

25th September 2026

Response submitted by email only to: localplan@greatercambridgeplanning.org

Dear Sir / Madam,

Re: Greater Cambridge Local Plan: Proposed Submission (Regulation 19) – Objection to Policy J/AW

Introduction

The Land, Planning and Development Federation (LPDF) welcomes the opportunity to respond to the Greater Cambridge Local Plan, Proposed Submission (Reg 19) consultation. This representation has been prepared by the LPDF on behalf of a Consortium of its members and other organisations active within the commercial sector (including promoters, developers and specialist consultants involved in industrial and logistics schemes). This response is focused solely on policy J/AW ‘Affordable workspace and creative industries’.

About the LPDF

The LPDF seeks to represent the UK’s leading land promoters, home builders and commercial developers. LPDF members support the housebuilding and commercial development sectors by promoting sites through the planning system, providing “shovel ready” land with a planning permission which can facilitate the delivery of infrastructure and serviced land parcels.

The LPDF seeks to actively engage with government on planning, housing and commercial development policy and to educate the wider public on the social, environmental and economic benefits of development through an evidenced based approach.

The LPDF encourages its members to deliver well designed, high quality, sustainable places which deliver a mix of housing types and tenures, commercial spaces and community uses that have a positive social, environmental, and economic impact.

Our key values include:

- Working in a positive and cooperative way with central and local government and key stakeholders, to deliver a planning system capable of supplying the homes and employment space we need.
- Promoting research and an evidence-led approach to policy development.
- Increasing the supply of new homes to meet demand and make home ownership a realistic possibility for all those who aspire to it.
- Ensuring that we build the affordable homes of all types and tenures that this country so desperately needs.
- Delivering new employment space to meet demand from businesses and support economic growth.
- Championing the impact of increased housing delivery on reducing intergenerational unfairness.



- Creating well designed, high quality and sustainable places to live and work.
- Educating and informing about the social, environmental and economic benefits of development.
- Supporting diversity of delivery in the market and championing SME developers.
- Promoting diversity and inclusivity within the sector.

Overarching comments

The LPDF Consortium welcomes the opportunity to comment on the Greater Cambridge Local Plan Proposed Submission (Regulation 19) consultation. The Consortium has significant concerns regarding the soundness of Policy J/AW and its implications for the delivery of employment development within the Plan area.

The central concern is not with the principle of supporting affordable workspace, but with whether Policy J/AW is sufficiently justified, proportionate and effective in the way it seeks to achieve that objective. The evidence identifies affordability pressures particularly affecting SMEs, start-ups and creative businesses, but the policy applies a uniform requirement to a broad range of industrial and storage development with very different characteristics, values and operational requirements. There needs to be a clear relationship between the identified need, the type and location of development to which the obligation applies, and the form of provision required.

The policy should also recognise that affordable workspace can have significant financial and operational implications, particularly where provision is secured at a discount in perpetuity and accompanied by management and monitoring requirements. These matters should be assessed cumulatively alongside the other costs and obligations affecting employment development, with sufficient flexibility to respond to scheme-specific viability, operational suitability, site characteristics and local need. The subsequent sections consider these issues in more detail.

Policy J/AW – Affordable Workspace and Creative Industries

The LPDF Consortium has significant concerns regarding the soundness of Policy J/AW – ‘Affordable Workspace and Creative Industries’, particularly its application to industrial and storage development within Use Classes E(g)(iii), B2 and B8.

As drafted, Policy J/AW requires new industrial and storage development over 2,500 sqm to provide a minimum of 10% of net additional floorspace as affordable workspace at a minimum 20% discount to prevailing market rents, secured in perpetuity. It also imposes management, operational and monitoring requirements and, where on-site provision is not appropriate, permits payment in lieu in specified circumstances.

The key issue is whether the evidence sufficiently justifies this intervention across the full range of development to which it applies, including its implications for viability, operational suitability and the delivery of employment floorspace.

Evidence of need and the appropriate policy response

The Greater Cambridge Affordable Workspace Study 2026 provides evidence of affordability pressures within the Greater Cambridge employment market. However, the evidence principally identifies a problem affecting micro-enterprises, start-ups, SMEs, creative businesses and other smaller occupiers.



