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1.0 Introduction

- 1.1 This document forms part of the revised outline planning application for the regeneration of Adastral Park and surrounding land submitted by BT in April 2009.
- 1.2 BT's proposals seek to secure Adastral Park's long-term future as a world-class centre for technology and innovation, and ensure that it remains a key contributor to the local, regional and national economy. Adastral Park itself covers nearly 40 ha (100 acres), though BT owns a further 100 ha (250 acres) of land surrounding the site, much of which has been quarried to extract sand and gravel. BT's proposals include plans for the creation of a new residential community alongside Adastral Park, with its own infrastructure, services and facilities. BT believes this site presents a unique opportunity to create a truly integrated living and working community, and a genuinely sustainable development to help meet the local need for new homes.
- 1.3 BT's proposals for the regeneration of Adastral Park and surrounding land includes:
- Upgrades to existing employment floorspace and the creation of up to 60,000 square metres of new employment floorspace
 - The creation of approximately 2,000 new jobs at Adastral Park
 - A residential community of up to 2,000 new homes alongside Adastral Park
 - Comprehensive new infrastructure and services to serve the new residential community, including new education and healthcare provision, public transport, shops, leisure & sports facilities and public spaces
 - A hotel to cater for business visitors and tourists
 - An on-site energy centre to provide renewable heat and power, reducing our dependency on the National Grid
 - Significant development of the existing transport infrastructure, including improved A12 access
 - An expansion of the University presence at Adastral Park.
- 1.4 Successful development of Adastral Park has the opportunity to provide a positive legacy for Suffolk and the wider region.
- 1.5 DTZ has prepared this Employment Statement on behalf of BT. This statement is submitted in support of the outline application on behalf of BT and is concerned specifically with the provision of up to 60,000 sq m of employment floorspace at Adastral Park (from here on referred to as the 'employment element' of the scheme proposals).
- 1.6 The Employment Statement addresses the following issues:
- How BT's proposals will impact positively on the local and regional economy (Section 2)
 - The contribution BT's proposals will make to the employment land portfolio of the local and sub-regional area (Section 3)

- How BT's proposals and the resulting impact will help to address national, regional and local policy and strategy requirements (Section 4).

Context for the Employment Element of the Proposals

- 1.7 The majority of buildings within Adastral Park were built as laboratories reflecting the technological demands and aspirations of BT at the time. The operational requirements from its buildings are now very different, however, and they do not meet the modern high specification which occupiers demand. Furthermore, the use of space within the buildings is inefficient and would not meet modern day Building Regulation standards. BT is therefore proposing to redevelop Adastral Park and to create a campus of buildings that meets the needs of 21st Century researchers and technologies.
- 1.8 Capacity analysis of Adastral Park has identified that up to 60,000 sq m of new additional B1 employment floorspace, related car parking spaces and landscaping could be accommodated within Adastral Park. Some of this additional floorspace may be required by BT, and some will enable other companies to locate on site or existing companies to expand. This would also include the Innovation Martlesham concept, which is an initiative supported by the East of England Development Agency (EEDA) to create a high-tech business cluster. The ambition is for Innovation Martlesham to become part of a global centre of excellence for ICT related activities.
- 1.9 In summary, the vision for Adastral Park in relation to the employment concept is as follows:
- A regenerated Adastral Park to bring together BT, other technology companies and universities to develop new services and technologies
 - An EEDA sponsored Innovation Park that will encourage and support new and developing businesses in the ICT sector located close to BT's operations
 - Strengthening the role of Adastral Park as a major local employer through the creation of up to 2,500 new jobs in addition to the 4,000 jobs currently on site.

2.0 Employment Impact

Introduction

- 2.1 This section examines the economic impact resulting from the proposals to redevelop Adastral Park. Currently, around 4,000 are employed at Adastral Park, around 3,600 of which are employed by BT either directly or on a contractor basis and the remainder by third party companies located at the site. We understand that there are at least 17 non-BT companies including Alcatel, Cisco, Fujitsu, O2 and Siemens as well as a strong higher education and research presence. Universities with a presence on site include University College London (UCL) and University of Essex- Chimera. Suffolk College's CREATE (Centre for Research in Educational Applications of Telematics) is also located there. However, as of February 2009, UCL is understood to be considering relocating its Adastral Park activities back to London.
- 2.2 Importantly for the local economy, the vast majority of employees on site are in highly skilled R&D positions and high profile projects are being delivered at Adastral Park, including BT's 21st Century Network ("21CN") project. This is a £10 billion project to create a new internet protocol (IP) based communications network and BT is working with major international companies on this project in including Fujitsu, Huawei, Alcatel, Cisco, Siemens, Lucent, Ciena and Ericsson.
- 2.3 The importance of Adastral Park to the local and regional economy is more than significant. It is also important on a national basis, especially as BT do not have another R&D facility in the UK of the size and scope of Adastral Park. Its position is unique and therefore retention of this facility is key for the future wellbeing of the local economy and UK's position in the telecommunications sector.
- 2.4 Current proposals for redevelopment of Adastral Park will have significant economic impact therefore for the local and regional economy. We have considered the extent of that impact and compared that against a scenario whereby planning permission is not gained and the impact that would have on the local economy in terms of employment and other economic indicators.
- 2.5 The scope of the economic assessment is to consider the potential benefits/disbenefits to the local and regional economy from each of these scenarios against the following criteria:
- **Employment** – including direct, indirect and induced employment, calculated both on a gross as well as a net basis. This also includes an assessment of the type of employment that stands to be delivered
 - **Skills matching** –considering the potential matching of the attributable employment opportunities with the skills and attributes of the labour market catchment
 - **Economic output** – measured in terms of Gross Value Added, and again considered on both a net and a gross basis.
 - **Investment** – considering the development stage investment and the resulting temporary employment impact.

Rationale for the Development

- 2.6 Adastral Park has developed for almost 40 years because of BT's operational needs with the majority of the buildings within Adastral Park built as laboratories as mentioned in the introduction. These reflect the technological demands and aspirations of BT through the second half of the twentieth century. Technology has moved on and the Adastral Park of the 21st Century has a very different operational requirement from its buildings, one that is based more around office space and the use of computers for system design and simulation.
- 2.7 The layout of former laboratories and their associated buildings do not always permit ideal space for the new activities to be undertaken within the buildings.
- 2.8 The overall driver for redevelopment, however, is to bring Adastral Park up to the standards required by ICT companies, including BT, in the 21st Century as the current conditions of some of the buildings are not acceptable. Many of them are functionally and physically obsolete.
- 2.9 Discussions with BT have indicated that without the redevelopment of Adastral Park, BT could only continue their operations for a limited number of years, with expenditure on maintenance kept to a minimum. This means that facilities would deteriorate even further and more and more buildings would become obsolete. With this backdrop, it is our understanding that in the medium term (around 5 years) BT would progressively move out of the least suitable buildings and consolidate their operations into a few buildings.
- 2.10 This would have a number of immediate and significant effects. As a direct consequence of the lack of modern and suitable facilities, BT would be less inclined assign new research projects to be delivered at Adastral Park. This means that the location would lose its capacity to attract high flying graduates and staff. As a result, future high-profile projects such as the current £10bn 21st Century networks, would be much less likely to be delivered from Adastral Park.
- 2.11 Moreover, and given that little new work would come to Adastral Park (instead it is thought more likely that new research would go outside the UK) it is a very real possibility that BT would take the commercial view that it would not be financially viable to continue to operate Adastral Park and so would retreat from it. We understand from BT that R&D operations would mainly go abroad although some, perhaps 20%, could be redirected to other parts of the UK. This is because BT's R&D for the whole of the UK is mainly based at Adastral Park so there is currently no other UK location for large scale research to be carried out in the UK.
- 2.12 The impact in the local area would be significant given that BT is one of the largest private sector employers in the whole of Suffolk. Consultees within BT consider that perhaps only 20% of the jobs would remain, although probably not in Suffolk, with the remainder relocated abroad. The impact on the supply chain and the local economy would be considerable especially given the spending power of BT employees who on average earn 4 times more than average employees in Suffolk.

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- 2.13 Failure to redevelop Adastral Park would have a knock-on-effect on other companies also based there, not just BT. Moreover, it is our understanding that a number of companies have located there in recent months and more are in the process of locating at Adastral Park under the auspices of Innovation Martlesham, a long-held aspiration from local and regional partners to deliver an innovation park in this part of Suffolk. Continued investment in R&D by BT would be critical to the success of this initiative.
- 2.14 The ambition is for Innovation Martlesham to become part of a global centre of excellence for ICT. Currently, a number of businesses have located to Adastral Park into existing buildings as a temporary measure before redevelopment takes place.
- 2.15 Were Adastral Park not be redeveloped, the long-time aspirations for a fully fledged innovation park in this part of Suffolk would be much less likely to come to fruition. These companies are being attracted to the Innovation Park and Adastral Park for a number of reasons, but also because of the attraction of the proposals to redevelop the park and the fact that there is proactive creation of jobs, especially important in the current economic climate.

Economic Impact Assessment

- 2.16 Our estimates of the economic impact of the proposed redevelopment of Adastral Park, in terms of employment and contribution to the economy as a result of the expected investment are provided below. Two scenarios are considered in this assessment:
- **Scenario 1:** Base case option (2015) – whereby the facilities at Adastral Park are maintained as currently provided without any investment. Our understanding is that minimum maintenance would be provided by BT and as a result, it is expected that buildings would deteriorate further and become obsolete within 5 years. The main impact of this option would be the eventual decline in the fortunes of Adastral Park due to outdated facilities unsuited to the needs and requirements of technology firms in the 21st Century. It is also considered likely that BT would leave Adastral Park in the medium term as current facilities are no longer appropriate. We have modelled this scenario on the assumption that the above situation could become a reality by 2015.
 - **Scenario 2:** Regeneration of Adastral Park - this option would see the regeneration of Adastral Park to include refurbishment and redevelopment of existing buildings as well as new employment floorspace, a 4 star hotel, expanded university presence and a mixed-use local centre. Associated developments including the energy centre, primary school and 2000 new homes have not been considered as part of the employment impact work.

