

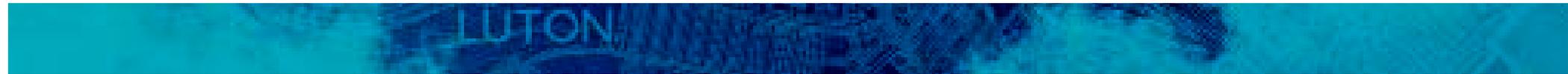
Luton Strategic Employment Gateway: proposals by Legal & General

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Executive Summary

One of Central Bedfordshire's (C.Beds) key objectives is to promote the area as a location for economic growth and success to demonstrate that it is 'open for business'.

Members have been concerned to ensure an appropriate balance between the provision of jobs and housing in order to achieve sustainable economic growth. The Central Bedfordshire Draft Development Strategy (DDS) therefore targets 27,000 jobs in the period to 2031 and recognises that with the Duty to Cooperate, there is a need to accommodate growth that Luton Borough cannot deliver within its own administrative area.

The supporting C.Beds Employment Paper and other recent employment studies have all highlighted the importance of diversifying the local economy with knowledge based sectors, such as aviation related, financial, research and development and innovation sectors. Together with the corporates targeted by the Head of Savills Commercial, these sectors must be provided with high quality employment land to ensure the DDS key strategic objectives of growing the economy to its full potential and reducing the current high levels of out commuting are achieved.

Legal and General's (L&G) proposals for land to the south west of junction 10A of the M1, located on the strategic corridor between the M1 motorway and Luton Airport just 900 metres to the west of Capability Green, provides the best opportunity within the area to provide a strategic employment site for the economic benefit of C.Beds and its sub-region.

This is due to the unique attributes of this location including primacy of access to the strategic road network and Luton Dunstable

busway, proximity to the airport, ease of deliverability, visibility, marketability and links to key infrastructure upgrades such as the

adjacent M1 Junction 10A. The proposals would provide a prestigious gateway development that would attract high quality jobs.

