



Final Report

A11 Growth Corridor – Feasibility Study
Summary

**Delivering the Economic Growth
Potential of the A11 Corridor**



SUMMARY

1. STRATEGIC OVERVIEW

1.1 Introduction

Bruton Knowles, with the support of AMION Consulting, was appointed by South Norfolk Council, Breckland Council, and Forest Heath Council ('the Councils') to prepare a Feasibility Study to inform the establishment and delivery of the A11 Growth Corridor project, on the basis that it would consolidate, analyse, and assess existing and emerging data in order to:

- confirm whether the location, scale, and remit of projected growth is achievable within the timescale and other constraints;
- highlight any additional opportunities in addition to those already identified;
- describe and appraise a number of delivery options which deliver the scale of anticipated growth; and
- develop key aspects of a business case to take the project forward.

This summary provides an outline of the final report.

The A11 Growth Corridor project will draw together the three districts of South Norfolk, Breckland, and Forest Heath, in order to develop a major new initiative that will establish a location for new economic investment activity with a focus on developing new technology-related employment, capitalising on the significant improvements in accessibility arising from the £120 million investment in the dualling of the A11 and other important existing assets.

It will provide a link between the ambitions of the partners of the Greater Norwich City Deal - to enable knowledge-based industries to grow and develop and turn world-class knowledge and ideas into world-class jobs - and those of the Cambridge City Deal which seeks to enable a new wave of innovation-led growth by investing in the infrastructure, housing, and skills that will facilitate the continued growth of the Cambridge Phenomenon. In addition, it will support the aims of the Strategic Economic Plans of the New Anglia and Greater Cambridge Greater Peterborough LEPs as well as the growth strategies of Norfolk and Suffolk County Councils.

The report provides a preliminary assessment of the potential of the A11 Corridor to support economic growth, but requires further detailed consideration, not least in terms of planning considerations, in order to achieve a fully developed business case.

1.2. Aims

The ambition of the three districts is to play a full role in the wider achievement of economic growth, rebalancing the economy, and meeting the needs of current and future populations. The key aims of the A11 Growth Corridor project are:

- **to secure substantial economic growth within the A11 Corridor with a focus on advanced manufacturing & engineering and agri-tech, together with wider target sectors and other opportunities of importance to the local economy;**
- **to align employment growth with a significant increase in housing accommodation within the A11 Corridor to meet increased population needs;**
- **to support the ambitions of the Growth Deals for Greater Norwich and Cambridge, and the wider growth policy framework, including opportunities for capturing spillover effects where this will increase overall economic benefits; and**
- **to make the A11 Corridor a recognised location for investment activity in order to support and add value to the wider sub-regional offer.**

Economic analysis and consultation has confirmed the initial views of partners that there is a market appetite and opportunities for business growth in particular in engineering activities associated with a number of important

sectors (including advanced manufacturing and agri-tech) within the Corridor that could complement knowledge-based growth in Norwich and Cambridge and wider sector initiatives within the broader area.

1.3 Future Requirements

The focus of the initiative over a period of some 15 years will be to meet the needs of businesses and the local community and to address market failures by:

- providing for essential additional local infrastructure requirements and support to construction activity to enable the creation of new employment opportunities through the development of significant new additional employment floorspace;
- ensuring that existing and new businesses are able to access support for business investment and requirements for workforce recruitment and training in order to maximise the potential benefits of investment decisions;
- commercialising world class research; and
- creating an identity for the A11 Corridor as a location for investment (including FDI) that will help to attract new and additional economic activity to the area.

