Economy Retrospect & Prospect (SQW, 2011)
Cambridge Local Plan: Proposed Submission (Cambridge City Council, 2013)
Employment Land Review: Update & Review of Selective Management of Employment Policies (SQW, 2012)
Greater Cambridge City Deal (Report to Cambridgeshire CC Cabinet 18 th December 2012)
Proposed Submission: South Cambridgeshire Local Plan (SCDC, 2013)
Northstowe Area Action Plan Development Plan (SCDC, 2007)
(Adopted) Northstowe Development Framework Document (Gallagher/Homes & Communities Agency, 2012)
Northstowe Development Framework Document Addendum: An Exemplar of Sustainable Living (Gallagher/Homes & Communities Agency, 2012)
Northstowe Economic Development and Training Strategy (SQW, 2007)
Northstowe Legal Agreement Phase 1 Outline Planning Application (Report to Northstowe Joint Development Control Committee 29 th January 2014)
South Cambridgeshire Economic Development Strategy 2010-2015 (SCDC, 2010)
Northstowe Local Management Study (URBED & Marilyn Taylor Associates, 2006)
South Cambridgeshire Local Development Framework (SCDC, 2007)
A14 Cambridge to Huntingdon Improvement Scheme (Report to Cambridgeshire CC Enterprise, Growth & Community Infrastructure Overview & Scrutiny Committee 4 th February 2014)

Appendix C: Reference Case (Northstowe 2040)

Introduction

The Reference Case is a picture of the socio-economic characteristics of Northstowe as it could evolve to 2040 if it were to mirror current trajectories for South Cambridgeshire and Cambridge combined. The value of establishing a reference case is in helping to understand the implications of the different scenarios and economic roles outlined in this report and it was used by the Steering Group during the scoping phase of the strategy development process.

Containment Level

As the Reference Case is developed on assumptions drawn from South Cambridgeshire and Cambridge's economic and labour market dynamics, we have included sensitivities within our analysis to account for the "Cambridge Effect" – where the city will continue to be a focus for attracting workers from both within and beyond its boundary.

It would be incorrect to assume that Northstowe will develop as a town which mirrors this function and it is inevitable that Cambridge itself would consume some of the town's potential workforce in any scenario given proximity and connectivity. To reflect this we have included a 60% net outflow of commuters from Northstowe in the Model - based on the performance of other similar sized comparator new towns²⁶.

Place and Demography

Development projection

The housing construction programme used to determine the housing development trajectory for the town is based on the latest reporting for key construction periods, with updated assumptions to reflect delays in programme start dates since previous reporting. The outline programme is provided below:

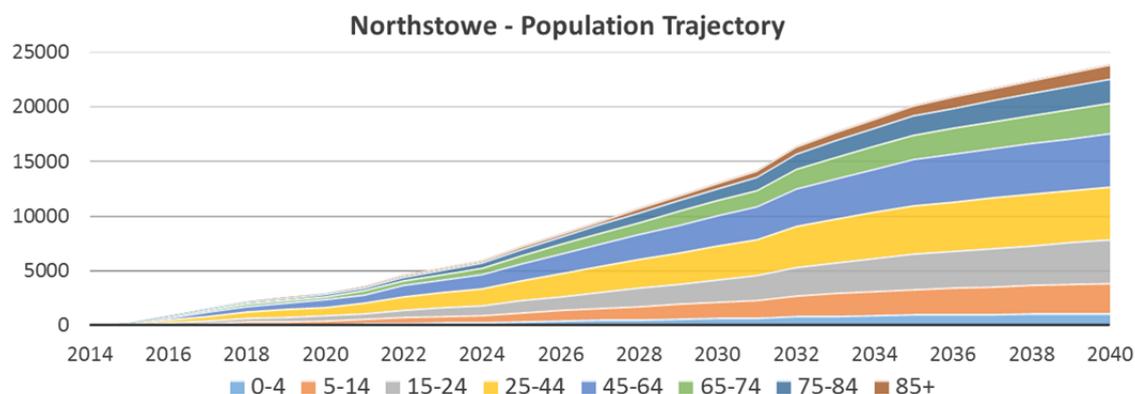
[Note: These figures have subsequently been revised since the scoping phase of the strategy development process]