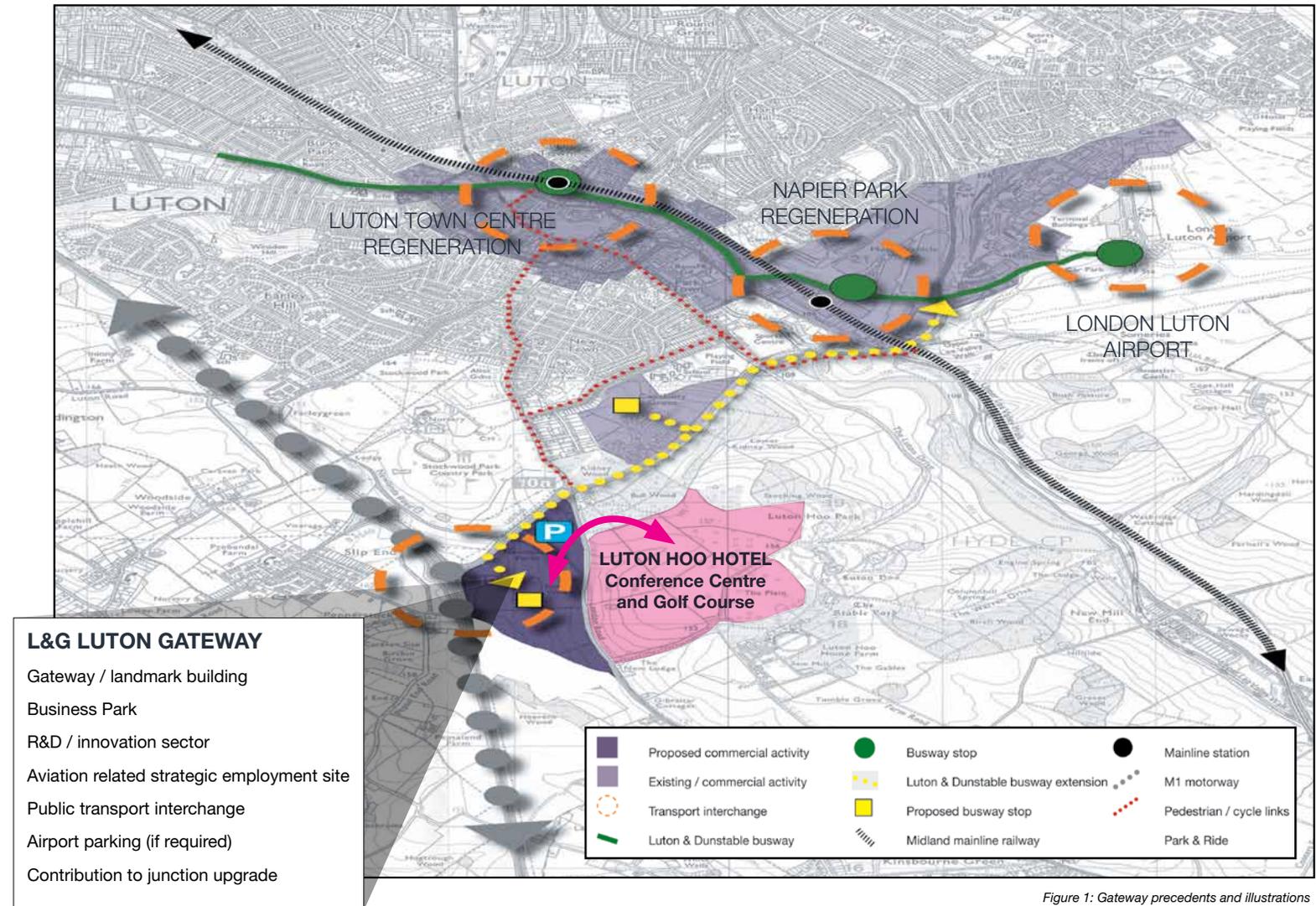


Figure 1: Gateway precedents and illustrations

Area being promoted

The site promoted by L&G is to the south west of junction 10A of the M1 (see appendix 1) and has a total red line area of approximately 48.5 hectares. It represents an excellent location for a strategic business park employment site due to primacy of access to the strategic road and bus network and proximity to Luton airport.

Once deductions are made for Luton BC's current Development Consent Order application to grade separate M1 Junction 10A, together with an allowance for landscaping (including existing woodland) and proposed new internal roads, an indicative plan has been prepared illustrating a phase 1 developable area of approximately 23.5 ha (see appendix 2), with additional land also available for a later possible phase of around 6 ha, plus landscaping.

Proposed Uses

It is envisaged that the Luton Strategic Employment Gateway will provide a high quality business environment that will accommodate the following uses:

- A high quality business park set within landscaped grounds
- Buildings to announce a gateway to Luton
- R&D / innovation sector
- Aviation related strategic employment site
- Public transport interchange
- Long stay airport parking (if required)
- A local centre providing a small cafe / restaurant and shop to meet the local needs of the business park

SITE AS EXISTING



A GATEWAY TO LUTON



Deliverability of development proposals

Employment Campus

Perhaps the most important point about this site and the area's regeneration is that there is the opportunity to support the growth of the airport related parts of the economy and attract new corporate headquarters to the sub-region, whilst creating a fitting gateway to promote and publicise arrival in the area, enhancing the area's image and addressing the current level of employment out-commuting.

Within the phase 1 area a B1(a) business campus of up to 75,000 sq.m. GFA is therefore proposed together with ancillary uses including a connection to the Luton-Dunstable busway, some limited supporting A-class uses and up to 1,000 long stay airport car parking spaces.

The business campus would comprise high quality and bespoke buildings set within landscaped grounds that would attract corporate HQ and other premium M1 corridor occupiers, similar to the highly successful Capability Green business park just 900 metres to the east, and other internationally renowned examples such as Green Park, Reading and Stockley Park, near Heathrow.

The site also adjoins the five star Luton Hoo golf, spa, conference and hotel facility. These facilities would be exceptionally attractive to potential corporate occupiers at the L&G site, with the increased custom supporting Luton Hoo financially and allowing a symbiotic relationship to develop, creating a unique regional draw.

The Savills Head of Commercial Development has reviewed the potential marketability of the site and has confirmed that it would be attractive to a number of key occupiers, including from the aviation related sector, and that the high quality tone of the site would be set by a key anchor tenant.

The following key quotes from the NLP Employment Land and Market Assessment Study 2010 commissioned by the authorities reinforce the market need for the L&G proposal.