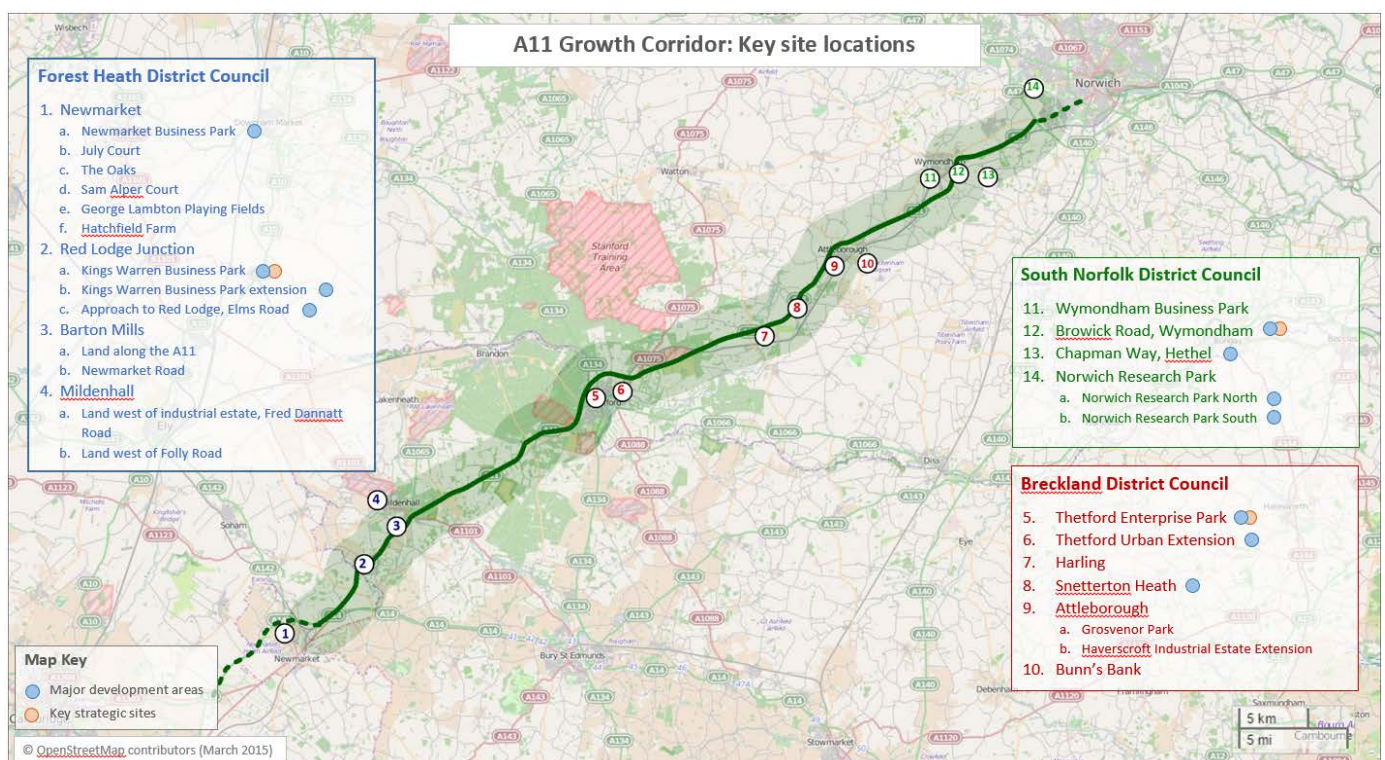
1.4 Locations for new growth

In South Norfolk, the focus will be on **Norfolk Research Park** (North and South) to provide a major cluster of vibrant businesses in the agri-tech and environmental sciences sectors, as identified in the Norwich City Deal in relation to the potential for 3,000 new high value jobs. In addition, the A11 Corridor report identifies the potential for a Technology Hub at **Hethel** (focussed on the automotive and engineering sector) together with high value business activity at **Wymondham** (Browick Road).

In Breckland, **Thetford Enterprise Park** is identified as having the potential to meet general industrial needs including provision for high technology businesses, while the **Thetford Urban Extension** provides a key location for high value office, skilled engineering, and research-related employment. In addition, **Snetterton Heath** offers significant potential to serve skilled technical employment as well as a range of wider industrial and logistics uses which are important to the sub-regional economy.