Assumptions

- 2.17 In order to estimate the economic impact of Adastral Park's redevelopment project, we have used information provided by David Lock Associates and BT. In addition, a number of educated assumptions and estimates have been used. These relate to the target area, employment density and additionality. Each of these are described in turn below.

The Target Area

- 2.18 The target area for the purpose of calculating the new jobs created by the redevelopment of Adastral Park is taken to be the local area, i.e. Suffolk Coastal and Ipswich and the East of England given the regional importance of Adastral Park.

Employment Densities

- 2.19 The first step in assessing the employment impact from the proposed redevelopment of Adastral Park is to quantify the job hosting capacity of the floor space to be built under the proposed scheme. This requires assumptions to be made regarding the density of employment that would be normally expected for the different components of the scheme.
- 2.20 The job density assumptions used in this report in assessing the scheme have been informed by:
- Employment Densities: A Full Guide, English Partnerships 2001
 - DTZ's report Use of Business Space and Changing Working Practices in the South East, 2004
 - Information provided by BT and David Lock Associates.

Table 2.1: Employment Density Assumptions

Use	Size of Development	Gross Internal Employment Density (sq m per employee)/Persons per room
Office	60,000 m ²	25
Hotel	150 bed/4 stars	0.8 persons per room

- 2.21 In terms of the B1 component of the proposed redevelopment, we have assumed an employment density of 25 sq m per employee. We have arrived at this figure based on a number of factors discussed below.
- 2.22 The nature of the type of employment to be created at Adastral Park is expected to comprise a mixture of general office, R&D and teaching facilities¹. This means that employment densities

¹ It is our understanding that accommodation will be taken up by some of the existing teaching establishments. The potential provision of training facilities at the site will likely generate relatively low employment densities as the high proportions of students in the buildings will relate to relatively small numbers of permanent full-time staff. These facilities could be an additional location for University Campus Suffolk or other HE establishments such as those already at AP

will vary depending on the nature of the ultimate occupier. We have therefore taken an average of English Partnerships' standard guidance regarding general B1 use (approximately 19 sq m per employee) and R&D (approximately 29 sq m per employee). In addition, we have also validated this with research carried out by DTZ in 2004 Use of Business Space and Changing Working Practices in the South East which found typical employment densities for B1 business of a high tech nature to be around 27 sq m per employee.

- 2.23 In terms of the hotel development, we have been guided by David Lock Associates who indicated that the hotel would be a 4 star type facility with around 150 bedrooms.
- 2.24 The principal focus of the permanent employment impacts in this study is the B1 office component and the hotel, for which there is information available. However, it should be noted that the development at Adastral Park would also include a range of additional uses as outlined in the table below. Whilst there is no information on these aspects of the scheme at the draft outline planning application stage, it is anticipated that employment impacts are not likely to be significant.

Table 2.2: Additional Uses Proposed at Adastral Park

Use	Use Class
Residential Development	C3
Healthcare Provision	D1
Community Centre	D1
Retail	A1
Cafe	A3
Public House	A4
Takeaway	A5
Primary School	D1
Energy Centre	Sui Generis
Accommodation for Expanded Education	D1

Additionality Assumptions

- 2.25 In terms of the additional employment that would be generated by the redevelopment of the Adastral Park, we have adopted a number of different additionality assumptions to assess the level of new jobs generated which are based on national guidance and provided in English Partnerships' Additionality guidance².
- 2.26 The different assumptions are shown below:
- **Leakage** of employment opportunities to others living outside the local area and the East of England. Leakage for the Ipswich and Suffolk Coastal area is assumed to be 25%, as it is expected that a significant proportion of future employees will be drawn in from outside the area, given the higher skills needed for the typical jobs in ICT type businesses. Leakage for the region is assumed to be 10%. This lower regional figure reflects the greater proportion of the workforce in the region that is sufficiently qualified to satisfy the likely additional employment occupational needs (26% of the East of England Workforce is qualified at NVQ Level 4 or above).
 - **Displacement** relates to the number of employment opportunities accounted for by reduced employment opportunities elsewhere in the local economy and the East of England. In line with English Partnerships' guidance, we have assumed a rate of displacement of 12% and 22% for the B1 element and 40% and 65% respectively for the hotel. The low level (12%) of local displacement for the local area has been chosen in line with standard guidance on the basis that the activities that will take place at Adastral Park will be leading edge R&D and as such will have few competitors in the local area. Competition for labour would increase at a regional level, but displacement would remain relatively low at 22% emphasizing the unique importance of Adastral Park at a national level. The higher displacement of labour (40%) assumed for the hotel element in the local area is consistent with standard guidance and representative of the increased number of comparable facilities locally as well as the transferability of skills in this industry. At a regional level, displacement would be expected to increase further and so a displacement rate of 65% has been used.
 - **Deadweight:** Project outcomes that would have occurred in any event (i.e. without development project going ahead) are defined as deadweight. In the case of the redevelopment of Adastral Park deadweight is assumed to be zero.
 - **Indirect and Induced Employment Impacts:** Composite employment multipliers (supply linkage and income multiplier) represent the further economic activity associated with additional local income and local supplier purchases. Values for multipliers vary according to the size and complexity of the economy under consideration, and also vary by economic sector. The English Partnerships Additionality Guide recommends an average regional multiplier for a B1 office development as 1.44, but suggests a regional multiplier of 1.7 would be more appropriate in cases where there are strong local supply linkages and income or induced effects, as is the case for Adastral Park as a result of the hub of supporting activity that will arise from companies working closely with BT. The specific assumptions used here are set out in the table below.

² "Additionality Guide", English Partnerships, September 2004

Table 2.3: Additionality Assumptions

Additionality Assumption	Ipswich/Suffolk Coastal	East of England
<i>Leakage</i>		
B1 Office	25%	10%
Hotel	10%	5%
<i>Displacement</i>		
B1 Office	12%	22%
Hotel	40%	65%

Multiplier

B1 Office	1.29	1.7
Hotel	1.38	1.56

Permanent Employment Impacts

- 2.27 On the basis of the assumptions set out in the sections above, the estimated gross and net permanent employment creation impacts of the redevelopment of Adastral Park are described below.
- 2.28 The commercial element of the proposed scheme might lead to the creation of up to 2,500 direct employment opportunities. The breakdown of potential employment is as follows:

Table 2.4: Gross Permanent Employment Impacts

Employment Type	Approximate Employment Numbers
B1	2,400
Hotel	120
Total	Up to 2,520

- 2.29 In addition to the B1 and hotel elements of the scheme, there will also be additional employment created in the mixed use local centre and as part of the primary school. No details are available for the outline application and therefore we have not been able to calculate this employment.
- 2.30 Table 2.5 below shows the net employment impact for both the base case scenario whereby BT gradually wind down their operations at Adastral Park and the redevelopment scenario.

Table 2.5: Net employment Impact

	Suffolk Coastal and Ipswich		East of England	
	Option 1 – Base case by 2015	Option 2 – Redevelopment	Option 1 – Base case by 2015	Option 2 - Redevelopment
Employment levels – office	800	2,400	800	2,400
Hotel	0	120	0	120
Total jobs	800	2,520	800	2,520
<i>Total gross jobs created (lost)</i>	(3,200)	2,520	(3,200)	2,520
Leakage	(800)	612	(320)	246
Displacement	(288)	259	(634)	549
Multipliers	(612)	484	(1,572)	1,202
Total net additional jobs created (lost)	(2,724)	2,133	(3,819)	2,926
Total jobs safeguarded		3,200		3,200
Leakage		2,400		2,880
Displacement		2,112		2,246
Multipliers		612		1,573
Total net jobs safeguarded		2,724		3,819
Total net local jobs created and safeguarded		4,857		6,745

- 2.31 Under Option 1, it is estimated that only 800 jobs out of the 4,000 (i.e. 20%) currently on site would remain, leading to a loss of 3200 gross jobs to the economy. In net terms this equates to a loss of 2,724 net additional jobs at the local level and 3,819 net additional jobs at the East of England level.
- 2.32 In terms of Option 2 – Redevelopment of Adastral Park, it is considered the redevelopment will directly lead to the creation of 2,133 net additional jobs with a further 2,724 being safeguarded. That is, at the local level, the redevelopment of Adastral is expected to result in the creation and safeguarding of 4,857 jobs and 6,745 jobs at the East of England level.
- 2.33 The employment impact of redeveloping Adastral Park is therefore very significant, given current employment levels at Suffolk Coastal of approximately 47,000 people. Redevelopment with its associated employment creation will also contribute towards the targets set in the East of England Regional Spatial Strategy for employment creation in the Suffolk Haven Gateway area of 30,000 net new jobs for the period 2001-2021.

Temporary Employment Impacts

- 2.34 In addition to the direct permanent employment calculations, it is also important to estimate the construction employment that would be created as a result of Adastral Park's redevelopment project.
- 2.35 Temporary jobs are created during the infrastructure development and subsequent construction phases. DTZ has carried out a preliminary assessment of the likely infrastructure, servicing and build costs of the project including the residential element. These are based on a number of high level assumptions and historical information as no detailed cost plan has been developed as yet. On this basis, construction and development phase expenditure has been estimated to be in the region of £361m (please note that these costs are subject to change as the scheme progresses).
- 2.36 Temporary construction jobs (person years of employment) can be estimated on the basis of one person year of construction employment for every £131,812 of construction expenditure (2006 prices). This figure is obtained from the Annual Business Enquiry 2006 and is based on average turnover per employee per annum in the construction industry in the East of England.
- 2.37 Full time equivalents can be derived by using a ratio of 10 person years of construction employment to 1, using a standard convention used in appraisals of public sector projects.
- 2.38 Using both of these approaches, the quanta of temporary construction employment associated with the redevelopment of Adastral Park is 2,741 temporary construction jobs over the lifetime of the development. This equates to 270 full time equivalent employees.