"Within Luton there are two largely separate office markets; firstly town centre office stock which generally tends to be older, poorer quality and accommodating smaller, lower value businesses; and secondly out-of-centre provision, primarily at Butterfield and Capability Green office parks, which tends to be modern high-quality space." (Para 3.22)

"The town centre office market primarily provides accommodation for indigenous local firms such as small-scale professional services (e.g. solicitors, accountants etc), charities and various public sector organisations. In contrast, the out-of-centre market provides accommodation for a wider variety of subregional and regional businesses and also provides the focus for inward investment in the area. A large proportion of demand for this type of space comes from businesses looking to relocate from higher cost locations to the south of Luton such as St. Albans and London. As a result, future demand for high-quality office accommodation is likely to be focussed to the south of Luton, at sites with good access to the M1." (Para 3.23)

Capability Green, located just 900 metres from the L&G site, provides an example of potential occupiers and Savills Commercial has taken into account their experience and involvement with this highly successful business park, which extends back over a decade, but is now full.

This employment campus is recognised by "Locate in Bedfordshire" as 'the premier business park of the East of England', with past and present occupiers including blue chip companies such as Anritsu, Astra Zeneca, BAe Systems, Barclays Bank, Selex Galileo, Telespazio VEGA and Scholl. Similarly Stockley Park near Heathrow has high profile occupiers including Apple (UK) Ltd, BP, Canon, GlaxoSmithKline, IBM (UK) LTD, Marks & Spencer, Sharp Electronics Ltd and Toshiba of Europe Ltd.

Savills Commercial advises that in Luton the out of town market, including Capability Green, has always been a M1 corridor office market with a catchment area south to the M25 and north up to Milton Keynes. It has been popular with large corporates over the years due to the towns connectivity with the airport and M1 corridor and any likely target market also needs to include the wider Hertfordshire area.

Whilst there have also been a few town centre occupiers who have migrated to the out of town business parks; the majority of occupiers who have moved into business parks such as Capability Green have moved into the borough from further afield to set up their regional HQ, taking advantage of the accessibility and cost effective accommodation (with good parking).

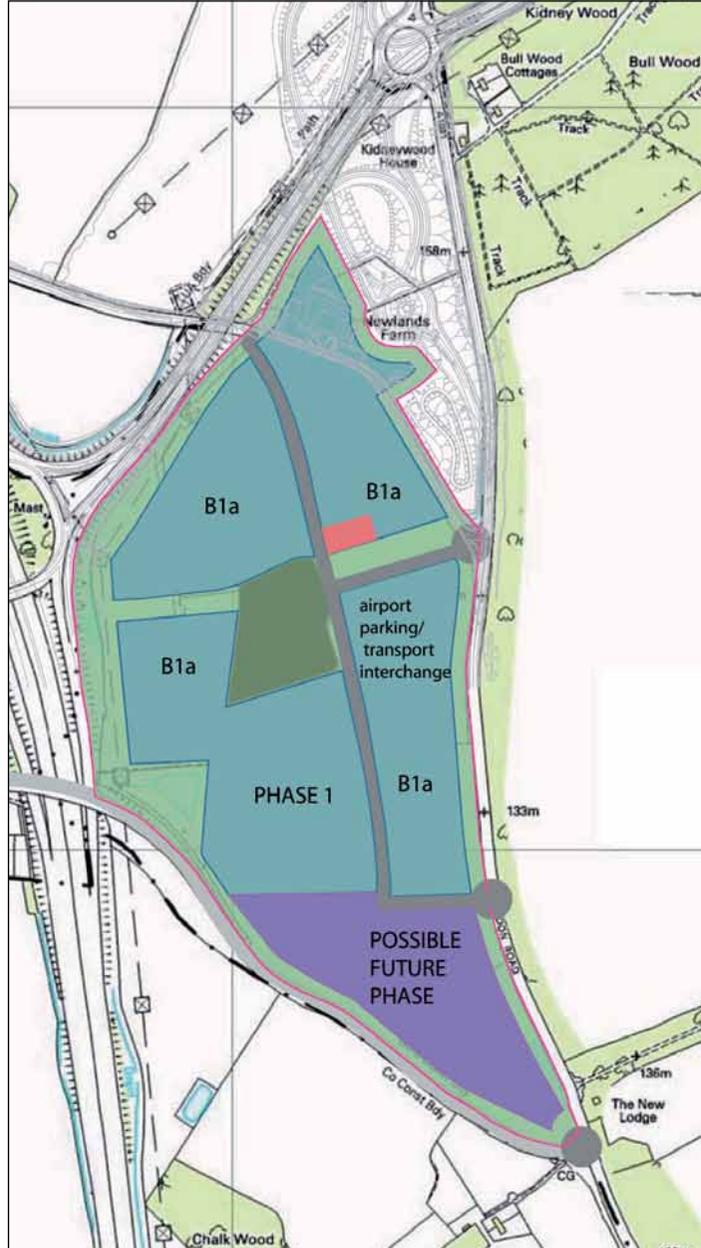
The following key quotes from the NLP Employment Land and Market Assessment Study 2010 commissioned by the authorities reinforce the market need for the L&G proposal.