Total cumulative number of Dwellings in Northstowe by Phase of Construction							
	2015	2018	2021	2026	2031	2036	2040
Phase I	100	910	1380	1540	1540	1540	1540
Phase II	-	-	100	1215	1540	1540	1540
Other	-	-	-	275	2450	4950	6420
Total	100	910	1480	3530	5530	8030	9500

²⁶ Wokingham (near Reading), Yate and Chipping Sodbury (near Bristol) Daventry (near Northampton) Chandler's Ford (near Southampton) and Witham (near Chelmsford)

Population projections

Using a smoothed construction programme, population projections for the Study Area²⁷ and district-wide population projections by age²⁸, it is possible to gain an understanding of the likely demography of Northstowe. This growth trajectory is as follows:



Based on this trajectory, key milestone dates for projected town population benchmarks are as follows:

Northstowe Population Trajectory – Key milestone dates					
Date	Dwellings	Milestone	Broad Age Breakdown		
			Working-age (15-74)	Under 15	Over 75
2019	1,070	Population exceeds 2,500	1,950	400	200
2023	2,200	Population exceeds 5,000	3,850	900	500
2028	4,530	Population exceeds 10,000	7,700	1,850	1,250
2032	6,530	Population exceeds 15,000	11,600	2,800	2,050
2035	8,030	Population exceeds 20,000	14,100	3,400	2,700
2040	9,500	Population exceeds 23,900	16,450	3,950	3,500

Under the Reference Case the town would have a total population of 23,900 in 2040, of which 16,450 would be people of working-age (15-74). Based on anticipated demographic change, the Reference Case assumes that the proportion of working-age population to overall population will steadily decrease between the years, driven by longer-term trends of an ageing population, trends in migration and lower rates of workforce replenishment.

The findings also suggest that the total number of people per dwelling will vary over the period. In 2018, the trajectory suggests that there will be 242 people per 100 dwellings in Northstowe rising to 252 people per 100 dwellings by 2040. In reality, the lag time between housing construction and occupancy (which is not included in this analysis) may alter this profile, as would a more refined construction programme.

As with wider demographic trends, Northstowe's population change will be driven by a range of demographic factors, including both natural and migratory changes. These are accounted for within this analysis, however, as with all developments, there are a range of market factors which will influence the broad demographic mix.

²⁷ East of England Forecasting Model (EEFM) (Baseline Variant Occupancy Ratios, Spring 2013)

²⁸ Population Projections, Cambridgeshire County Council Research and Performance Team, Summer 2013 - includes considerations for Census 2011 reporting.

Labour Market Profile

In the Reference Case, based on East of England Forecasting Model (EEFM) figures, Northstowe would have the following broad labour market dynamics:

Northstowe – Labour Market Projection						
	Milestone date					
	2019	2023	2028	2032	2035	2040
Total Population	2,590	5,280	10,740	16,420	20,200	23,900
Working age population (16-74)	1,950	3,850	7,700	11,600	14,100	16,450
Employed (Self/Employee Jobs ²⁹)	1,310	2,160	5,260	8,010	9,820	11,550
Self-employed	240	480	960	1,450	1,780	2,080
Employment (Workplace based ³⁰)	1,070	2,640	4,300	6,560	8,050	9,470
Employment (Residence based ³¹)	1,370	2,720	5,370	8,130	9,860	11,400
Employment Rate ³²	70.6	70.5	70.3	70.1	69.9	69.4
Net commuting (Northstowe)	-290	-630	-1,070	-1,590	-1,900	-2,130
Unemployment ⁷	30	60	110	160	170	231
Unemployment Rate	1.3	1.4	1.4	1.4	1.4	1.4

When fully developed, in the Reference Case the labour market profile portrays a town that would have the capacity to provide a source of employment for the town's working age population, assuming that a proportion of its population would not be economically active. It assumes that Northstowe would contain a mix of employed and self-employed workspaces (some of which would be home based). Despite this capacity, there would be a reasonably high level of net out-commuting of residents and this trend, coupled with town based employment, would help to keep resident unemployment at low levels over the period.