The Study states that larger firms can generally absorb prevailing rents, whereas smaller and early-stage businesses face greater affordability challenges. It also identifies wider operational costs, including service charges, business rates, fit-out costs and utilities, as contributing to affordability pressures. This distinction is important when considering the application of Policy J/AW to strategic industrial and logistics development.

The existence of affordability pressures for smaller businesses does not, in itself, demonstrate that requiring 10% of every qualifying B2 or B8 development to be provided at a discounted rent is the appropriate mechanism for addressing that issue.

The Study itself identifies a range of workspace types capable of supporting SMEs and start-ups, including co-working and shared workspace, studio and maker space, managed workspace, enterprise centres, incubators, accelerators and workshops. These forms of accommodation are materially different from many of the large-format industrial and logistics buildings which will be captured by Policy J/AW. The policy therefore needs to demonstrate a much clearer relationship between the identified need and the type of development from which the affordable workspace obligation is to be secured.

Strategic industrial and logistics development

The above concern is particularly acute in relation to strategic industrial and logistics development. A large B8 logistics building, for example, may be designed around the operational requirements of a single occupier, including servicing, vehicle movements, security, storage and distribution arrangements. Such a building may have little or no practical capacity to accommodate small businesses, creative enterprises, maker space or managed workspace. The Council's own Affordable Workspace Study recognises this issue.

The Study recommends a 10% benchmark for B2 and B8 development but expressly acknowledges that, because of operational constraints and site characteristics, payments in lieu are likely to be the primary delivery mechanism in many cases, particularly within South Cambridgeshire.

Therefore, the Council's own evidence recognises that the type of development to which Policy J/AW applies may not itself be an appropriate location for the affordable workspace which the policy seeks to deliver. The question then arises as to why the strategic industrial or logistics development should bear the cost of providing workspace elsewhere.

If a large-format industrial or logistics scheme does not generate a demand for the type of small-scale affordable workspace identified by the Council's evidence, and if the Council accepts that such workspace may be more appropriately provided in another location, the Council needs to demonstrate the planning justification for transferring the cost of that wider policy objective to the strategic employment development.

Supply and affordability

There is also a broader issue regarding the relationship between affordable workspace and the supply of employment floorspace. The Greater Cambridge Local Plan identifies a substantial requirement for new employment floorspace and seeks to support continued economic and employment growth. The Affordable Workspace Study itself identifies the importance of sufficient employment capacity and the delivery of additional workspace to accommodate business growth.

New employment development increases the overall supply and diversity of available premises. It enables businesses to relocate into modern accommodation and can release existing premises for other occupiers. Increasing supply and



choice can therefore form part of the response to affordability pressures. The imposition of an additional cost on new employment development may, however, have the opposite effect if it reduces land values, affects development viability, delays delivery or discourages investment. This is particularly relevant given the scale of employment development which the Plan seeks to deliver.

Historic South Cambridgeshire policy context

The issue should also be considered in the context of the historic planning approach to strategic industrial and B8 development in South Cambridgeshire, including previous restrictions on the scale and type of development coming forward. If the Councils now recognise a need for additional strategic industrial, warehousing and logistics capacity, the introduction of further costs on new employment development should be considered carefully, particularly where the identified affordability pressures principally relate to a different part of the employment market. The priority should be to ensure that sufficient employment land and premises can come forward to meet the identified needs of the area.

The 10% requirement

The evidence does not sufficiently establish why 10% is an appropriate proportion of affordable workspace across all qualifying industrial and storage development. The Affordable Workspace Study identifies 10% as a commonly used benchmark but also recognises that provision is typically subject to viability and should reflect site characteristics and development context. This differs materially from the submitted policy, which establishes a minimum 10% requirement for all qualifying E(g)(iii), B2 and B8 development, regardless of scheme type, scale, land value or market conditions.

The Council should therefore explain how the 10% requirement has been derived and why a uniform proportion is appropriate across the full range of affected development, from small multi-unit industrial schemes to large single-occupier logistics schemes. It should also explain why the proportion should not instead be determined through a scheme-specific assessment of need and viability.

This concern is reinforced by the Council's own supporting text. Paragraph 8.43 acknowledges that, where fit-out costs are high, including for R&D or workshop space, the proportion of affordable workspace may need to be lower because of the lower values associated with such development, with the final proportion determined having regard to site characteristics and viability. This recognises that a uniform requirement will not always be appropriate, and the same principle should apply more broadly to industrial and logistics development.