Skills Matching

- 2.39 It is our understanding that a high proportion of the new jobs created will be for highly qualified and highly skilled employees in research and development type operations (as is the case with the current workforce).
- 2.40 The attributable employment opportunities (net additional jobs) from the redevelopment of Adastral Park will therefore require a certain type of skills. The expected skills and qualifications breakdown across the different floor space types for the proposed development can be determined by carrying out a cross tabulation of qualifications against industry benchmarks.
- 2.41 For the purposes of this study we have assumed that the additional B1 office employment created will be most closely aligned to a combination of the following Standard Industrial Classifications: 72 - computer, related activities and 73 - Research, development (herein referred to as "Computer and research"). This assumption reflects the move away from lab accommodation to office accommodation at Adastral Park, whilst continuing the R&D function. It is assumed that companies supporting BT will be principally focussed around R&D and high technology communications related activities, which tend to be heavily supported by computer and related activities.

2.42 Table 2.6 below shows, on a proportional basis, the qualifications held by individuals in the two sectors examined and are based on an amalgamation of June to September 2007 data from the Labour Force Survey (LFS) for the East Anglia economy.

Table 2.6: Qualifications Breakdown, East Anglia

	NVQ Level 4 and above	NVQ Level 3	Trade Apprenticeships	NVQ Level 2	Below NVQ Level 2	Other qualifications	No qualifications	Total
Computer and research	67%	17%	4%	2%	0%	7%	3%	100%
Hotels, restaurants	15%	24%	2%	22%	15%	13%	9%	100%

Source: DTZ, LFS

2.43 We have then applied this to the estimated gross permanent employment resulting from the redevelopment of Adastral Park to assess the expected level of skills and qualifications from the new workforce.

Table 2.7: Adastral Park: Skill/Qualification Breakdown

	NVQ Level 4 and above	NVQ Level 3	Trade Apprenticeships	NVQ Level 2	Below NVQ Level 2	Other qualifications	No qualifications	Gross Employment
Computer and research	1,601	418	100	42	0	173	67	2,400
Hotels, restaurants	17	28	2	27	18	16	11	120
Total	1,618	447	102	69	18	189	78	2,520

Source: DTZ, LFS

- 2.44 The redevelopment of Adastral Park will generate the vast majority (95%) of the new gross employment jobs within the office component of the scheme. Due to the nature of employment in computer and research occupations, these jobs will require high levels of skills, and so around 1,600 of the newly created jobs will require NVQ Level 4 qualifications and above.
- 2.45 In terms of employment at the hotel, it is expected that skills will be required across all levels of the qualifications spectrum with about 15% of the new jobs requiring Level 4 and above and 15% below NVQ Level 2.
- 2.46 In order to assess the potential matching of the attributable employment opportunities identified above with the skills and attributes of the labour market catchment, the existing skill set of the labour catchment area of the local area and the East of England was also examined.
- 2.47 Table 2.8 identifies the existing qualification breakdown of the resident working age population in Ipswich and Suffolk Coastal and the East of England.

Table 2.8: Qualification Breakdown (Jan 2007-Dec 2007)

	NVQ4+	NVQ3	NVQ2	NVQ1	Apprenticeships	None	Other Qualifications
East of England	26%	15%	16%	16%	5%	12%	9%
Ipswich & Suffolk Coastal	22%	16%	14%	17%	5%	12%	12%

Source: DTZ, LFS

- 2.48 As can be seen from the table above, within Ipswich and Suffolk Coastal 22% (or 32,300 persons) of its working age population have higher level qualifications (NVQ4+). This is below the situation in the East of England where 26% (or 887,200 persons) of the working age population have higher level qualifications.
- 2.49 The high profile nature of the activity proposed by the redevelopment of Adastral Park and the large proportion of higher level skills required for the anticipated B1 type occupations could mean that a certain number of the gross employment created may well need to be sourced from elsewhere. Nevertheless, there is currently outmigration of skilled people from the District to other parts of the region and so this type of development could be crucial in retaining that skilled

workforce. Redevelopment of Adastral Park will not only further strengthen the skill and occupational profile of the area and region but would also support the retention and development of ICT R&D skills for the UK as a whole.

Economic Output

- 2.50 The estimates for gross and net permanent employment allow for the production of predicted levels of economic output associated with the redevelopment of Adastral Park.
- 2.51 Production of output estimates is undertaken by gathering relevant statistics on average levels of Gross Value Added (GVA) per employee for the Telecommunications sector for the regional economy (lowest level available). The datasets that are used in these calculations are:
- Data on regional Gross Value Added for the telecommunications and Hotels sector from the ONS (1998-2006)
 - Data on employment for the Telecommunications and Hotels sectors from the Annual Business Inquiry (ONS), 2006.
- 2.52 The resulting impact on economic output is presented in the table below.

Table 2.9: Economic Output – Suffolk Coastal and Ipswich

	Option 1 – Base case by 2015	Option 2 - Redevelopment
GVA per employee (Telecomms)		£119,128
GVA per employee (Hotels)		£26,176
Total gross GVA	(381,209,600)	£289,048,320
Total net GVA (local level)	(324,561,853)	£245,672,153
Total net GVA (regional level)	(454,935,537)	£342,830,951

- 2.53 The redevelopment of Adastral Park, once operational and fully occupied, is expected to increase the size of the local economy by £290 million per annum (2006 prices) in gross terms and by £246 millions in net terms. At the regional level the impact is even more significant, with the redevelopment of Adastral Park having an estimated GVA impact of £342m in net terms.

- 2.54 Importantly though, were the redevelopment of Adastral Park not go ahead, it is estimated that the local economy would lose £381.2m in terms of gross GVA and £324.6m in net GVA per annum.
- 2.55 The proposals put forward by BT mean the redevelopment of Adastral Park is of paramount importance to the local economy. If the redevelopment goes ahead, the local economy can benefit to the tune of £670m in gross terms and £570m in net terms per annum.

3.0 Contribution to Employment Land Portfolio

- 3.1 Adastral Park is an existing General Employment Area within Suffolk Coastal District according to the currently adopted local plan. At present, it accommodates up to 4,000 jobs within a range of B1 premises. BT's proposals include provision of up to 60,000 sq m of additional B1 space on Adastral Park that is likely to generate up to 2,500 gross new jobs according to Section 2 of this report. Furthermore, BT's proposals also include residential development on land to the south and east of Adastral Park.
- 3.2 Ensuring the right amount of employment land in the right place is a critical concern of local and regional planning authorities in order ensure economic growth, employment growth and prosperity. This section of the report therefore provides an understanding of the contribution that BT's proposals will make to:
- The balance in quantitative terms between the demand for, and supply of, employment land in Suffolk Coastal and the Haven Gateway sub-region
 - The qualitative supply of employment land having regard to the nature and availability of employment sites elsewhere in the local area and sub-region.

Quantitative Employment Land Analysis

- 3.3 DTZ has previously undertaken work to inform the sub-regional (Haven Gateway) and local (Suffolk Coastal) requirements for employment land and floorspace³. This work has been used to inform emerging planning policy, including Suffolk Coastal's Core Strategy Issues and Options documents.
- 3.4 In line with National Planning Policy (draft PPS4), DTZ's work assessed the requirements for employment land based on employment growth targets set out in the draft Regional Spatial Strategy (RSS) for the East of England Plan. Since DTZ's work was undertaken, the East of England plan has been adopted and an indicative overall employment growth target of 50,000 for the Haven Gateway as a whole has been set, (20,000 for Colchester and Tendring and 30,000 for Ipswich, Suffolk Coastal and Babergh). This figure is in line with the assessment DTZ undertook and as such we still consider the overall findings of DTZ's previous work to be relevant.
- 3.5 In relation to the sub-regional requirements for employment land, DTZ's Haven Gateway study estimated land requirements across the Haven Gateway Districts to total 186.4 ha. This figure takes account of gross requirements, sensitivities in applying assumptions and requirements for market churn. When compared with the supply of employment land at 456.68 ha (excluding Port allocations), this results in an estimated surplus across the sub-region of 270.28 ha.
- 3.6 For Suffolk Coastal District, the estimated land requirements were 17 ha against a supply of 53.98 ha. This resulted in an estimated potential surplus of 36.98 ha. All other districts across the

³ Employment Land Report, Haven Gateway Partnership, 2005, Suffolk Coastal District Employment Study, 2006

Haven Gateway were also estimated to have a surplus of employment land, although to varying degrees.

- 3.7 In summary, the evidence in the report highlighted that the supply of employment land in the sub-region substantially exceeds predicted requirements over the 2001-2021 plan period and there was therefore potential to release some employment land.
- 3.8 In view of this spare capacity an important policy consideration for the districts was to ensure the highest quality sites in their portfolios are retained and safeguarded for employment use. To this end, a number of sites were recommended to be allocated as “strategic employment sites” to meet long-term strategic employment needs. One of the sites recommended was Martlesham Heath Hi Tech Cluster Site in Suffolk Coastal, which comprised a 13.5 ha extension to the existing Enterprise Village and Adastral Park at Martlesham. At the time of the study, this site was allocated in the Local Plan and was vacant. It represented an opportunity to accommodate the Suffolk Innovation Park (SIP), an EEDA led initiative. However, a number of issues related to the site have prevented it from coming forward. The site now forms part of BT’s proposals for residential development as part of their mixed use scheme and would result in a loss of land from Suffolk Coastal’s employment land portfolio. However, the hi-tech cluster is now incorporated as ‘Innovation Martlesham’ (discussed in Section 4), part of the redevelopment and regeneration of Adastral Park.
- 3.9 In order to understand the extent to which this loss would affect the balance between demand and supply set out above, we have provided an updated picture of the supply of employment land in the Haven Gateway and in Suffolk Coastal District.
- 3.10 According to the latest available data, the total employment land supply for the sub-region and each constituent local authority (as of April 2007) is set out in Table 3.1 overleaf by use class. This comprises:
- Sites allocated in adopted local planning policy yet to come forward
 - Sites with outstanding planning permissions

Table 3.1 Sub-regional Employment Land Supply by Use Class (ha)

	Suffolk Coastal	Ipswich	Babergh	Colchester	Tendring
B1	13.94	2.69	34.80	0	0
B2	0.47	0	31.90	0	0
B8	3.63	1.70	2.36	0	0
B1 or B2 or B8	85.33	36.61	0	80.09	72.00
Port related	0 ⁴	18.14	0	0	0 ⁵
Sui generis	0	2.44	0	0	0
Total	103.37	61.58	69.06	80.09	72.00

Source: 2006/07 LDF Annual Monitoring Reports

3.11 The data indicates that a total of 386.1 ha of land supply is available for employment uses (i.e. B1, B2 and B8) across the districts. This is lower than the figure presented in DTZ's Haven Gateway Employment Land Study as a result of a combination of factors including land being built out for development as well as changes in the way local authorities are monitoring data.

