



## **UPDATE ON THE RELOCATION OF MARSHALL AEROSPACE & DEFENCE GROUP**

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Submission to the Greater Cambridge Planning Service  
to inform the Greater Cambridge Local Plan

Prepared on behalf of Marshall of Cambridge Holdings Ltd

02 October 2020

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## 1 INTRODUCTION

- 1.1 This document is submitted to the Greater Cambridge Planning Service (GCPS), on behalf of Marshall of Cambridge (Holdings) Ltd (MCH), herein referred to as “Marshall”.
- 1.2 MCH is the holding company of the Marshall Group, with subsidiary companies including Marshall Group Properties (owners of the land on which Cambridge Airport is located) and Marshall Aerospace and Defence Group (the principal tenant and operator of Cambridge Airport, and a global leading aerospace business).
- 1.3 The purpose of this document is to summarise the position in respect of Marshall’s proposals to relocate Marshall Aerospace and Defence Group from Cambridge Airport, in order to free up the site for redevelopment. This forms evidence which is put forward to the GCPS to demonstrate that the airport site will be made available for development by 2030 and that the site can be relied upon when formulating the Local Plan to 2040 or beyond.
- 1.4 A further evidence submission is proposed in December 2020 in respect of the vision for Cambridge East and supporting evidence on how the site would contribute to the future of the Cambridge area, making the case that the site is both suitable and deliverable and can complement and support delivery of the Key Themes as set out in the Issues & Options consultation.

## 2 CONTEXT TO THIS SUBMISSION

- 2.1 Officers will be able to see from the submitted evidence that Marshall has secured an Option Agreement at one of the two shortlisted sites, and that there would be no commercial, planning, technical or regulatory impediment to a move to Cranfield (as set out in this submission). At the time of writing, Marshall continues to explore alternatives as part of a rigorous site assessment process but the information presented here demonstrates that one acceptable option for relocation has been completely secured.
- 2.2 This submission demonstrates that Marshall has secured an Option Agreement with Cranfield University which would facilitate MADG's relocation to Cranfield should Cambridge Airport be identified for redevelopment in the Greater Cambridge Local Plan.
- 2.3 It is recognised that the Council will need to rely on this evidence as part of the Local Plan process (i.e. evidence which supports the availability of Cambridge Airport for redevelopment).
- 2.4 We wish to ensure that officers take great care when describing this evidence to Councillors or other third parties, as the relocation of MADG (in whole or in part) has implications for the workforce, and **we are keen to stress that no final decisions have yet been made**. We recognise this submission cannot be treated as private and confidential given the need for the Council to place reliance on the evidence submitted when formulating the Local Plan spatial development strategy.
- 2.5 The site assessment work is due to conclude by the second quarter of 2021, at which point Marshall expects to reach a decision on the preferred site for relocating the business. You will note in the summary timeline provided in our submission, we have assumed that work will commence on an outline planning application at the preferred site by summer 2021, with the objective of securing planning permission by the end of 2022.
- 2.6 We are confident this should provide a sound basis on which the Council can rely on the Airport site as being available for development by 2030, and Marshall will provide further updates on the site selection process during the first half of 2021.

### 3 **COMMERCIAL AGREEMENTS**

- 3.1 As noted in Section 2, Marshall is delighted to confirm that an Option Agreement has been signed with Cranfield University, providing a viable commercial arrangement for Marshall to relocate to Cranfield, with exclusive rights to draw down the land within a six year period to September 2026.
- 3.2 The materials provided in the annexures below are intended to provide a comprehensive summary of the position. This purpose of this document is to signpost the evidence submitted, which should be read in full.
- 3.3 The annexures are as follows:

#### **Annexure 1 – Letter from Sir Peter Gregson, Vice-Chancellor, Cranfield University**

Letter from Sir Peter Gregson welcoming the signing of the Option Agreement and the potential partnership opportunities that are developing between Cranfield University and Marshall Aerospace and Defence Group.