Discount and in perpetuity requirement

Policy J/AW requires affordable workspace within B2 and B8 development to be provided at a minimum 20% discount to prevailing market rents and secured in perpetuity. The evidence does not adequately justify either element of this requirement.

The Affordable Workspace Study confirms that there is no nationally prescribed definition or standard methodology for affordable workspace. It identifies a range of approaches, including different rental discounts, flexible lease arrangements, managed workspace and other forms of intervention. The Study also acknowledges that affordability depends upon factors beyond headline rent, including service charges, business rates, utilities and fit-out costs.



A fixed 20% discount therefore does not necessarily equate to genuinely affordable workspace for the businesses identified as the intended beneficiaries. More importantly, the Council needs to explain why the discount should be maintained in perpetuity in every qualifying development.

The longer-term requirement has a direct impact upon the value of the affected floorspace and therefore upon development economics and land value. It also creates ongoing management and monitoring obligations. The evidence should demonstrate why perpetuity is necessary and proportionate and why a more flexible period or review mechanism would not achieve the policy objective.

Viability and cumulative policy burden

The LPDF Consortium raises significant concerns regarding the viability implications of Policy J/AW. The policy does not simply require 10% of floorspace to be let at a discounted rent; it also requires affordable workspace to be secured in perpetuity, potentially operated by an approved provider, supported by management arrangements, subject to an Affordable Workspace Statement and Operational Management Plan, delivered by a specified stage of occupation and monitored through annual reporting.

These requirements have both financial and operational implications. The relevant consideration is therefore not whether the 10% requirement can be accommodated in isolation, but whether development remains viable when the cumulative effect of Policy J/AW is considered alongside the Plan's other requirements, including CIL, biodiversity net gain, Net Zero and energy standards, water efficiency, construction and training requirements, transport and highways measures, site-specific infrastructure and Section 106 obligations.

This cumulative impact is particularly important for employment development, where development and land values can vary significantly between locations and development typologies. The Council should therefore demonstrate that its viability evidence properly tests Policy J/AW as drafted and intended to operate, including its application to industrial and logistics development, rather than relying on a generic affordable workspace assumption or an alternative policy scenario.

Operational suitability

There is also a fundamental question regarding the operational suitability of affordable workspace within certain forms of industrial and storage development. Policy J/AW allows affordable workspace to comprise office, R&D, light industrial, general industrial and maker space. These uses have materially different operational requirements.

A large logistics building may not be capable of being subdivided into smaller units without affecting its design, servicing, security arrangements, loading configuration or attractiveness to the intended occupier.

The Council's Affordable Workspace Study recognises the importance of operational characteristics and site suitability and anticipates that payment in lieu will often be appropriate for industrial and logistics development in South Cambridgeshire. The policy should therefore not treat on-site affordable workspace as the default requirement for development where the evidence itself recognises that on-site provision may not be appropriate.

Payment in lieu

The payment-in-lieu provisions raise a separate concern. Where affordable workspace cannot appropriately be delivered on site, Policy J/AW permits a payment in lieu in specified circumstances, and the Affordable Workspace Study anticipates that such payments may be particularly important for industrial and logistics development.



However, an identified need for affordable workspace does not, in itself, justify requiring a financial contribution from a particular employment development. There should be a clear and proportionate relationship between the development and the obligation imposed. If the Council accepts that strategic industrial or logistics sites may be unsuitable for affordable workspace, and that provision is primarily intended for smaller businesses, start-ups and creative occupiers in more suitable locations, it should explain why that particular development should fund provision elsewhere. Otherwise, the payment risks operating less as mitigation of an impact arising from the development and more as a means of funding a wider economic development objective.

The Council should therefore clearly establish the need being addressed, the relationship between the contributing development and the proposed provision, the basis and proportionality of the contribution, and how funds will be pooled and spent. This is particularly important given that the Study envisages contributions being directed towards more suitable locations and forms of managed, flexible, workshop, maker and light industrial space.

Management and delivery

Policy J/AW creates a number of ongoing requirements which also raise questions of effectiveness. The policy requires affordable workspace to be managed either by an approved affordable workspace provider or by another party with appropriate skills and experience.