3.12 Analysis across individual districts reveals that Suffolk Coastal has the largest amount of employment land, with 103.37 ha. This is split between 52 ha of local plan allocations and 51 ha of outstanding planning permissions.

3.13 The key implications of this data are as follows:

- At both the sub-regional and local level there still remains more than sufficient supply of employment land in quantitative terms when compared to the estimated future requirements (see paragraphs 3.5 and 3.6 above).
- Furthermore, the loss of the 13 ha Martlesham Heath High Tech Cluster site from the employment land portfolio would have the following implications in terms of the balance between employment land supply and demand:
 - At the sub-regional level, the supply of employment land would be reduced to 373.1 ha. Against an estimated requirement of 186.4 ha this still results in a potential surplus of some 186 ha
 - At the local level, the supply of employment land would be reduced to 90.7 ha. Against an estimated requirement of 17 ha this still results in a potential surplus of 73.7 ha
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⁴ Port related uses for Suffolk Coastal District have not been included in the latest AMR but we understand there to be a substantial land bank associated with such uses.

⁵ There is an additional 122 ha of land at Bathside in Tendring allocated for port expansion that is not included in the figures above.

Qualitative Overview of Employment Sites

- 3.14 The analysis above demonstrates that the sub-region as a whole still has a sufficient land supply to meet the indicative job growth targets set out in the RSS in quantitative terms, as does Suffolk Coastal District. However, it is also important to consider the quality of the supply of employment land in considering the contribution that proposals for Adastral Park will make to the portfolio. Below we have provided further detailed information on the sites that comprise the overall land supply figures by district. In particular, we have focussed on those sites that are of a significant scale (e.g. above 5 ha) on the basis that these are most likely to offer strategic potential for employment growth.
- 3.15 In order to inform this position, statutory Annual Monitoring Reports (AMRs) from each district have been used to provide the most recent information available on employment land supply, together with Estates Gazette (EGi) market data and more detailed information from local authorities on strategic sites. Each of the districts within the Haven Gateway sub-region is considered in turn.

Suffolk Coastal District

- 3.16 The Suffolk Coastal Local Plan (second alteration) 2006 and Employment Land Availability Study 2007 identifies the following areas as major employment locations within Suffolk Coastal district
- Felixstowe
 - Framlingham
 - Leiston
 - Saxmundham with Kelsale
 - Woodbridge with Melton
 - Ipswich Eastern Fringe (urban)
 - Other Rural Areas.
- 3.17 In terms of actual available employment space within these locations (i.e. extant permissions and local plan allocations) the majority of this is located in Felixstowe and Ipswich Eastern Fringe, both of which represent the main employment locations in the district. Elsewhere, employment land availability predominantly consists of small scale opportunities (e.g. sites typically less than 3ha).
- 3.18 In Felixstowe, the large majority of the available supply is located on Port related sites, including at Trinity Avenue where extant permissions total 31 ha (0.8ha of B1 space, 0.4 ha of B2, 2.3 ha of B8 and 27.7 ha of unspecified 'B' use classes). This includes the Blofield Park and Enterprise Village. Although sites at Trinity Avenue are considered Port related sites the Council has indicated they would not be adverse to non-port related uses on them and they therefore are capable of contributing to the employment growth requirements of the sub-region.

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- 3.19 In the Ipswich Eastern Fringe Area (as defined in the RSS), the Martlesham Heath Hi-Tech cluster (including Adastral Park) site has a Local Plan allocation of 13.5 ha – although, as previously mentioned, this is now proposed for redevelopment for residential provision under BT’s proposals for Adastral Park. Also within the Ipswich Eastern Fringe area is Ransome’s Europark (14 ha available land in Suffolk Coastal area), which falls partly within Suffolk Coastal District and partly within Ipswich. It is considered the prime location for industrial and office development in Ipswich and is predominantly an industrial and warehousing scheme, although some office development is planned.
- 3.20 In terms of the quality of provision in Suffolk Coastal District, we have reviewed the findings of the Haven Gateway Employment Land Study, which provided a qualitative assessment of employment sites. This indicated the majority of available sites within Suffolk Coastal District to have good road accessibility, though there are variations across the district with more rural sites (e.g. Framlingham) having only average road accessibility. Public transport is less satisfactory outside the main urban area of Ipswich.
- 3.21 Sites located within the Ipswich Eastern Fringe, which include Ransome’s Euro Park, Martlesham Heath Industrial Estate and Martlesham Heath Hi-Tech Cluster, were all rated as “Good” quality following an assessment of their location and accessibility, site conditions, availability, developer interest and policy contribution.
- 3.22 Although a Port related site, the Blofield Park and Enterprise Village represents a significant development opportunity (c25 ha). However, it was rated as medium quality compared to those sites located in the Ipswich eastern fringe area. All other available employment sites in the district were rated as medium or poor in terms of overall quality. Indeed, a key issue for Suffolk Coastal concerns the fact that a large proportion of sites are in rural locations and suffer from poor accessibility to markets, supplier chains and workforce.
- 3.23 As previously noted, the Martlesham Heath Hi-Tech Cluster site was identified in the Haven Gateway as being suitable for a strategic site designation. This was on the basis of its location east of Ipswich and adjacency to the A12, together with the opportunity to form part of an existing successful cluster of hi-tech employment uses. Its potential contribution to supporting the RSS objectives of regeneration of Ipswich, and its role in ICT, was also a key factor. Since the time of this study, a land owner, Grainger, has indicated reluctance to enable development of the site to meet EEDAs aspirations for a Suffolk Innovation Park. BT’s redevelopment proposals for Adastral Park, however, will enable this development to take place within Adastral Park itself, therefore still representing a major development opportunity of strategic significance on a site already noted for its contribution towards ICT policy objectives.
- 3.24 We have also analysed the level of vacant floorspace in the district. EGi vacancy data (August 2008) indicates that Felixstowe and Ipswich eastern fringe had marketed vacant premises totalling c.2,600 sq m (or 0.26 ha) and 2,000 sq m respectively. Woodbridge had vacant premises totalling 2,400 sq m and Saxmundham 1,200 sq m. While vacancies in Woodbridge and Saxmundham

comprise a number of units, the vacancy figure for Felixstowe is dominated by 1,850 sq m of space at Haven Exchange. All vacancies within the Ipswich eastern fringe are on Martlesham Heath Business Park. Consequently, in August 2008 there were no available premises in Suffolk Coastal District capable of accommodating the scale of proposals from BT. Furthermore, the large majority of these premises are second hand, lower specification and in less accessible locations.

- 3.25 Overall, given the scale of available sites, only Ipswich Eastern Fringe and Felixstowe have the potential for strategic or large scale employment development within the Suffolk Coastal District. Of these, Ipswich Eastern Fringe offers the more strategic and accessible location and employment development in this location complements aspirations and policies within the RSS. Thus the provision of up to 60,000 sq m of additional employment floorspace at Adastral Park will ensure that development for employment purposes is taking place in one of the most sustainable and attractive locations in the district.

Ipswich

- 3.26 Policy EMP2 of the Ipswich Local Plan (First Deposit Draft 2001) identifies 22 employment areas within Ipswich which are reserved for employment use. There are also a number of sites with extant permissions for employment uses. The Ipswich Annual Monitoring Report 2006-07 indicates that Hadleigh Road has 7.9 ha of supply (though these are extant permissions) and Ransomes Europark has 9.6 ha of supply. The Haven Gateway study assessed the quality of available employment sites and established that for the majority of sites road accessibility and public transport was medium or good quality. Site conditions on the majority of sites were good and the availability good (e.g. short term).
- 3.27 The large majority of available employment land in Ipswich is small scale (less than 2 ha) and does not present the opportunity for strategic employment growth on a large scale. The only site of significant size is the Ransomes Europark site which was given an overall quality rating of “good” and considered to be the prime location for office and industrial development in Ipswich. Existing occupiers of the site comprise of a mixture of trade suppliers and wholesale firms, engineering and manufacturing firms, and suppliers of smaller and more specialised goods e.g. office copiers and security systems. It is therefore less specialised or sector focussed than Adastral Park, for example. The remainder of Ipswich’s supply tends to be either poorly located or unavailable in the short to medium term because of a lack of servicing or other constraints.
- 3.28 In terms of vacant premises being marketed there are limited opportunities to accommodate large scale employment growth. The latest EGi data indicates no vacant premises of a significant size, indeed none that are over 500 sq m, in any of the locations listed above. There are, however, a number of industrial units over 500 sq m vacant on the Farthing Road Industrial Estate (on the western fringe of Ipswich) and two vacant office buildings in the centre of Ipswich.
- 3.29 Ipswich has a good supply of employment land and a range of good quality sites that could contribute to meeting RSS indicative targets for employment growth. However, there are limited

large scale opportunities available in the short to medium term that could accommodate development of the scale and nature proposed at Adastral Park. This emphasises the importance of bringing forward the proposals at Adastral Park in order to meet growth aspirations, particularly within the ICT sector.

Babergh

3.30 As part of the DTZ Haven Gateway study a total of 12 available employment sites were assessed in Babergh. Nearly half of these were situated within rural locations. A number of the sites assessed were of significant size (greater than 5 ha) and included as General Employment Areas within the Babergh Local Plan Alteration No. 2 (2006) – the figures represent the amount of available/developable employment land):

- Chilton Mixed Use Development Package – 15.8 ha
- Former ‘British Sugar’ site – 40 ha
- Chilton Industrial Estate, Sudbury – 15.5 ha
- Land to South East of Lady Lane, Hadleigh – 5 ha
- Land off Sprites Lane (IP8), Ipswich – 8.9 ha
- Land at ICI Imagedata/Wardle Storeys – 34 ha.