"Attractive office park sites in the Luton/South Beds area would ideally have good access to the motorway, good access to a mainline railway station (and potentially the airport), be of sufficient size to create a 'brand' or identity and provide a good level of services and car parking. The image of the location is also important, with a proven office location giving developers and occupiers more confidence than investing in areas suffering from poor perceptions regarding environment, crime etc. In this context, a location near an M1 junction would have the added advantage of giving higher profile and a location distinguishable from Luton, which has negative perceptions for some occupiers." (Para 3.32)

"Sites able to provide good parking levels or excellent public transport links would also have an advantage. These factors explain the relative success of Capability Green Business Park, which benefits from proximity to the M1, a rail station and airport, but this is now full with few other obvious sites in the area able to meet all of these requirements."



L&G Strategic Employment Gateway: Indicative layout and visualisations



In summary, it is more than likely that the founding fathers for L&G's Luton Gateway will be one of eight key corporates whom Savills Commercial have now identified, each of whom are likely to have a requirement for circa 100,000 sq ft.

In order to ensure that the L&G site would be reserved for such blue chip occupiers, appropriate policy wording could be provided within the Central Beds Development Strategy, for example by setting relevant criteria.

Transport and other uses

The proposals would be served by an extension to the Luton-Dunstable busway with routing along Airport Way, providing a key public transport link with the town centre, rail stations and airport, plus the opportunity to link with Capability Green. This will provide access to these key employment sites by public transport, providing a sustainable alternative to car journeys. To reduce commuting from the site at lunch times, some limited A-class food and drink uses are also proposed with high quality facilities available at the adjacent five star Luton Hoo Hotel and Conference Centre. Should long stay airport parking also prove an acceptable use, airport passengers would also be able to utilise the busway service.

Landscape and greenbelt

The site is currently characterised by some poorer quality landscape elements including motorway embankments and pylons etc. The remainder of the site comprises agricultural land with some pockets of existing woodland.

The L&G proposals would improve this landscape, providing a high quality employment campus that would seek to retain existing woodland blocks.

Chalk Wood and Heavens Wood to the south would be enhanced to provide ecological mitigation and habitat improvements, with the enhanced woodland providing both screening and a closed vista behind the employment campus as shown in the sustainability appraisal. This will also establish a defensible revised Green Belt boundary.

M1 Junction 10A

Congestion at M1 Junction 10A is recognised as constraining Luton town centre's economic regeneration and L&G has now received formal notice that Luton BC has lodged a development consent order application to grade separate the junction. Areas within the northern-eastern part of the L&G site will be required to accommodate upgrade works and structures.

SKM Colin Buchanan, acting for L&G, has reviewed the junction proposals as set out in their technical note at appendix 3. The note confirms that with improvements to the north and south proposed roundabouts, principally by increasing entry width and flare lengths, adequate capacity would be created for the L&G proposals.

The capacity of the grade separated junction to accommodate a significant level of development with such modifications was implicit in Luton BCs position in recent meetings between the C.Beds and Luton BC Portfolio Holders at the end of July. L&G has agreed to pay for a further engineering study to review the potential for overbridge widening, to address the possible future phases of development potential. However, SKM Buchanan's report shows the 23.5 ha scheme can be achieved with only minor north and south roundabout works.

L&G would be happy to make a proportionate contribution towards the overall junction improvement costs if the site is allocated and no levy or pooled tariff approach is being considered, and we confirm that an upgraded junction would have sufficient capacity to serve their employment gateway proposals.



Policy Background and Justification

The Draft Development Strategy (DDS) confirms that C.Beds is taking a positive and pro-active approach to creating the right conditions to enable existing businesses to flourish and to attract new inward investment that supports and enhances the employment offer.