#### **Annexure 2 - Summary of the Option Agreement with Cranfield University**

A short summary of the Option Agreement and the key principles of the agreements between Cranfield University and Marshall. The agreement itself is not provided given there are commercially sensitive matters contained in the documents.

On the basis of this agreement, **Marshall is pleased to confirm that there are no commercial impediments to relocation to Cranfield.**

#### **Annexure 3 – Option Agreement plan**

A plan showing the areas of land to which the Agreements relate.

#### **Annexure 4 – Delivery Timeline**

The key dates assumed to facilitate the relocation of MADG to Cranfield leading to vacant possession of Cambridge Airport.

#### **Annexure 5 – Indicative Proposal**

The drawing at Annexure 5 provides an **indicative layout** of the scheme. This is not fixed, but shows latest thinking on how MADG's requirements may be delivered at Cranfield (and supersedes the drawings submitted for pre-application advice).

#### 4 **PLANNING SUPPORTING EVIDENCE**

- 4.1 In parallel with negotiations with Cranfield University, Marshall has been engaged in extensive discussions with Central Bedfordshire Council, both corporately, and as the Local Planning and Highway Authority with jurisdiction over the Cranfield area.
- 4.2 Discussions to date have been very positive as summarised in the Annexures below.

##### **Annexure 6 – Letter from the Leader & Chief Executive of Central Bedfordshire Council**

The enclosed letter at Annexure 6, from James Jamieson (Leader) and Richard Carr (Chief Executive) of Central Bedfordshire Council (CBC), sets out their strong support for MADG relocation to Central Bedfordshire. Through extensive engagement with officers and councillors, CBC have continually shown their willingness to be open for business and to work constructively with Marshall to deliver the relocation.

##### **Annexure 7 – Signed Planning Performance Agreement with Central Bedfordshire Council**

As part of the pre-application advice process, Marshall entered into a Planning Performance Agreement (PPA) with CBC. The PPA (provided at Annexure 7) sets out the terms of pre-application engagement with CBC, ensuring a collaborative relationship to allow Marshall to work through any issues associated with the detailed implementation of the project. The indicative programme set out in section 9 shows that CBC would seek to determine any planning application within a period of 4 months.

The extant Air Park Planning permission (application reference CB/17/05862/OUT), which proposed a major aviation development on the same site, was determined in 5 months, showing the commitment of the Authority to support delivery of complementary development at the Airport in support of the University's activities.

##### **Annexure 8 – Pre-application submission setting out indicative proposals for MADG relocation to Cranfield**

Under the terms of the agreed PPA, Marshall submitted a comprehensive pre-application submission in August 2019.

The submitted scheme is **indicative of MADG's potential requirements**, which are still under development. These early assumptions were developed to test, in principle, the likely planning implications of the proposed relocation and to allow MADG to reach a view on the likely acceptability of the scheme. The submitted scheme includes 16 no. large hangar buildings (broadly equivalent to Cambridge) and assumes extension of the runway to accommodate larger aircraft types.

It is important to note that the site already benefits from an extant planning permission for a significant aviation related proposal for an “Air Park”. This was approved in June 2018 under application reference CB/17/05862/OUT. The approved proposal was for an international business jet hub, intended to accommodate overspill from other London airports. The overall quantum of floor area is comparable to the Marshall proposal, and the number of air traffic movements approved is significantly greater than would be required by Marshall.

The pre-application submission explains this further, comprising the following:

- Covering letter (prepared by Savills)
- Preliminary drawings and CGIs (prepared by Gebler Tooth Architects)
- Transport Position Statement (prepared by Stantec)
- Landscape Visual Impact Assessment (prepared by LDA design)
- Noise Position Statement (prepared by Noise Consultants Ltd).

All of the submitted evidence is available at Annexure 8, which helps to characterise the key differences between the approved scheme and Marshall’s proposal. See for instance the noise report, or the landscape visual assessment, which seek to compare the extant scheme to Marshall’s proposal.