3.31 There is clearly a good supply of employment land in Babergh although the quality of sites varied. The Haven Gateway study identified road accessibility and public transport to be variable, with a number of sites having poor access, particularly those in rural areas. In addition, a number of site constraints, including flood risk, access and contamination were identified which impacted on the time frame of availability of sites.

3.32 Of the sites listed above, the IP8 site was considered important in realising economic development objectives of the Ipswich eastern fringe area and was rated as “Good” in terms of overall quality. The largest development opportunities included the former British Sugar site, which was rated as medium quality, though we now understand there to be developer interest for residential development on the site. Land at ICI Imagedata/Wardle Storeys also represented a significant development opportunity, but was rated as poor quality overall. The other sites listed above were rated as good quality, but fall outside the Ipswich eastern Fringe area and would therefore not contribute to economic development objectives for this area in the same manner that Adastral Park is capable of.

3.33 In terms of vacant premises within the district, there are very limited vacancies overall with units of 500 sq m for sale on Lady Lane in Hadleigh and units of up to 1,300 sq m vacant in Sudbury. This indicates limited opportunities to accommodate significant employment growth in existing premises.

Colchester

- 3.34 Of the available employment land in Colchester, there are a number of sites of significant size (over 5 ha). These include the following (the amount of available employment space is also shown where available (from LDF Centres and Employment Topic Paper 2007):
- Hythe/Whitehall Road
 - Cuckoo Farm – 19.8 ha
 - Tollgate/Westside Centre, Stanway – 11.4 ha
 - University Research Park – 3.6 ha (extant permission)
 - Tiptree–Kelvedon Road
 - Severalls Park.
- 3.35 The emerging LDF Core Strategy for Colchester identifies Stanway and the University Research Park as Strategic Employment Zones, suitable for major growth. As part of the Haven Gateway study these sites were identified as being of medium overall quality. The University Research Park is located to the East of Colchester. Its proximity to Essex University gives it the potential to attract higher value employment to the area. However, as part of the site is on a floodplain and further road infrastructure improvements are required, there are constraints that need to be addressed for it to meet its potential. Severalls Park was the only site in Colchester to be assessed as good quality, but the development opportunity at this site is far smaller (less than 2 ha) than other sites.
- 3.36 A significant development opportunity exists at the Cuckoo Farm site located to the north of Colchester and just south of the A12. The site is allocated for B1-B8 uses, but the Council is seeking to attract higher density employment uses such as B1 or B2. Current accessibility is poor, but a new road junction is a provision for development the site, and would increase its attractiveness. Residential and sports/leisure facilities are also planned for the site. The Tollgate/Westside Centre site at Stanway is located to the west of Colchester and allocated for B1-B8 uses. The accessibility and profile of the site make it inferior when compared to Cuckoo Farm.
- 3.37 There is a good supply of employment land in Colchester in quantitative terms although “good” quality employment land is limited in the short to medium term. This could raise challenges for Colchester’s ability to contribute to RSS indicative job growth targets for the Haven Gateway and as such places greater emphasis on bringing forward opportunities such as additional provision at Adastral Park in order to facilitate growth for the sub-region.

Tendring

- 3.38 The Tendring Adopted Local Plan (2007) identifies 17 employment sites within the district. The 2005 Haven Gateway Employment Land Review narrows this down in terms of the non-port related sites with available land.

3.39 These are:

- Land north of Oakwood and Gorse Lane Industrial Estate, Clacton – 7.6 ha
- Plots A-E Martells Pit – 9.6 ha
- Plots A-C Lawford Industrial Estate – 3.1 ha
- Land south of Centenary Way, Clacton – 4.1 ha
- Gorse Lane Industrial Estate, Clacton – 2.3 ha
- Land to South of A120 and West of A133 – 27 ha
- Oakwood Business Park, Clacton – 2.3 ha.

3.40 All the sites are ‘outer urban’ with average or poor road accessibility and poor public transport connections. Only Lawford Industrial Estate was considered by the 2005 Haven Gateway Employment Land Review to be of good quality, with Oakwood and Gorse Lane Industrial estate and Martells Pits rated as ‘poor’. The rest are judged to be of medium quality.

3.41 The only sites of significant size are Martells Pit (judged to be of poor quality) and Land to the south of the A120/West of A133 (rated as medium quality). However, the Haven Gateway Employment Land Review states that this is only likely to be available to be brought forward in the medium term. Consequently, there are limited sites of a good quality within Tendring that can be brought forward in the short term for large scale development and as with Colchester suggests that opportunities such as development at Adastral Park are key to facilitating growth in the sub-region.

Summary

- 3.42 The above analysis indicates that, there is sufficient available employment land across each local authority area within the sub-region to accommodate the indicative employment targets set out in the RSS. The loss of 13 ha at the Martlesham Heath High Tech Cluster site does not affect this position – i.e. there will still be sufficient employment land within Suffolk Coastal District and the sub-region as a whole to accommodate anticipated employment growth. At the same time however, BT's proposals to provide up to 60,000 sq m of employment floorspace at Adastral Park will help to compensate for the loss of land at Martlesham Heath and represent an opportunity to provide employment space in a high quality location that has been identified as being of strategic significance, relative to the quality and availability of sites elsewhere in the sub-region.

4.0 Fit with Policy and Strategy

4.1 Having demonstrated the employment land and economic benefits of the proposed scheme in Sections 2 and 3, we set out below a review of national, regional and local policy documents and strategies in relation to employment and economic development and demonstrate the supporting context to the scheme proposals and the extent to which proposals at Adastral Park accord positively with the sentiments of policy and strategies at all levels. This is set out under the following headings:

- National
- Regional
- Sub-regional
- Local

National

Planning Policy Statement 4 (PPS4): Planning for Sustainable Economic Development

- 4.2 PPS4 sets out the national planning framework for economic development at regional, sub-regional and local levels for both urban and rural areas. The statement recognises the two drivers of economic growth as productivity and employment. Its framework for improving productivity and employment is based on maintaining macroeconomic stability, ensuring job opportunities for all and using microeconomic reforms to tackle market failure around the drivers of productivity – investment, innovation, competition, skills and enterprise. It also recognises that, if the planning framework is not responsive to market signals, it can represent a barrier to employment and productivity growth.
- 4.3 According to the statement, planning outcomes must enable communities to take full advantage of the economic opportunities available to them, sustaining and creating employment and prosperity. Whilst a robust evidence base is required to underpin regional and local planning strategies, it is also recognised that a flexible approach to the supply and use of land will be required in order to respond to changes in the local economy that cannot always be predicted. Accordingly, the planning outcomes aim to ensure increased competition and enterprise, enhanced skills and innovation, increased job opportunities and greater investment in the UK economy.
- 4.4 To this end, regional and local planning authorities are required to plan to encourage economic growth which includes:
- Identifying a good range of sites for economic development and mixed-use development
 - A good supply of land and buildings which offers a range of opportunities for creating new jobs in large and small businesses as well as start-up firms and which is responsive to changing needs and demands

-
- High quality development and inclusive design for all forms of economic development.
- 4.5 It should be noted that economic development according to PPS4 covers a wide range of development, which includes high technology premises including research, business and science parks.
- 4.6 PPS4 explicitly states that regional planning bodies and local planning authorities should plan positively and proactively to encourage economic development, in line with the principles of sustainable development and that, in particular, they should develop flexible policies which are able to respond to economic change and the need for co-ordination with infrastructure and housing provision.
- 4.7 Both regional and local planning bodies are expected to use a wide evidence base to understand both existing business needs and likely changes in the market, to prepare policies to support sustainable economic development in their areas. In this respect they are expected to thoroughly assess the existing supply of land available for economic development through an employment land review. Employment Land reviews in relation to the sub-region and local area are discussed in further detail later on in this section.
- 4.8 Within this evidence base, planning bodies are expected to ensure that plans:
- Support the existing sectors, taking into consideration where they are expanding or contracting
 - Recognise and positively plan for the benefits that can accrue when certain types of businesses locate within proximity of each other or with other compatible land uses such as universities and hospitals
 - Develop policies, in conjunction with the higher and further education sectors and other stakeholders, to assist business, particularly knowledge based and high technology industries.
- 4.9 PPS 4 recognises that a high quality and well-designed environment can foster local economic growth by influencing a company's decision to locate and remain in a particular area, encourage other businesses to invest and by attracting employees and visitors. When considering development proposals, local planning authorities are expected to
- Consider proposals favourable unless there is good reason to believe that the economic, social and/or environmental costs of development are likely to outweigh the benefits
 - Ensure they take full account of the longer term benefits, as well as the costs, of development, such as job creation or improved productivity, including wider benefits to national, regional or local economies.
- 4.10 PPS4 has recently been subject to public consultation. A final version is expected to be published later this year (2008).

BT's proposals for Adastral Park will support National Policy by:

- Presenting the opportunity to sustain and create employment and prosperity
- Contributing to the key drivers of economic growth through productivity, investment and innovation
- Adding to the supply of high profile and quality buildings with the potential to offer a range of opportunities for creating new jobs in large and small businesses as well as start-up firms
- Presenting the opportunity for Suffolk Coastal to plan positively and proactively for economic development
- Creating the opportunity to benefit from certain types of businesses locating within proximity of each other
- Enabling linkages between higher and further education sectors and other stakeholders with knowledge based and high-technology industries
- Presenting the opportunity to accrue long-term benefits through the creation of employment opportunities, business growth and the retention of BT's operations.