- ❑ By 2023, there would be 2,160 jobs based within the town, from a mix of workplace based jobs and self-employed individuals. 70.5% (2,720) of Northstowe's resident working age population would be in employment within or beyond the town.
- ❑ By 2032, the town would support 8,010 jobs either in workplaces or through self-employment. Its workforce size would be slightly higher than its resident based employment, but a proportion of its residents would be in employment beyond the town.
- ❑ By 2040, the town would support 11,550 jobs (employees and self-employed). Employment would remain relatively high, with 7 in 10 working-age residents in employment (11,400). A mix of town based employment provision and net out-commuting would help keep unemployment (230) low.

²⁹ Employee and self-employee jobs measures employment within the town. It comprises workplace jobs and self-employed jobs (assuming that self-employed jobs are based at residences within the town) filled by individuals living within or beyond the town

³⁰ Workplace based employment measures those individuals working within the town, living within or beyond the town

³¹ Resident based employment measures those living within the town who would be in employment either within or beyond the town

³² Un/Employment rates are the percentage of the resident based working age population in un/employment

Occupation profile

The proportion of Northstowe's residents employed in professional occupations would be particularly higher than wider averages in the Reference Case. There will be a significantly greater propensity for people in higher-order occupations to commute out of the town for work. The occupation projection is presented below, although we anticipate a slightly lower proportion of higher occupations among the town's residents than presented here.

In the Reference Case, by 2040 the mix of occupations in Northstowe would be dominated by three broad groups, which collectively would account for 7 in every 10 occupations of the town's residents. With over 8,000 workers falling into these three groups, Northstowe would have almost 3,000 more residents in these higher order occupations than would be expected against national averages:

- Professional occupations – 4 in every 10 jobs (41.4%) would be in professional occupations, which is more than twice the average for England (19.8%).
- Managers, directors & senior officials – 17% of occupations would be in managerial positions. Again, this is significantly higher than the national average (10.3%).
- Associate professional & technical – 11.8% of occupations in the town would be in this group, which is slightly below the national average of 14.4%.

Conversely, in the Reference Case the town would have significantly lower levels of occupations than would be expected nationally in the following occupations: Administrative and Secretarial; Skilled Trades; Sales and Customer Service; and Process, Plant and Machine Operatives.

Northstowe – Occupation Projection by milestone date						
	2019	2023	2028	2032	2035	2040
Managers, directors & senior officials	120	260	540	870	1,100	1,360
Professional occupations	490	1010	2,060	3,200	3,970	4,770
Associate professional & technical	190	400	830	1,290	1,620	1,960
Administrative and secretarial	80	150	240	320	330	290
Skilled trades occupations	70	130	230	310	340	320
Caring, leisure & other services	90	180	370	580	730	890
Sales & customer services	70	140	280	410	490	550
Process, plant and machines	40	60	90	110	100	60
Elementary occupations	160	310	620	940	1,140	1,330

Economic Profile

Employment sectors

At a broad sector level, the following table presents an overview of sector employment within the town in the Reference Case. Location quotient³³ analysis has been used to benchmark sector employment against expected levels of employment in the UK. In this analysis, the town would contain a similar employment mix to the UK. Higher Location quotients (those with a higher concentration of employment in Northstowe) tend to be sectors which have a low contribution towards overall town employment. This is because those sectors are projected to have lower contributions to overall national employment.

³³ Location quotients allow for relative comparisons to be drawn between sector strengths across two geographies, regardless of the sizes of the economies under investigation.

