The Royal London Mutual Insurance Society Ltd response to Policy J/AW

At the GCLP Reg 18 stage, the Councils were still refining the nature and scale of the employment floorspace the policy would apply to, the affordable workspace percentage to be applied to total floorspace, the level of discounts applied to different areas of and payments in-lieu calculations which has now been set out in the Proposed Submission GCLP Reg 19 consultation.

The proposed policy sets out that schemes for new office and R&D development (use classes E(g) i) and E(g) ii) over 1,000sqm will be required to provide a minimum of 10% of net additional floorspace GIA, as affordable workspace. Furthermore, within specified established science and business parks in Greater Cambridge (which includes Vision Park), the affordable workspace discount is proposed to be a minimum of 30% below prevailing market rents in perpetuity. The Greater Cambridge Affordable Workspace Study (June 2026) considers Cambridge Research Park as being within the South Cambridgeshire market where a minimum 20% discount below prevailing market rents in perpetuity would apply.

The policy also proposes for new Industrial and Storage (use class E(g) iii, B2 and B8) over 2,500sqm to provide a minimum of 10% of net additional floorspace as affordable workspace (GIA) at a min. of 20% below prevailing market rents in perpetuity.

It is considered that a requirement for a fixed percentage provision of affordable workspace in perpetuity is substantial and is likely to affect the deliverability and viability of some commercial development. Such a restrictive policy will not enable development to respond to market signals in an effective way and the application of this policy, when developments reach a certain quantum of new (net) employment is an inflexible approach which risks reducing the overall delivery of employment floorspace. This effect may be particularly disproportionate for schemes only marginally exceeding the 1,000sqm threshold. It would also contradict part 3a of the policy which requires affordable workspace to meet a local identified need, therefore, this policy is considered to be unsound.

We continue to challenge the draft policy's requirements that affordable workspace should be made available for occupation at the same time as, or prior to, the first occupation of 50% of the non-affordable workspace. Based on our understanding of the science and technology occupier market, start-up business prefer to co-locate close to established, more mature, businesses so that they can fully take advantage of the clustering benefits which can in turn drive innovation. Part 4, as drafted, therefore may not properly reflect market signals and again may hinder quick delivery of floorspace within the early parts of the plan period.

Paragraph 85 of National Planning Policy Framework (NPPF) 2024 states planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. The cumulative requirement of Policy J/AW has the potential to constrain investment and delivery of employment floorspace, particularly at Cambridge Research Park and Vision Park. Therefore, the policy is not considered to be justified, effective or consistent with national policy and does not satisfy the soundness requirements set out in paragraph 36 of the NPPF 2024.