Regional

East of England Plan, May 2008

- 4.11 The East of England Plan is the Regional Spatial Strategy for the East of England and was recently adopted in May 2008. Key policy drivers for the region include supporting the continued growth of the economy and enabling all areas to share in prosperity.
- 4.12 Section 4 of the RSS sets out the regional spatial strategy in relation to economic development. It aims to encourage the regional economy to continue to grow and encourages greater investment. A key strand of the RSS, and in conjunction with the Regional Economic Strategy (RES), is to ensure that the most dynamic areas, sectors and clusters continue to grow to support the region's competitive edge and continued economic progress, whilst also promoting a step change in employment, development and diversification in under-performing areas.
- 4.13 The plan sets out indicative net job growth targets for the period 2001 to 2021. Local Planning authorities are expected to provide an "enabling context" to achieve these targets. For Suffolk as a whole the target is 53,000. This is divided into sub-regions. For those Suffolk districts which fall within the Haven Gateway sub-region (Ipswich, Suffolk Coastal and Babergh) the plan sets a target of 30,000 and is thus clearly indicative of the expectation on this part of the county to deliver the larger proportion of job growth.
- 4.14 Linked to these job growth targets is the need to provide adequate land. Policy E2 of the RSS states that LPAs should ensure that an adequate range of sites is allocated to accommodate the full range of sectoral requirements to achieve the indicative job targets. To this end, sites of sufficient range, quality and quantity to cater for relevant employment sectors are required. Indeed, it is recognised that the quality of land required to meet the needs of businesses is a critical factor in ensuring economic success and attracting inward investment and that LPAs

should ensure there is a high quality employment land offer, taking account of the contribution from strategic sites.

- 4.15 To this end, LDDs should identify readily serviceable strategic employment sites of the quantity and quality required to meet business needs. In the Haven Gateway, Colchester and Ipswich are highlighted as key areas where strategic employment sites are required to support growth and regeneration and, in particular, for Ipswich to support the growth of ICT. Adastral Park is identified as a key feature of the sub-region economy, particularly in relation to supporting and delivering growth in ICT (see paragraph 4.25 below).

Regional Economic Strategy (2004)

- 4.16 **A Shared Vision: East of England Regional Economic Strategy** was published in 2004 and sets out a vision for the regional economy to be a leading economy, founded on its world-class knowledge base and the creativity and enterprise of its people in order to improve the quality of life of all who live and work there.
- 4.17 A key mechanism to achieving this vision will be to build on the regions global leadership in science, technology and research and innovation which includes ICT. It is also recognised that the region needs to develop a more coherent and tailored business support service, facilitate a growth in productivity and competitiveness, especially in key sectors and clusters and support the development of social enterprise.
- 4.18 Goal two of the RES is to grow competitiveness, productivity and entrepreneurship. Key principles under this scenario include the following:
- Developing strategic partnership between educational establishments and business
 - Support the provision of good quality premises on flexible terms for new and expanding businesses
 - Market the key strengths of the region in particular sectors and clusters to potential investors and partners overseas, and communicate strong propositions for the region in order to attract inward investment.
- 4.19 Goal three of the RES relates to global leadership in developing and realising innovation in science, technology and research. Key principles under this goal include:
- Develop enterprise hubs as a focus for networking activity for innovation, science and technology integrated into the business support infrastructure
 - Support the development of knowledge based clusters across the region.
- 4.20 Goal four of the RES relates to high quality places to live, work and visit and include key actions as follows:
- Work with businesses to ensure self sufficient high quality employment land and premises that meets their current and future needs in sustainable locations

- Focus on overcoming barriers which prevent the efficient and sustainable use of land and property resources in urban and rural areas.

4.21 Additional actions under other goals include developing an understanding of the key opportunities and market needs for ICT companies in the region, and continuing the development of a regional strategy to support and develop the region's ICT sector.

BT's proposals for Adastral Park will support Regional Policy by:

- Enabling the growth of a dynamic sector and cluster thereby enhancing the region's competitive edge and continued economic progress
- Contributing 2,500 jobs to the overall Haven Gateway target of 30,000
- Providing for a range of high quality premises on a site recognised as being of strategic significance
- Promoting growth in research and development and innovation in accordance with sectors of regional significance
- Provision of good quality premises for new and expanding businesses
- Enhancing the proposition of the region in terms of sector and cluster development
- Potentially facilitating the provision of an enterprise hub to meet regional identified need
- Making more efficient use of existing employment areas.

Sub-regional

4.22 Suffolk Coastal District falls within the Haven Gateway sub-region which comprises the five districts of Ipswich, Suffolk Coastal, Babergh, Colchester and Tendring. In 2006 the sub-region was awarded growth point status, signalling its potential for significant further growth.

4.23 Sub-regional policies are set out in the **RSS** and the Haven Gateway is highlighted as having substantial potential to develop further as a major focus for economic development and growth. Policy HG1 of the Plan states that the aim is to achieve transformational development throughout the Haven Gateway, which will develop the diverse economy of the sub-region including the need for support for the expansion and establishment of ICT clusters. The policy also proposes to support existing academic, scientific and research institutions.

4.24 In relation to achieving the jobs target set out in the **RSS** (50,000 for the sub-region as a whole) LPAs are encouraged, amongst other things, to promote the urban areas of Colchester and Ipswich as major centres of employment, and provide appropriate sites, premises and infrastructure to attract a diverse range of employment to Ipswich, Colchester, Harwich, Felixstowe and Clacton. The Plan highlights Adastral Park as a key feature of the sub-regional economy in regard to established and expanding ICT clusters and its proposed Innovation Centre.

4.25 The **RES** also sets out a number of actions and priorities for each of the sub-regions. For the Haven Gateway, the sub-region is recognised as being of national and regional importance, with a strategic transport gateway for trade and tourism between the UK and the rest of Europe. The ICT cluster at Adastral Park is specifically recognised as an important economic opportunity

within the sub-region and, to this end, a key action set out within the RES is to “facilitate the expansion of the ICT cluster at Adastral Park”.

- 4.26 The East of England Development Agency’s (**EEDA**) priorities for the region and sub-regions are largely set out in the RES. They have recently commented, however, on proposals for “Innovation Martlesham” at Adastral Park and in doing so demonstrated their support for redevelopment proposals at Adastral Park. “Innovation Martlesham” is supported by funding from EEDA and is set to consolidate as a global centre of excellence for research and development. EEDA recognises that it can play an important part in BT’s plans for the redevelopment of Adastral Park within the vision for the site as a whole. Sagentia and Carter Jonas have been appointed to establish and operate “Innovation Martlesham” initially based at existing buildings on BT’s Adastral Park campus with purpose built new developments to be phased in. The deputy chair of EEDA, George Kieffer, has been quoted as saying “*it is incredibly exciting that the Innovation Park is about to become a reality. It will be a global centre of excellence, as it rapidly develops a national and international profile for the research and development of specialised high-tech communications technology*”.

Haven Gateway Partnership

- 4.27 The Haven Gateway Partnership was created in 2001 to provide framework through which its partners could promote economic opportunities and secure future prosperity. The vision of the Partnership is to deliver a high quality environment for its residents, workers and visitors by realising its potential for significant sustainable growth, addressing its needs for economic regeneration and creating an additional focus for growth in high-tech, knowledge based employment. Following the appointment of Growth Point Status for the sub-region in 2006, the Partnership agreed a framework for growth and a provisional programme of development. A number of key components were identified including:

- A concentration of development of housing and jobs in Ipswich and Colchester, and surrounding the Ports
- Encouraging high-tech, knowledge-based employment, linked to the University of Essex and the new University Campus Suffolk.

- 4.28 The Partnership is now in the process of piloting the production of a sub-regional Integrated Development Programme (IDP), which specifically identifies where investment should be prioritised, considers the longer term perspective for growth (up to 2031) and provides the opportunity for strategic planning and economic development. Ten investment packages are outlined as part of the IDP, which include a spatial investment package for IPA-East (Adastral Park and Ipswich East) and long term investment packages for strategic employment sites and land release.

- 4.29 The Partnership has also identified five key sectors for economic growth on which it will focus in order to secure employment growth of the sub-region. This includes Innovation and ICT. The significant strengths of this sector are recognised, and, in particular, the contribution that clusters

centred on BT make to this sector, including new service innovation at Adastral Park. Goals of the Partnership in relation this sector includes working with the Suffolk Development Agency and ExDRA to develop business support and effective ICT clusters. The ICT sector is also seen by the Partnership as part of a compelling argument to deliver more sustainable growth. Indeed, the sub-region is seen by the Partnership as being a “Gateway to ICT”, which includes a high-tech cluster at BT Adastral Park.

Haven Gateway Employment Land Review

4.30 Section 2 of this report reviewed the findings of the Haven Gateway Employment Land Study which was undertaken to inform future planning requirements in relation to the provision of employment space at the sub-regional level. Of particular note from the study in relation to future growth and economic development is the following:

- DTZ concluded that in order to meet RSS job targets a “significant improvement in employment growth levels will be required”
- The estimated net land requirement across the Haven Gateway Districts was 36.2 ha although sensitivity analysis suggested a potentially wide range from this. Excluding the forecast decline in employment growth would equate to a gross requirement for 86.4 ha. The greatest requirements were for B1 space to accommodate office floorspace growth in the banking, finance and insurance sector. Requirements were also factored in to account for market churn and sensitivities.
- The supply appraisal found there to be a substantial employment land supply with over 970 ha across the six districts. The largest quantities of supply were located in Suffolk Coastal and Tendring, both of which had substantial land banks serving the Ports of Felixstowe and Harwich. Excluding these land banks reduced the overall supply by over half to 457 ha.
- The Haven Gateway Employment Land Study provided a qualitative assessment of employment sites and indicated that the majority of sites within Suffolk Coastal have good road accessibility. However, there are variations across the district with more rural sites (e.g. Framlingham) having only average road accessibility. Public transport is less satisfactory outside the main urban area of Ipswich. The Review identified the overall quality of the Ipswich Eastern Fringe sites (in terms of site condition and location) as ‘good’, and the other identified sites listed above as ‘medium’. Adastral Park is included within the Ipswich Eastern Fringe area.
- The evidence set out in the report highlighted that the supply of employment land exceeds predicted requirements over the 2001-2021 plan period and there was therefore potential to release some employment land. In view of this spare capacity an **important policy consideration for the districts was to ensure the highest quality sites in their portfolios are retained and safeguarded for employment use.**

4.31 In order to inform policy requirements to retain and safeguard sites, and in order to meet RSS aspirations to make provision for “strategic employment sites” to meet the needs of businesses, the study recommended a number of sites to be allocated as “strategic employment sites” to meet long-term strategic employment needs.