The potential runway extension to the north is clearly shown on the submitted drawings, and the implications of this have been considered at a high level, recognising the early stage of engagement with the Planning Authority.

Please note, as part of the pre-application submission, a second piece of land is included (adjoining Nissan at the Cranfield Technology Park). This site is the subject of ongoing discussions between Marshall and Cranfield University, potentially to accommodate some of the non-airside uses. This is separate from the core requirement to accommodate uses displaced from the Airport at Cambridge.

#### **Annexures 9A and 9B – Pre-application letters from Central Bedfordshire Council**

Two pre-application advice letters have been received from Central Bedfordshire Council. The first of these was dated 23 September 2019. This first letter provides a supportive tone, having regard to the outline proposals put forward by Marshall. The letter highlights matters that require further refinement (as would be normal for a major application such as this). The letter concludes as follows:

*“In principle, **the wide ranging benefits the proposal will bring are considered to be significant material considerations** in line with local and national policy. Whilst further work is required in respect of noise, highway matters and design and landscape impact, **it is not considered that any issues have been identified which cannot be resolved....”***

A further letter was received dated 02 July 2020 following further work on highways matters, which were principally progressed by Marshall so the business could quantify the likely improvements required and/or travel plan measures that may be necessary. The letter concludes by stating:

*“the **Council is confident** that a combination of localised junction improvements and robust travel plan and management measures to reduce the impact of the development on the non-strategic transport network would allow **the transport impacts of the development to be mitigated acceptably.**”*

Extensive stakeholder engagement has also been undertaken, including a presentation to all of the neighbouring Parishes in the area (10<sup>th</sup> September 2020). Whilst there are detailed matters to work through, the general consensus is that Marshall would be welcomed into the area as a long term partner to Cranfield University, and with a track record of working with the community. Cranfield Parish have indicated a willingness to work with Marshall to ensure benefits of the relocation would benefit local people.

### **Summary**

- 4.3 On the basis of the positive pre-application engagement, Marshall is confident of working through the issues highlighted in the Council’s advice and that there are very good prospects of obtaining planning permission, building on the principle of development which has already been established by the extant planning permission and in particular taking account of the likely noise impacts associated with MADG’s operations. GCPS officers are encouraged to approach CBC if you would like further verification of the position set out in this position paper.
- 4.4 As set out in Annexure 4 (delivery timeline) Marshall anticipates commencing the preparation of an Outline Planning Application at the preferred site in summer 2021, assuming Cambridge East is identified on satisfactory terms as a preferred location for growth in the Local Plan Preferred Options consultation (summer 2021). The expectation is that an application could be prepared and submitted by early 2022, with a decision no later than the end of 2022.
- 4.5 Evidence of planning permission, building on the commercial agreements with Cranfield, would provide robust evidence of both Marshall’s intentions and the deliverability of the proposals, supporting publication of the Preferred Local Plan (summer/autumn 2022).
- 4.6 On the basis of the above, **Marshall is pleased to confirm that there are no planning or technical impediments to relocation to Cranfield.**