In Forest Heath, **Kings Warren and the Kings Warren Extension** are identified as having potential for the establishment of a Technology Hub, while the **Approach to Red Lodge** site offers opportunities for office (including research-related) employment and more general manufacturing and engineering uses. In addition, there is an opportunity to strengthen **Newmarket Business Park** as a key location for general employment and logistics uses.

These and other potential targeted sites are marked on the following map:



- some 14,900 gross and 8,700 net additional jobs, including those in high value employment sectors such as advanced manufacturing & engineering, agri-tech, and other LEP target sectors, as well as wider sectors of importance to the economy;
- an estimated 5,320 person years of temporary construction employment;
- an estimated £558 million in net additional annual GVA;
- almost £905 million in private sector investment in construction activity; and
- space for 20,000 new homes.

By 2031, a substantial proportion of these overall benefits could potentially be achieved, including 10,500 gross and 6,100 net additional jobs.¹ This would be consistent with the aspiration in the initial A11 prospectus.

1.6 Costs and funding

The current indications of public sector funding requirements are in the order of £70 million (gross) towards the costs of initial infrastructure requirements, targeted business support, and operational costs (including marketing and promotion and supporting delivery arrangements with the private sector). Funding will potentially be sought from the New Anglia Growth Deal, the New Anglia and Greater Cambridge Greater Peterborough LEAs, European Funds and site cross funding. It is proposed that the Councils should also consider investigating an innovative TIF-style arrangement using rates retention to underpin funding arrangements.

1.7 Delivery and accountability

It is proposed that the three districts will work together in a collaborative arrangement in relation to the delivery of the A11 Growth Corridor initiative, on the basis that joint arrangements can provide for better co-ordinated, and more effective, efficient, and economical delivery.

Specific benefits of working collectively include:

- **greater potential to attract private investment by promoting the A11 Technology Corridor which has the “buy in “ of all local partners and the critical mass to generate investment confidence;**
- **greater leverage with Government and the LEAs to attract public funding to remove the barriers to growth;**
- **increased scope to attract FDI and local investment by offering planning certainty through a jointly agreed planning framework for the A11 Technology Corridor;**
- **increased “weight” and negotiating leverage with Cambridge University, the Cambridge Cluster, UEA, and the Norwich Research Park to endorse and actively support the A11 Technology Corridor; and**
- **potential savings in terms of project delivery, joint marketing and promotion.**

Delivery arrangements will need to align with the requirements of existing and proposed wider governance arrangements within the sub-region, including the Greater Norwich Growth Board.

1.8 Competition with other areas

In addition to the intensive competition in terms of FDI investment, there is considerable competition in the domestic market. The establishment of LEAs and the development of local growth strategies set out in each Strategic Economic Plan (SEP) – together with devolution of responsibilities and budgets in relation to key economic development issues in certain areas through City Deals and Growth Deals – is currently spawning significant and widespread proposals for economic growth. While much of the emphasis is on cities and city regions, rural areas of the country are equally pursuing growth strategies based on their individual circumstances in terms of needs and demands. The approach currently being followed by the LEP in Leicestershire and Leicester, is based around eight key sectors. Other areas are developing skills strategies directly related to key sectors

¹ Net additional jobs are adjusted to take account of leakage, displacement, multiplier effects and deadweight.

through their LEPs, demonstrating a basis on which areas are shaping ways in which to address future skills requirements.

In terms of property and development other areas, such as Haverhill and Alconbury, are already able to offer a range of readily available and serviced sites, in direct competition to the A11 Technology Corridor. It will be important therefore for the A11 Technology Corridor to raise its profile, identify areas of competitive advantage and to match the offer of its rivals.

Two key issues are particularly pertinent for the A11 Technology Corridor: firstly, that comparable areas are 'upping their game' in terms of creating growth strategies on a similar basis to that being considered through the A11 Technology Corridor proposals; and, secondly, this illustrates that certain areas are moving ahead rapidly in terms of developing 'action plans' in relation to comparable sectors and skills needs to those in the A11 Corridor.