4.32 Sites were identified as being strategic on the basis of applying the following criteria:

- Development potential – sites should be a minimum of 10 ha
- Availability of financial incentives
- Competitive position (e.g. is the site offering a new or unique product to the market or more of the same)
- Image and profile – how does the market view the site and general location?
- Supply chain position – does the site’s location provide for a good supplier base/chain?
- Local market position – does the site’s location provide for a good customer base?
- Local facility provision – is it close to facilities to serve the workforce?
- Transport connectivity
- Workforce connectivity
- ICT connectivity.

4.33 The Martlesham Heath Hi Tech Cluster Site in Suffolk Coastal District was identified as a strategic site. The site at the time had an allocation for 13.5 ha extension to the existing Enterprise Village, Adastral Park and Innovation Park at Martlesham. The 13.5 ha site has not been taken forward for employment uses due to landownership issues. However, BT’s proposals to redevelop Adastral Park will allow for the Suffolk Innovation Park to be accommodated together with additional employment floorspace, thereby still allowing an extension and improvement to the existing facilities.

4.34 An updated position of the availability and suitability of sites within the sub-region indicates that Adastral Park remains a site of strategic importance, capable of delivering a substantial number of jobs within a growth sector, and that there are limited opportunities to do so elsewhere in the sub-region.

BT’s proposals for Adastral Park will support Sub-Regional Policy by:

- Facilitating the expansion and establishment of the ICT cluster, which is considered to be a growth sector in the sub-region
- Contributing to the development of the Ipswich urban area as a major centre for employment, on an appropriate site of strategic importance
- Helping to diversify the sub-regional economy within a sector recognised as having strategic significance
- Providing the opportunity to develop a scheme that relates directly to the identified support for development and expansion at Adastral Park
- Contributing circa 2,500 jobs to future job growth target for the sub-region within identified growth sectors.

Local

Suffolk Coastal Local Plan

- 4.35 The Suffolk Coastal Local Plan was adopted in 2001 and had a number of policies saved in 2006 until such time as the LDF is adopted. These included policies in relation to employment land provision. Policy AP47 of the Local Plan states that no further allocations of employment land will be made on the basis of the more than sufficient existing level of supply. Policies also include provision to make the best and most efficient use of existing or allocated employment sites.
- 4.36 Adastral Park, together with Martlesham Heath Business Park, is identified as a General Employment Area subject to Policy AP51, which asserts that *“unless otherwise stated in other policies of this Local Plan, on the Industrial Estates identified as General Employment Areas and shown on the Proposals Map, planning permission will normally be granted for Classes B1, B2 and B8 development”*.

Suffolk Coastal Emerging Local Development Framework

- 4.37 Suffolk Coastal District Council’s Core Strategy Issues and Options document was published in February 2007. In relation to the economy, the document sets out a number of draft objectives which include increasing prosperity and employment growth to meet, as a minimum, the identified employment needs of the district as indicated in the RSS, to achieve a more sustainable balance between workers and jobs and to attract workers to remain in employment within the district (draft objective 6).
- 4.38 The document also refers directly to DTZ’s Haven Gateway Study and Suffolk Coastal Study Employment Study in relation to employment land requirements. According to the document, the Council will seek to ensure that there is a continuous supply of employment land in order to achieve the Core Strategy objectives, create the jobs required by the RSS and provide a choice of sites in terms of size, location and quality. Employment opportunities will be sought in locations that are consistent with the RSS, consistent with the settlement hierarchy in the Core Strategy, that are sustainable and that support regeneration.
- 4.39 The document recognises that sites most likely to meet future demand include the proposed extension to Ransomes Europark at Nacton, the Suffolk Innovation Park adjacent to Adastral Park at Martlesham and land at or adjacent to the Port of Felixstowe. The latter two of these are noted as being of strategic regional significance.
- 4.40 A recent **LDF Task Group** meeting (28th July 2008) considered a report in relation to the proposed location of strategic housing growth in the Ipswich Policy Area. The report, agreed by the Committee, concluded that east of Martlesham (option 4) was the preferred option for strategic housing growth for the following reasons:
- The opportunity to create a self sustaining community with its own education and other community facilities

- Its immediate adjacency to substantial and increasing employment, more so than other options
- The availability of public transport, including Park and Ride in to Ipswich
- The potential for linkages with future expansion and diversification at Adastral Park creating a hi-tech business cluster and high quality residential environment.

4.41 Adastral Park is clearly seen as playing a vital role in creating a sustainable and mixed-use community in the area which can help to address the housing requirements for the region.

Suffolk Coastal Economic Development Strategy, 2004-2009

4.42 The Suffolk Coastal Economic Development Strategy was produced in 2004 and covers the period to 2009. It aims to highlight the challenges and issues for economic development and community regeneration within the district. A number of key challenges are highlighted for the future and these include:

- High dependency on port, telecom, transport and distribution sectors
- Encouraging self-employment and facilitating and supporting business formation and expansion
- Overcoming low level of high quality office space and good manufacturing facilities
- Stemming the outflow of skilled young people from the area and encouraging skills training and work-related qualifications.

4.43 Seven key economic themes are identified and these include the promotion and development of business clusters.

Suffolk Coastal Employment Land Study

4.44 Section 2 of this report reviewed the Suffolk Coastal Employment Land Study undertaken in 2006 to feed in to the LDF. Salient points from the study in relation to employment and economic growth were as follows:

- Employment in Suffolk Coastal District is forecast to increase by 8,000 workers by 2021. In addition, other effects such as mobility between jobs and retirement will result in further need to retain and replace workers over time
- Sectors where the employment increase is felt most strongly are business services such as banking and finance, as well as transport and communications, education and health
- Sectoral growth will shift the occupation structure towards more highly skilled occupation types, including professionals and associate professionals. Due to the current high levels of out-commuting for jobs, the inference is that more highly skilled workers from the area may be employed closer to home
- Provision of B1 land and property will be necessary to serve the market for a range of activities including other business services and communications sectors
- High levels of entrepreneurship in Suffolk Coastal and demand could arise from start-up companies requiring affordable premises together with business support
- Adastral Park was highlighted as a key site for meeting these future requirements

- The ICT sector was identified as a target sector for future growth to help create a healthy and diverse economic base.

4.45 Overall land requirements for the district indicated there to be a surplus of employment land, but that nonetheless a cautious approach is required in respect of policy relating to the release of employment land. To this end, a number of key characteristics were identified for sites which are most likely to be sustainable in employment use and important to the health of the local economy, these included:

- Sites in or close to urban areas, particularly those around Ipswich and Felixstowe
- Sites in the south of the district where there are higher employment densities
- Sites that are located close to the primary road network, and particularly the A12 and A14
- Sites which have good access to public transport
- Sites which are allocated for B1 uses
- Sites which can fulfil the requirements of business service related companies which require either town centre/high street offices, business parks and light industrial/workshop accommodation
- Properties offering units of a smaller size to cater for SMEs
- Properties that are well occupied and have low vacancy rates
- Sites which have no or minimal constraints where the high cost of development would not hinder the site being taken forward
- Sites where the preferred uses are compatible with neighbouring uses
- Serviced sites which have good site conditions.

4.46 The study reaffirmed the need for a robust employment land policy framework that promotes and sustains a healthy employment base for the district, enabling key sectors to flourish and helping to maintain a balanced portfolio of employment sites across the district. Furthermore, the study recommended the policy framework should safeguard existing sites that are sustainable and viable in employment land use and facilitate and bring forward new business workspace schemes on sites through a programme of measures designed to help stimulate developers and investors.

Supplementary Planning Guidance

4.47 Adastral Park and Martlesham Heath Business Park are the subject of Supplementary Planning Guidance (SPG) that was adopted by Suffolk Coastal District Council in June 2001. This recognises the importance of Adastral Park to the national and regional economy. The objectives for the planning framework include:

- To create the circumstances for fostering a cluster of innovative businesses centred around BT's high-tech research development facility at Martlesham, enhancing the competitiveness and economic strengths of not only the immediate area but the Eastern Region
- Creating a high quality environment for knowledge based employment

- Provide the context for a comprehensive and co-ordinated development programme to consolidate this Hi-Tech Cluster.

4.48 The SPG recognises Adastral Park as a world renowned centre for communications and information technology research which has, over the last 20 years, supported a significant number of jobs on site. According to the SPG it “*undoubtedly benefits the local and regional economy, and complements the role of the adjoining Martlesham Heath Business Park*”. It is recognised that BT is a significant and growing source of new businesses exploiting technologies developed at the Park and that it has potential to attract like-minded businesses to establish a presence close by. It goes on to note that strategically, Adastral Park provides a rare focus to foster the development of a cluster of knowledge based businesses drawing on the ideas, investment and expertise within BT as a major attraction for inward investment into the region.

4.49 The SPG sought the development of an Innovation Park on an identified greenfield site south of Adastral Park on land partly owned by Grainger. Grainger subsequently withdrew their support for the proposal and BT is now facilitating the Innovation Park within the northern part of Adastral Park. In 2007 SCDC began the process of updating the SPG given BT’s aspirations for the site, along with those of Dunedin, a neighbouring landowner who controls Martlesham Business Park to the north. A new Supplementary Planning Document has been drafted and will be published for public consultation in the summer of 2008. Further detail on this is provided in the Planning Statement.

4.50 A revision to this guidance, a new Supplementary Planning Document (SPD) has been drafted and is being prepared for public consultation by SCDC. This updates the policies and proposals for the same area, and omits the 13.5ha site south of Adastral Park earmarked for the Innovation Park. It is intended that this SPD is approved for development control purposes prior to full adoption as part of the LDF process.