However, the supporting text indicates that the Council's approved list of providers will only be established prior to adoption. To ensure the policy is sufficiently clear and robust, it should set out the requirements relating to provider approval, the availability and capacity of suitable providers, the basis for operator selection, the treatment of management and service charges, occupier eligibility and its ongoing monitoring, the control of subsequent lettings, and the arrangements to be followed where an appropriate provider cannot be secured.

These matters are particularly significant where the obligation is intended to operate in perpetuity.

Soundness

The LPDF Consortium does not dispute that some businesses within Greater Cambridge experience affordability pressures or that affordable workspace can provide wider economic and social benefits. The issue is whether the evidence justifies the particular intervention proposed by Policy J/AW and demonstrates that it is necessary, proportionate and effective across the full range of development to which it applies. In our view, it does not.

The Council's own evidence points to a more nuanced approach. The Affordable Workspace Study identifies affordability pressures particularly affecting SMEs, start-ups and creative businesses, alongside significant spatial and sectoral variation in affordability, differing workspace requirements, the importance of flexibility and management, and the need to consider operational suitability, viability and payment in lieu. It also identifies 10% as a commonly used benchmark rather than a universally appropriate requirement and recognises the need for flexibility based on site characteristics and development context.

Taken together, this evidence does not adequately support the mandatory application of a uniform 10% affordable workspace requirement to all qualifying E(g)(iii), B2 and B8 development. A more targeted and flexible approach is required if the policy is to be justified and effective.



Requested modifications

If the Councils are minded to retain Policy J/AW in relation to E(g)(iii), B2 and B8 development, the LPDF Consortium considers that it should be substantially amended to provide a more targeted, flexible and proportionate approach. In particular, the blanket 10% requirement should be replaced with a scheme-specific approach based on demonstrated local need, operational suitability and viability, including the cumulative cost of other Local Plan and infrastructure requirements.

The policy should allow for lower provision, or appropriate exclusions, where the characteristics of large-format, single-occupier or operationally specialised industrial and logistics development make on-site provision unsuitable, and provide greater flexibility for payment in lieu where appropriate. The requirement for provision to be secured in perpetuity should also be reviewed and justified in terms of necessity and proportionality.

More generally, the Council should ensure that the policy is fully tested against the cumulative viability implications for employment development and provides sufficient flexibility to reflect site and scheme-specific circumstances.

Conclusion

In conclusion, the LPDF Consortium considers that Policy J/AW has not been sufficiently justified, it is not effective and has not been properly tested in relation to its application to E(g)(iii), B2 and B8 development.

Whilst there is evidence of affordability pressures within Greater Cambridge, particularly amongst SMEs, start-ups and creative businesses, that evidence does not demonstrate that requiring 10% of all qualifying industrial and storage development to be provided at a 20% discount in perpetuity is a necessary or proportionate response.

This is particularly the case for strategic industrial and logistics development, where the Council's own evidence recognises that on-site affordable workspace may be operationally inappropriate and that payment in lieu is likely to be the primary mechanism for delivering affordable workspace in South Cambridgeshire.

If the policy is retained in its current form, there is a risk that it introduces an additional constraint on the delivery of employment land and premises without demonstrating that the resulting provision will address the particular affordability problem identified by the evidence.

That risk is amplified by the cumulative policy costs affecting new employment development. The Council is seeking to deliver substantial additional employment floorspace across Greater Cambridge while simultaneously imposing a range of requirements affecting development economics. The cumulative effect of those requirements needs to be considered carefully if the Plan's employment growth objectives are to be achieved.

The LPDF Consortium therefore considers that Policy J/AW should either be deleted in respect of E(g)(iii), B2 and B8 development or substantially modified to provide a genuinely targeted, flexible and viability-led approach.

The Consortium also has a wider concern about the precedent that Policy J/AW could establish. The introduction of this type of obligation without robust, locally specific evidence and commercial viability testing risks encouraging its wider adoption in materially different property markets, with cumulative consequences for the cost and delivery of employment development.



Consortium Contributors

This consultation response has been prepared by the LPDF on behalf of a consortium of its members (and other organisations within the sector) with experience in the promotion, delivery, and occupation of employment and logistics development. The consortium contributors to this response are:

- Richborough Commercial
- Stantec
- Pigeon
- Twenty5
- Hillwood

Collectively, these organisations represent a broad range of expertise across land promotion, development, investment, and planning consultancy, with a shared interest in ensuring that the Greater Cambridge Local Plan provides a flexible, effective, and policy-compliant framework for economic growth.