This suggests that competition at the UK level is likely to increase significantly as these strategies and plans are rolled out with the greater certainty of the resource and powers base through to at least 2020. In addition, it seems likely that areas that do not similarly establish coherent and inclusive strategies for economic growth may well lose out relatively in comparison with other areas from the benefits that economic growth. Timing is critical and the Local Authorities and their partners should aim to drive forward the proposals for the A11 Technology Corridor at the earliest opportunity.

1.9 Skills

An adequately-sized pool of labour with appropriate skills is one of the critical success factors in attracting inward investment, and is equally of importance to businesses considering expansion and growth. The development of the A11 Growth Corridor proposals will need to include work to ensure that the strategies and action plans take into account the potential impact of the proposals, in particular with regard to target sectors, and that appropriate data and intelligence is available to support actions in relation to securing positive investment decisions.

1.10 A Growth Corridor focussed on technology

The A11 Corridor already provides an important base for a wide range of advanced manufacturing & engineering and agri-tech companies with considerable growth potential.

The rationale for the focus on technology with regard to the A11 Corridor is its ability to complement the world-class academic and research capabilities of Cambridge, centred on the University of Cambridge and a cluster of around 1,000 technology and biotechnology companies, and Norwich, based on the University of East Anglia and a thriving community of science and technology based businesses co-located with four life science research institutes and a teaching hospital with a clinical trials facility at Norwich Research Park. The barbell-type effect of the corridor between these economic hubs has the potential to enable important connections to be made and exploited within the corridor, enhanced by the improved accessibility, journey times, and reliability provided by the upgrading works to the A11. This offers, among other things, the potential for spillover and other benefits to be created based on:

- fostering wider collaboration and links between the academic and research communities and businesses;
- further supporting the area's international leadership in research, innovation, and technological application in key sectors;
- adding to the ability to accommodate the concentration of a highly-skilled workforce with scientific, technological, and engineering expertise;
- offering further potential opportunities to attract additional research funding to meet national challenges and to advance sub-regional and wider successes;
- providing a lower cost business location to enable a broader business base to be developed and to succeed;
- enabling wider aspects of technology transfer and entrepreneurship to potentially take place and allowing ideas to be turned into new products and services;

- offering affordable living for a variety of family groups in an attractive environment with a range of appealing amenities;
- enhancing further the ability of the area to attract the talent of tomorrow in an area with a high quality of life; and
- developing a broader offer as a location for investment within a fast-growing business area.

2. KEY FINDINGS

2.1 The allocated employment sites in the seven major development areas offer the potential to deliver 708,000 sq m (7.62m sq ft) of industrial and commercial floorspace and 14,900 gross and 8,700 net additional jobs. The wider identified land resource has the potential for 836,100 sq. m (9.1 million sq.ft), indicating that other opportunities may arise, and in addition the prospect of windfall sites is not precluded. If the Local Authorities wish to increase their employment “target” this may require a further review of employment land allocations. **Total private investment in development activity could exceed £900 million. However the investment market is extremely competitive and other areas are more advanced than the A11 Corridor in terms of site availability, key growth sectors and their business support framework, including support for supply chains. It will therefore be important for the Client Group and local partners to pro actively drive forward transformational change.**

2.2 Five of the 11 sites in the seven major development areas are currently identified as requiring major infrastructure improvements to remove various barriers to growth, including access improvements and deficiencies in energy supply. This may potentially require public sector support in the order of £30 million, although these costs are indicative at this stage. Development of an A14 / A11 south to east link road will also be required to help unlock the potential of the A11 Corridor.

2.3 A further £40m may be required to cover the cost of business development, training, marketing and promotion and to achieve project viability, particularly for B1 and B2 development in the central zone. These costs are based on currently available estimates and will need to be refined through further assessment.

2.4 It is anticipated that the estimated £70m (gross) required to remove these constraints may need to be funded by the public sector using a range of grants and loans from the EU, Central Government, the LEPs and Local Government sources. Delivery may also involve Joint Venture arrangements. Potentially, repayment of loans could reduce the current estimate of net public sector cost to £55m. These funds would be drawn down on a phased basis, during the lifetime of the project. However there will need to be considerable “front loading” in terms of marketing, attracting anchor tenants and delivering “early wins.”