BT’s proposals for Adastral Park will support Local Policy by:

- Making the most efficient use of an existing General Employment Area which is recognised as having both local and strategic significance
- Contributing towards the required balance of workers and jobs
- Encouraging self-employment, business formation and expansion
- Providing a range of high quality premises that are identified as lacking in the local area
- Providing the opportunity for higher value and higher skilled professions in the local area therefore contributing to greater levels of retention of the existing skilled workforce
- Raising the profile of the local area in terms of investment, business creation and sectoral growth.

Conclusions/Summary

- 4.51 Adastral Park is located on the eastern edge of Ipswich and just east of Martlesham Heath and the A12. It is the centre for development of Information Communications Technology for BT and other leading IT and telecommunications companies and is home to ICT research from University of Essex and University College London. It is BT's main research and development centre, the largest concentration of information and communications technology (ICT) expertise in the UK and fourth largest concentration of research activity in the UK. BT also owns a further 250 acres (100 ha) of land around Adastral Park, some of which is agricultural land, much of which has been quarried recently to extract sand and gravel.
- 4.52 Currently, around 4,000 are employed at Adastral Park, around 3,600 of which are employed by BT either directly or on a contractor basis and the remainder by third party companies located at the site. We understand that there are at least 17 non-BT companies including Alcatel, Cisco, Fujitsu, O2 and Siemens as well as a strong higher education and research presence. Universities with a presence on site include University College London and University of Essex- Chimera. Suffolk College's CREATE (Centre for Research in Educational Applications of Telematics) is also located there.
- 4.53 Importantly for the local economy, the vast majority of employees on site are in highly skilled R&D positions and high profile projects are being delivered at Adastral Park, including BT's 21st Century Network ('21CN') project. This is a £10 billion project to create a new internet protocol (IP) based communications network and BT is working with major international companies on this project including Fujitsu, Huawei, Alcatel, Cisco, Siemens, Lucent, Ciena and Ericsson.
- 4.54 The importance of Adastral Park to the local and regional economy is more than significant. It is also important on a national basis, especially as BT do not have another R&D facility in the UK of the size and scope of Adastral Park. Its position is unique and therefore retention of this facility is key for the future well being of the local economy and UK's position in the telecommunications sector.
- 4.55 Current proposals for redevelopment of Adastral Park will therefore have a significant economic impact for the local and regional economy. The development as a whole will comprise the following:
- Up to 60,000 sq m of net additional employment floorspace, related car parking spaces and landscaping
 - Up to 2,000 homes
 - Mixed use local centre
 - Land for a two form entry primary school
 - Hotel
 - Energy centre and other utility infrastructure

- Accommodation for an expanded education presence
- Associated car parking, open space, landscaping, supporting services and facilities and road and public transport improvements.

4.56 We have calculated the net employment impacts of the employment element the scheme. These can be summarised as follows:

- Redevelopment of Adastral Park is estimated to result in the creation of 2,520 gross jobs, with over two thirds estimated to require NVQ Level 4 and above qualifications.
- Redevelopment will also safeguard a further 3,200 jobs which could be lost at Adastral Park if the redevelopment does not go ahead.
- In net terms, the proposals for Adastral Park will result in 2,133 net additional jobs to the local economy and 2,926 net additional jobs at the East of England level.
- **Overall, the redevelopment of Adastral is expected to result in the creation and safeguarding of 4,857 jobs in the local area and 6,745 jobs at the East of England level.**
- Over the lifetime of the project, it is estimated that around 270 FTEs jobs in construction will be created as a result of the redevelopment of Adastral Park.
- The redevelopment of Adastral Park, once operational and fully occupied, is expected to increase the size of the local economy by £290 million per annum (2006 prices) in gross terms and by £246 millions in net terms. Regionally, the economic impact is estimated to be in the region of £342m per annum in net terms.

4.57 Without redevelopment, it is estimated the local economy would be worse off to the tune of £381.2m in terms of gross GVA and £324.6m in net GVA per annum. Overall, this means **the Adastral Park project will secure and generate £670m in gross GVA and £570m in net terms per annum.**

4.58 We have also considered the impact of Adastral Park's proposals on the portfolio of employment land in the local area and within the sub-region. This has demonstrated that, whilst there is a sufficient supply of employment land to meet RSS employment growth targets within the sub-region and local area, Adastral Park represents one of the most strategic locations for accommodating future growth in sectors of the economy that are considered a priority. Its ability to accommodate an increase in employment numbers is therefore critical to the success and strength of the areas portfolio of employment land opportunities.

4.59 Having assessed the employment impact of the proposals, together with the contribution to the portfolio of employment land, it is clear there are a number of significant benefits likely to arise from the scheme. These benefits make a major contribution to policy and strategy aspirations at the regional, sub-regional and local level. In summary, redevelopment of Adastral Park will:

- Make a significant contribution to achieving the RSS employment growth target for the Haven Gateway of 50,000 jobs up to 2021.
- Further strengthen the role of the area as a leading ICT and R&D cluster, attracting other companies and encouraging the growth of new companies.

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- Maintain and enhance the region's and the UK's position as a competitive global hub for the ICT sector
 - Further strengthen the skill and occupational profile of the area and the region and provide support for the retention and development of ICT R&D skills for the UK as a whole
 - Provide support for the growth of new and spin-out companies, strengthening the region's economy and contributing to diversification into "high growth" knowledge or technology based sectors
 - Bolster the ability of the sub-region to attract and retain high value employees.

5.0 Conclusions/Summary

- 5.1 Adastral Park is located on the eastern edge of Ipswich and just east of Martlesham Heath and the A12. It is the centre for development of Information Communications Technology for BT and other leading IT and telecommunications companies and is home to ICT research from University of Essex and University College London. It is BT's main research and development centre, the largest concentration of information and communications technology (ICT) expertise in the UK and fourth largest concentration of research activity in the UK. BT also owns a further 250 acres (100 ha) of land around Adastral Park, some of which is agricultural land, much of which has been quarried recently to extract sand and gravel.
- 5.2 Currently, around 4,000 are employed at Adastral Park, around 3,600 of which are employed by BT either directly or on a contractor basis and the remainder by third party companies located at the site. We understand that there are at least 17 non-BT companies including Alcatel, Cisco, Fujitsu, O2 and Siemens as well as a strong higher education and research presence. Universities which currently have a presence on site include University College London and University of Essex- Chimera. Suffolk College's CREATE (Centre for Research in Educational Applications of Telematics) is also located there.
- 5.3 Importantly for the local economy, the vast majority of employees on site are in highly skilled R&D positions and high profile projects are being delivered at Adastral Park, including BT's 21st Century Network ('21CN') project. This is a £10 billion project to create a new internet protocol (IP) based communications network and BT is working with major international companies on this project in including Fujitsu, Huawei, Alcatel, Cisco, Siemens, Lucent, Ciena and Ericsson.
- 5.4 The importance of Adastral Park to the local and regional economy is more than significant. It is also important on a national basis, especially as BT do not have another R&D facility in the UK of the size and scope of Adastral Park. Its position is unique and therefore retention of this facility is key for the future well being of the local economy and UK's position in the telecommunications sector.
- 5.5 Current proposals for redevelopment of Adastral Park will therefore have significant economic impact for the local and regional economy. The development as a whole will comprise the following:
- Up to 60,000 sq m of employment floorspace, related car parking spaces and landscaping
 - Up to 2,000 homes
 - Mixed use local centre
 - Land for a two form entry primary school
 - Hotel
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- Accommodation for an expanded education presence
- Associated car parking, open space, landscaping, supporting services and facilities and road and public transport improvements.

5.6 We have calculated the net employment impacts of the employment element the scheme. These can be summarised as follows:

- Redevelopment of Adastral Park could result in the creation of up 2,500 gross jobs, with over two thirds estimated to require NVQ Level 4 and above qualifications. Moreover, redevelopment will also safeguard a further 3,200 jobs which could be lost at Adastral Park if the redevelopment does not go ahead.
- In net terms, the proposals for Adastral Park will result in 2,133 net additional jobs to the local economy and 2,926 net additional jobs at the East of England level.
- Overall, the redevelopment of Adastral is expected to result in the creation and safeguarding of 4,857 jobs in the local area and 6,745 jobs at the East of England level.
- Over the lifetime of the project, it is estimated that around 270 FTEs jobs in construction will be created as a result of the redevelopment of Adastral Park.
- The redevelopment of Adastral Park, once operational and fully occupied, is expected to increase the size of the local economy by £290 million per annum (2006 prices) in gross terms and by £246 millions in net terms. Regionally, the economic impact is estimated to be in the region of £342m per annum in net terms.
- Without redevelopment, it is estimated the local economy would be worse off to the tune of £381.2m in terms of gross GVA and £324.6m in net GVA per annum. Overall, this means **the Adastral Park project will secure and generate £670m in gross GVA and £570m in net terms per annum.**

5.7 We have also considered the impact of Adastral Park's proposals on the portfolio of employment land in the local area and within the sub-region. This has demonstrated that, whilst there is a sufficient supply of employment land to meet RSS employment growth targets within the sub-region and local area, Adastral Park represents one of the most strategic locations for accommodating future growth in sectors of the economy that are considered a priority. Its ability to accommodate an increase in employment numbers is therefore critical to the success and strength of the areas portfolio of employment land opportunities.

5.8 Having assessed the employment impact of the proposals, together with the contribution to the portfolio of employment land, it is clear there are a number of significant benefits likely to arise from the scheme. These benefits make a major contribution to policy and strategy aspirations at the regional, sub-regional and local level. In summary, redevelopment of Adastral Park will:

- Make a significant contribution to achieving the RSS employment growth target for the Haven Gateway of 50,000 jobs up to 2021.
- Further strengthen the role of the area as a leading ICT and R&D cluster, attracting other companies and encouraging the growth of new companies.
- Maintain and enhance the region's and the UK's position as a competitive global hub for the ICT sector

- Further strengthen the skill and occupational profile of the area and the region and provide support for the retention and development of ICT R&D skills for the UK as a whole
- Provide support for the growth of new and spin-out companies, strengthening the region's economy and contributing to diversification into "high growth" knowledge or technology based sectors
- Bolster the ability of the sub-region to attract and retain high value employees.