Adjusted Jobs profile in Northstowe by Broad Industry Sector – Total and LQ (vs UK)													
	Milestone dates, employee and self-employed persons												
	2019		2023		2028		2032		2035		2040		
	Jobs	LQ	Jobs	LQ	Jobs	LQ	Jobs	LQ	Jobs	LQ	Jobs	LQ	
Agriculture, forestry & fishing	21	1.4	39	1.4	73	1.4	105	1.4	124	1.4	137	1.4	
Mining, quarrying & utilities	14	1.7	27	1.7	52	1.8	76	1.9	90	1.9	101	2.0	
Manufacturing	76	0.8	144	0.8	266	0.8	383	0.8	449	0.8	490	0.8	
Construction	76	0.9	154	0.9	315	0.9	488	0.9	605	0.9	725	0.9	
Wholesale, retail & motor trades	214	1.0	425	1.0	829	1.0	1241	1.0	1502	1.0	1730	1.0	
Transport & storage	66	1.0	133	1.0	265	1.0	404	1.0	495	1.0	584	1.0	
Accommodation & food services	97	1.1	195	1.1	386	1.1	585	1.1	715	1.1	836	1.1	
Information & communication	105	1.9	213	1.9	429	1.9	656	1.9	807	1.9	954	1.9	
Financial & real estate	40	0.6	78	0.6	153	0.6	229	0.5	278	0.5	322	0.5	
Professional & business services	207	0.9	430	0.9	890	0.9	1394	0.9	1742	0.9	2112	0.9	
Public admin, education & health	306	1.0	614	1.0	1231	1.0	1882	1.0	2313	1.0	2731	1.0	
Others	91	1.2	183	1.2	369	1.1	565	1.1	695	1.1	822	1.1	

Through a more refined analysis of these broad sectors, the top 5 employment sectors (out of 31 sectors contained EEFM) in Northstowe collectively account for half of all jobs in the town by 2040 in the Reference Case. Besides Education, these sectors would have a similar share of employment national proportions:

- Education – employing 1,550 people by 2040,
- Health and care – employment 1,030 people by 2040,
- Retail – employing 1,000 people by 2040,
- Professional Services – employing 890 people by 2040,
- Hotels and restaurants – employing 730 people by 2040,
- Business services – employing 710 people by 2040.

Location quotient analysis has been used to understand the sector specialisms across the 31 sectors. In the Reference Case, we would expect Northstowe to have the following three sector specialisms, reflecting current sector specialisms across South Cambridgeshire and Cambridge:

- Research and Development – for each national job in R&D there would be 4.4 jobs in Northstowe (250 jobs in the town),
- Computer related activities – for each national job in computing there would be 2.4 jobs in Northstowe (690 jobs),
- Electronics – for each national job in electronics there would be 2.7 jobs in Northstowe (130 jobs).

Business Stock and Survival

Based on the workforce employment projection for Northstowe, the Reference Case assumes that the town could support up to 1,100 businesses by 2040. The vast majority of these businesses (900 units) would be micro-firms, employing fewer than 10 people. There would be a further 194 SMEs in the town by 2040, with the majority of these employing fewer than 50 staff. The town would also contain 6 large business units by 2040, employing more than 250 staff. The following table projects the business mix in the town by milestone year.

Business Base – projected business stock (units) by size						
	Milestone date					
	2019	2023	2028	2032	2035	2040
Micro (0-9)	102	205	409	622	764	899
Small (10-49)	17	35	69	105	129	152
Medium (50-249)	5	10	19	29	35	42
SMEs (10-249)	22	44	88	134	165	194
Large (250+)	1	1	3	4	5	6
Total Stock	125	250	499	761	933	1,099

The Reference Case assumes that 47.1% of businesses (517 units) in 2040 would have been trading since at least 2035 (5 year survival), 64.0% would have been trading since at least 2037 (3 year survival) and 94.3% of businesses (1,036 units) would have been trading at least a year.