2.5 If the public sector decide to “do nothing,” based on current forecasts and constraints this could potentially reduce the amount of new employment floorspace in the period to 2031 to 149,000 sq.m (1.60m sq.ft) and the creation of around 2,800 gross jobs.

2.6 The area has a strong local economy and it is anticipated that employment will grow substantially in South Norfolk, Breckland and Forest Heath in the period to 2031. In addition the proposed release of the **USAFE base at Mildenhall** could potentially deliver around 5000 new homes and 100,000 sq.m (1 million sq.ft) of employment floorspace - this represents a potential “**game changer**” for the A11 Corridor and the situation will need to be closely monitored to ensure that the wider proposals for the A11 are future- proofed. Sizewell C also offers the prospect of 700 permanent jobs and significant supply chain opportunities.

2.7 Advanced manufacturing & engineering and agri-tech are, and will remain, important sectors for the A11 Corridor. However on their own, based on current forecasts, they are unlikely to deliver the Council’s 10,000 employment aspiration. Analysis of sector growth prospects and feedback from local property professionals, the New Anglia and Greater Cambridge Greater Peterborough LEPs, and the Norfolk and Suffolk Chambers of Commerce suggest that **other sectors, particularly ICT, life sciences, energy and logistics should also be targeted.**

2.8 The agri-tech/agri-food research facilities available at the Norwich Research Park offer scope in the longer term to develop national and international markets – although this is currently unquantified - and NRP will need to actively pursue opportunities as they arise to help realise this potential.

2.9 The selected case studies provide a range of valuable pointers for the A11 Corridor, particularly the need to take a long-term view on economic growth and recognise the importance of “project champions”. In addition it needs to establish a clear vision and business plan which has the “buy in” of all the partners, a coherent planning

framework and a dedicated team. Furthermore it needs to establish “pioneer occupiers” and anchor tenants, marketing and branding to create an identity, readily available sites, financial incentives, flexibility in sector targeting, high level skills and to integrate the role of academic institutions as key drivers of change.

2.10 The A11 Technology Corridor needs to develop a **strong identity** in order to attract public and private investment. **The engineering sector is well represented in the A11 Corridor and over 100 companies in the automotive, precision engineering and composite sectors are based in the immediate catchment area of Norfolk and Suffolk. The sector also offers the potential for employment growth of nearly 40% in the period to 2031. Research and consultation has indicated a strong appetite for business growth in advanced engineering to support manufacturing and also potentially the agri-tech sector and this should therefore form the primary focus for the re-branded A11 Technology Corridor.** In order to create investment confidence it is crucial that the three Local Authorities jointly develop a coherent and comprehensive approach to delivering the vision for the A11 Technology Corridor, particularly on planning and economic development.

2.11 **The A11 Technology Corridor has a range of key assets and USPs which need to be actively promoted to create an identity for the area.** These include a good stock of property and development sites and proximity to the “overheating” commercial property market in Cambridge and the Cambridge cluster of science parks. The A11 Corridor offers significantly lower property values, Norwich Research Park (NRP), Lotus, Hethel Innovation Centre, easy access to Europe through Felixstowe, high level skills available in the area and good links to Norwich and Stansted Airports. The Research and Development opportunities at Hethel, NRP and links to Cambridge University and UEA, are particularly important and should be developed further and actively promoted.

2.12 **Timing is critical** and the Local Authorities will need to drive forward the project while the A11 dualling improvements are fresh in people’s minds. There is a window of opportunity of perhaps three to five years to get ahead of the game, given the competing centres at Alconbury and Haverhill and to take advantage of the likely disruption caused by the proposed A14 improvements.

2.13 The market for inward investment (FDI) is extremely competitive and the A11 Technology Corridor should align itself with the **Cambridge brand** to improve its chances of success. More generally the “overheating” Cambridge property market offers considerable scope for collaboration on planning and economic development which should be actively pursued at the earliest opportunity.