## 5 **FUNDING RELOCATION**

- 5.1 The Council has indicated a willingness to understand from Marshall how the scheme would be forward funded.
- 5.2 The information submitted demonstrates that Marshall has undertaken considerable work in developing the relocation strategy. In doing so, the business has developed a really good understanding of the likely capital and transition costs necessary to facilitate a move to Cranfield, or to alternative locations under consideration.
- 5.3 These relocation costs should be viewed as a cost which needs to be recovered in due course from the development of Cambridge Airport. Otherwise the business would continue to operate in Cambridge, where considerable investments have been made to rehabilitate the runway, upgrade some of the hangars, replace airport navigational aids and through the construction of the Ground Run Enclosure. The previous Local Plan and the Cambridge East Area Action Plan 2008 (limb 7. Of Policy CE/7) both recognised that such relocation costs should be taken into account as part of the scheme viability.
- 5.4 Any developer brought in to support the delivery of Cambridge East would need to finance the forward funding of the relocation, to be repaid out of the proceeds of the development.
- 5.5 The precise scale of relocation will depend on the final location selected, and upon the outcome of further business review and strategy discussions.
- 5.6 Marshall is committed to working collaboratively with Council officers and Homes England to generate a working financial model that can be shared with all parties to clarify the quantum, timing and type of support required.
- 5.7 Marshall is pleased to report that preliminary discussions with Homes England have been very positive, highlighting that the Government considers Cambridge to be a strategic priority for economic growth and for delivery of housing, in particular given the acute affordability pressures in the area. Our expectation is that Homes England will provide significant support to help deliver the project, including financial support needed to deliver enabling infrastructure and potentially to support relocation. Such funding would ensure the project is deliverable and ensure that the local benefits can be maximised. Homes England have indicated a willingness to confirm their position in writing if this would be helpful to the Planning Authority.
- 5.8 Based on the preliminary financial modelling undertaken by Marshall, and subject to determining the quantum, the timing, and the mix of grant and/or loan, MGP anticipates that the scheme will be viable and deliverable and can be relied upon for Local Plan purposes.
- 5.9 Marshall anticipates that this will be a continuing conversation and we are committed to exploring the opportunities associated with delivery of Cambridge East in an open and

transparent way. Marshall looks forward to working constructively with the GCPS as the Local Plan develops.

- 5.10 On the basis of the above, **Marshall is pleased to confirm that it is likely the relocation can be forward funded**, with the benefit of financial support (most likely a loan secured against the land) from Homes England.

6 **OTHER MATTERS**

- 6.1 We understand that the GCPS has written to the Civil Aviation Authority (CAA) seeking reassurance that there are no regulatory impediments to Marshall's relocation to Cranfield, or to the closure of Cambridge Airport (in due course).
- 6.2 Marshall has been in regular dialogue with the CAA as part of the assessment of options for relocation. This has included a series of meetings with the Airport team at Cranfield and the CAA Aerodrome Inspector responsible for both Cambridge and Cranfield.
- 6.3 We understand that the CAA will respond directly to the Council on this matter, but we wish to confirm that we anticipate that the CAA will confirm the following:
- In respect of Cranfield, that the planned activity by MADG is compatible with Cranfield University's CAA license and that there would be no regulatory impediment to MADG operating from Cranfield Airport ; and
  - That the decision to close Cambridge is a matter for the Airport operator and not for the CAA, subject to ensuring ongoing safe airport operations until any closure, and ensuring the necessary notification process is followed.
- 6.4 On this basis, **there are not considered to be any regulatory impediments to relocation.**

## 7 SUMMARY

- 7.1 The evidence set out in this document reaffirms Marshall's commitment to relocating from Cambridge Airport, and to making the site available for redevelopment by 2030.
- 7.2 The submitted evidence confirms that whilst Marshall has not yet made a decision on its preferred location, but the information presented here demonstrates that one acceptable option for relocation has been completely secured. An Option Agreement has been signed with Cranfield University which would facilitate Marshall's move to Cranfield. Evidence is also provided which confirms that Central Bedfordshire Council would very much welcome the move, which coupled with the extant planning permission for the Air Park, and the positive pre-application and stakeholder engagement to date, provides Marshall with strong confidence of obtaining planning permission.
- 7.3 On the basis of the submitted evidence, **Marshall does not foresee any commercial, planning, technical or regulatory impediment to relocation of the business from Cambridge**, and confirm that Cranfield has the potential to deliver the requirements of the business going forward.
- 7.4 In parallel, we are developing further evidence to demonstrate how the Airport site could be developed in the most sustainable way possible to achieve the objectives of the local plan key themes. A further submission on the future plans for the Cambridge Airport site will be submitted in December 2020.
- 7.5 We will provide a further update on relocation plans by the second quarter of 2021.
- 7.6 **Vacant possession is anticipated by 2030**, in line with the timeline at Annexure 4.