In terms of targets and allocations, it sets out a requirement for 117 ha of additional employment land in the period to 2031 in order to meet an 'ambitious target' of 27,000 new jobs between 2011 and 2031. This is in order to achieve the strategic objective (table 3.1) 'to ensure the economic potential of the area is achieved and to reduce the level of out commuting'.

One of the strategic objectives of the DDS is to reduce out commuting and the supporting Employment Paper (para 2.23-2.24) confirms that just over half of Central Bedfordshire residents currently commute outside the area to work, impacting significantly on economic performance and 'effectively draining Central Bedfordshire of its intellectual capital each day'. This clearly highlights a need for higher skilled jobs, and therefore an improved employment land offer, particularly within the southern part of the district.

A further key issue is highlighted at para 2.22 of the Employment Paper which highlights the Duty to Cooperate as required in the National Planning Policy Framework, and the need for the 'accommodation of jobs within Central Bedfordshire associated with the growth of Luton but which cannot be delivered within the Luton urban area'.

Various employment studies were completed in support of the withdrawn Luton and South Bedfordshire Joint Core Strategy.

These confirmed that the aviation related, high-tech manufacturing, distribution and R&D/Innovation sectors were critical to increasing skilled jobs in the area.

The latest C.Beds Employment Paper acknowledges that the recent proposals to extend London-Luton Airport are expected to create a significant number of jobs related to the expansion itself, but also in relation to complimentary services such as offices, hotels, restaurants and leisure activities. It remains clear that the particular importance of London Luton Airport as an economic driver for these sectors remains vital, with proximity to the airport and transport links being a critical asset. No other site can meet these requirements.

The Employment Paper (para 3.17) ultimately concludes that it is necessary for the successful growth of the economy to have employment stock of the right quality and quantity to allow for flexibility and choice in the market. It also states (para 3.18) that the stage one report concludes 'there are opportunities for large scale office and industrial developments within Central Bedfordshire'.

We are confident the awaited GVA stage 2 report will support the need for development south of Luton to maximise the employment potential sought.

The C.Beds GVA Stage 1 employment and economic study includes the following relevant analysis:

- policy E1 of the East of England Plan made an allocation of 50,000 jobs in Bedfordshire and Luton between 2001 and 2021 highlighting a need for a step-change in employment growth (para 2.20);
- there is a lack of choice and flexibility in the supply of very large office units (>1850 sq.m) 'which may act as a deterrent to new large companies seeking to find suitable space in the area' (para 4.18);
- certain nationally important sectors such as 'finance and business services' and 'knowledge intensive sectors' (which it states 'are a good measure of economic competitiveness and a determinant of current and future prosperity') are underrepresented in C.Beds (paras 3.18-3.21);
- there are opportunities for a more diverse office provision within the area which could provide choice to the market, boosting economic growth in C.Beds (para 4.24); and,
- there are less sites that are related to the strategic transport network in C.Beds than other M1 corridor locations.



Draft Development Strategy (DDS)

The Draft Development Strategy proposes that the most sustainable locations for employment land (Policy 6 and table 6.1) are within the Strategic Allocations:

- East of Leighton Linlade
- North of Houghton Regis
- North of Luton; and,
- A Rail Freight Interchange at Sundon Quarry.

Part of the apparent justification is that these sites are close to the strategic road network.

Our specific concerns are that the current preferred options do not follow previous joint core strategy employment land review conclusions in respect of the importance and potential for Luton Airport to drive economic growth across the sub-region and that the formative stages of the DDS were completed without the benefit of the stage two Employment & Economic Study (GVA) conclusions, which are due to 'consider the extent of the need for larger, strategic B-use within the area as well as the most appropriate locations of such uses within Central Beds' (Employment Paper, para 3.18).

As a result, we are concerned that the employment allocations do not meet the strategic objective (table 3.1) 'to ensure the economic potential of the area is achieved and to reduce the level of out commuting' particularly by failing to allocate a strategic employment site well located in respect of the motorway and airport, and therefore attractive to corporate occupiers.

In summary, the draft allocations overlook the need to grow this key sector and fail to provide high quality employment at suitable locations to allow the much needed diversification of the economy.

Whilst the current draft allocations may be well located for distribution type uses, they are too remote to support airport related and corporate HQ growth.