Gross Value Added (GVA)³⁴

Northstowe's overall performance is similar to projected GVA growth levels across UK (real time and per person/job). Northstowe's performance in the Reference Case is as follows:

- By 2023, with a population exceeding 5,000 and 2,650 jobs within the town, Northstowe could generate £127m in annual GVA for the UK economy. This is based on each job within Northstowe generating £48,350 in GVA (£24,150 GVA per head).
- By 2032, with the town's population exceeding 15,000 and a projected workforce of 8,000, Northstowe would generate £462m in annual GVA for the UK economy. This is based on each worker within the town contributing £57,700 in GVA (£28,100 GVA per head).
- By 2040, when a fully-developed town, the workforce of Northstowe will generate £730 million to the UK economy, with each job in the town generating £63,200 (£30,550 GVA per head).

Northstowe – GVA Projection						
	Milestone date					
	2019	2023	2028	2032	2035	2040
Total GVA	£58m	£127m	£282m	£462m	£586m	£730m
GVA per worker	£44,300	£48,350	£53,750	£57,700	£59,800	£63,200
GVA per capita	£22,450	£24,150	£26,300	£28,100	£29,050	£30,550

Socio-economic Conditions

Skills and Qualifications

In the Reference Case Northstowe would be home to 7,150 people with degree level qualifications (NVQ Level 4+) by 2040. This represents more than 4 in 10 working-age residents. A further 1,920 working-age residents would be qualified to NVQ Level 3 (A-Level equivalent). 22.8% of working age residents would not have qualifications equivalent to GCSE level (NVQ Level 2) – some 3,700 people in 2040.

³⁴ GVA measures the contribution of an economy, sector or individual businesses to the economy. In the UK, it is the preferred measure of economic performance used by Government.

Northstowe – Current applied NVQ levels by working age population						
	2019	2023	2028	2032	2035	2040
No qualifications	270	530	1,050	1,590	1,930	2,250
Level 1 qualifications	180	350	700	1,060	1,290	1,500
Level 2 qualifications	230	450	900	1,350	1,650	1,920
Level 3 qualifications	270	540	1,070	1,620	1,970	2,290
Level 4+ qualifications	840	1,680	3,340	5,040	6,140	7,150
Other qualifications	160	310	620	940	1,140	1,330

Education and Training

In the Reference Case, a total of 3,190 residents would need schooling provision by 2040. Of these, 1,770 would need primary school education and 1,420 would need secondary education. Based on County wide forecasts³⁵ indicate a slight trend towards a higher proportion of pupils needing secondary education in the town, although this trend is relatively small and over a longer timeframe, so secondary schools would likely be able to accommodate a small increase in intake.

Northstowe – Pupil projections						
	2019	2023	2028	2032	2035	2040
Primary Total	170	410	820	1,240	1,520	1,770
Secondary 11-15	100	260	540	850	1,060	1,300
Secondary 16+	10	26	50	80	100	120
Secondary Total	110	280	590	930	1,160	1,420
Total Pupils	280	690	1,410	2,170	2,680	3,190

Summary reference case

'Reference Case Northstowe' is a mirror of the Cambridge / South Cambridgeshire sub-region. The town's economy and future growth is inextricably linked to the performance of the wider sub-region. Its population has a high employment rate and is highly qualified, with most of the workforce employed in professional, managerial and technical occupations. The town's economy functions as part of a dynamic sub-regional economy, with strong links with the Cambridge economy.

The town has a good level of self-containment but commuting in and out of Cambridge is supported by the guided bus and improved A14. There is a diverse range of employment within the town itself, particularly in public sector, professional & business services and retail, reflecting the town's role as a local service centre. Most economic activity in Northstowe is there because of its clear association with Cambridge and high quality transport links. Levels of self-employment are significant.

Northstowe has developed specialisms in R&D and technology related activities which, although supporting limited job numbers, complement the sub-regional performance in these sectors. Employment is concentrated in the town centre and a number of peripheral business parks, with the town centre supporting a mix of retail, leisure, professional service and public sector activities and business parks accommodating a wider range of office and manufacturing businesses.

³⁵ Cambridgeshire County Council, Annual Pupil Projections, 2013