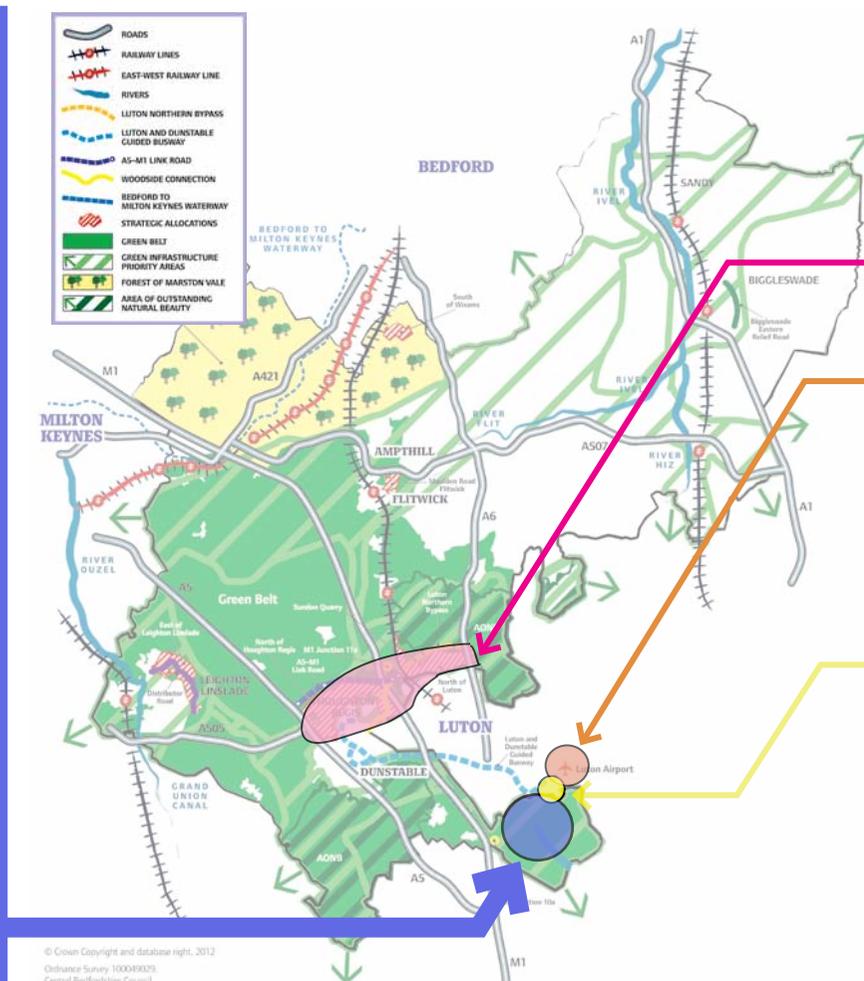
Relationship with other employment sites

The sections above have set out L&G's proposals for a high quality employment park that would attract premium aviation related

and M1 corridor corporate occupiers due to its primacy of location, visibility and superb access to the motorway network and Luton airport.

L&G M1 Jct 10a Employment Gateway

1. Best location to provide a fitting gateway to promote and publicise arrival in the area and the regenerated economy.
2. Excellent access to the strategic highway network, town centre and airport.
3. Best location to attract and grow the aviation related, hi-tech manufacturing, research & development and innovation sectors of the economy.
4. Access can be incorporated within Luton Borough Council proposals to upgrade M1 junction 10a. L&G will make land available and provide a proportionate contribution.
5. Busway extension and on site Park & Ride facility would ensure sustainable alternatives to car use for employees and current journeys from M1 to town centre airport.



Northern urban extension

1. Good potential for railhead / distribution / local area jobs
2. Too remote from airport to capitalise on skilled job diversification

Luton airport
Key strategic employment driver.

Capability Green
Existing premier business park

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Central Bedfordshire Council.

This section compares the L&G proposals with other employment sites within the Luton and Central Beds administrative areas to demonstrate that they would add to the portfolio and be complimentary.

Central Beds Employment sites

There will be no impact on the other proposed Central Beds employment sites. Those within the northern area, such as Flitwick, are too remote to be impacted upon.

In terms of the closest allocations within the urban extensions namely North of Houghton Regis, North of Luton, including Sundon Quarry rail freight interchange, and East Leighton Linslade, these are not close enough to the airport or M1 corridor and would not support the airport related and M1 corridor corporate headquarters that the L&G site would serve. This is confirmed through the Nathaniel Lichfield and Partners Luton and south Bedfordshire Employment Land and Market Assessment Study (March 2010) table 15, p100 which is reproduced below:

Site	Type of development	Offices (ha)	Employment (ha)
East Leighton Buzzard	Primarily industrial uses with a small office park	2	18
North Houghton Regis	Mainly industrial uses with flexibility between B1-B8 for some incubator units	0	40
North Luton	Range of industrial and distribution uses with a variety of unit sizes as extension of Sundon Industrial Estate. Any office development subject to a new rail station at Luton Northern Parkway.	3	12
Sundon Quarry	167,000 sq.m. of rail linked distribution use with large B8 units	0	40
East of Luton	Mainly industrial and distribution uses in mixed B1-B8 employment area on southern site, including some aviation-related uses subject to airport growth	3	32

Source: NLP Employment Land and Market Assessment Study 2010, table 15, p100

In conclusion, these sites are most likely to provide for B8 and general manufacturing uses with some small elements of B1a and certainly not those uses identified in previous employment studies. The L&G proposals are therefore complimentary and not competitive with these proposed allocations.

Existing Luton Employment sites

In line with the duty to cooperate it is necessary to consider the relationship between the L&G proposals and employment sites and allocations within Luton. As the Luton Local Plan is at an early stage, and Luton did not elect to adopt the withdrawn Luton and southern Beds Core Strategy for development control purposes, our view on the committed major employment sites is set out below:

Butterfield

This is a business and technology park located to the north east of Luton, which has direct links to the University of Bedfordshire.

The site does not have good airport or motorway access being over 5km from the M1 motorway and 4km from the airport, with access primarily from the A505. Given its location it is not close enough to support the airport related and M1 corridor corporate headquarters that the L&G site would serve.

Napier Park

This is a mixed use site located adjacent to Luton Parkway railway station. Napier Park has outline planning permission for: 45,000 m² office space; up to 1,000 residential units; a 200 bed hotel and fitness centre; conference centre; retail warehousing; airport related car park; neighbourhood retail and community facilities; and the possibility of a government designated ‘small’ casino. The nearby Napier Park Stirling Place has planning permission for up to 400 residential units; up to 11,800 m² office space; up to 1,495 m² of retail space and a new station link to the north side of Luton Airport Parkway. This site is focussed on providing a town centre mixed use offer and is envisaged to primarily serve the needs of the Luton town centre office market. On this basis the M1 corridor/airport focussed L&G proposals would not conflict with this scheme.

Century Park (plus East of Luton Extension)

The existing Luton Local Plan allocation relates to approximately 40 ha. An extension of this site into the East of Luton Urban Extension was also proposed in the withdrawn joint core strategy.

This is primarily a logistics and distribution employment proposal related to the airport. The site is not well located for corporate HQ type occupiers due to poor motorway links and lack of ‘gateway’ image or location. Again, this was confirmed through the Nathaniel Lichfield and Partners Luton and south Bedfordshire Employment Land and Market Assessment Study (March 2010) table 15, p100 which

is reproduced opposite. The site also has questionable deliverability, primarily due to the requirement for a tunnel to provide access to the land beneath Luton Airport, which has been costed at around £50 million. It is also relevant that the East of Luton site was located within North Herts who objected to this allocation and deliverability is therefore questionable.

The following key quotes from the NLP Employment Land and Market Assessment Study 2010 commissioned by the authorities reinforce the market need for the L&G proposal.

“This might suggest a need for a large office park in one location. However, reflecting the current market outlook, none of the five sites was seen as having obvious potential at this stage to provide a larger office park capable of attracting significant sub-regional relocations because none has the required combination of a high profile, good motorway access and high public transport accessibility. This combination was a key factor in the success of Capability Green Business Park, although Butterfield, which lacks some of these requirements, has also been successful due to a lack of other high quality supply in the local area, as well as high quality provision and branding.” (Para 10.4)

Conclusion

We are sure you will want to consider the importance of ensuring the full economic potential of Central Bedfordshire is met through the Development Strategy.

The L&G site’s inclusion within the development strategy would provide the critical ‘missing link’ in a diversified employment-led approach.

Luton Strategic Employment Gateway:

Appendices

- 1 - Location plan
- 2 - Indicative layout plan
- 3 - SKM Buchanan highways capacity memo