2.14 **Most of the sites in the A11 Technology Corridor are in private ownership and it will be important for the Client Group to actively engage with private landowners and developers through both formal and informal channels. Consideration should be given to the setting up of a broadly based Partnership Board and Investment Group to secure the “buy in” of key partners, supported by a small dedicated core team, led by an Executive Director with a proven track record in delivering transformational change. The annual revenue cost for a core team of five professional and support staff is likely to be in the order of £350,000 (staffing, supplies and services, excluding accommodation). This cost could be reduced through secondments and access to shared services.**

2.15 Agri-tech East, NAAME and both the Norfolk and Suffolk Chambers of Commerce will need to be actively involved in the project to encourage and direct **new and expanding local companies** to invest in the A11 Technology Corridor.

2.16 It needs to be emphasised that the proposals are at an early stage of development and detailed development of the business case will need to be carried out.

3. KEY RECOMMENDATIONS

3.1 Promote the corridor as the **A11 Technology Corridor**, with a **primary focus** on advanced manufacturing & engineering and agri-tech and a **secondary focus** on wider target sectors of energy, ICT and life sciences together with logistics.

3.2 Amend the initial **vision statement** to reflect this change in emphasis and future market prospects. Ensure that the vision is both aspirational and achievable and “owned” by local partners and not imposed on them.

3.3 Develop a **Northern Technology Growth Hub at Hethel** linked to the Norwich Research Park / University of East Anglia and a **Southern Technology Growth Hub at Kings Warren - Red Lodge** linked to the Cambridge Science Parks/University of Cambridge (the Cambridge Cluster). In addition develop a **Central Technology Hub** in

the **Thetford** area to complement other centres as part of the wider growth agenda. The growth hubs would provide specialist support, including R&D and incubation/expansion space for the target sectors.

Establish a detailed Action Plan and Delivery Structure that will enable the incremental implementation of the strategy as follows:

3.4 Set up an unincorporated **Partnership Board** for the A11 Technology Corridor comprising the three District Councils, two County Councils, the New Anglia and Greater Cambridge Greater Peterborough LEAs, HE sector, New Anglia Advanced Manufacturing and Engineering (NAAME), Agri-tech East and both the Norfolk and Suffolk Chambers of Commerce to drive forward delivery of the vision for the A11 Corridor by directing public sector funding and support. This is expected to involve collaboration and partnership agreements established with the LEAs, Universities, Colleges, training providers and major landowners to ensure “buy in” to the vision for the A11 Corridor.

3.5 In parallel with the above, set up a **Local Authorities Accountable Bodies Group** to endorse the financial implications of the Board’s decisions.

3.6 Establish an **Investment Group** of landowners, agents, developers and key local businesses linked to the A11 Technology Corridor Partnership Board to deliver the core development opportunities and to promote new inward investment and indigenous growth by local companies.

3.7 Establish a dedicated **Joint Local Authority Team** to co-ordinate delivery of the vision for the A11 Technology Corridor, including inward investment and marketing specialists. The Team would service the Board, the Accountable Bodies Group and the Investment Group.

3.8 Agree a **Business Plan and Delivery Strategy** with major funders and private owners /developers, based on further development and refinement of the current outline proposal to establish a range of readily available, masterplanned and serviced sites in the seven major development areas over an agreed timescale. This would consider viability issues, phasing and preferred approaches to remove major barriers to growth, including necessary public sector financial support and planning / mixed use options.

3.9 Develop **Joint Venture** delivery arrangements on key development sites involving the appropriate public sector bodies – Local Authorities and the LEAs. The public sector would help to facilitate the removal of the site constraints as their contribution to the Joint Venture, including support to achieve project viability, where necessary.

3.10 Prepare a **Marketing and Promotion Strategy** including brand guidelines for the A11 Technology Corridor to raise its market presence. This should emphasise the stock of property and development sites, proximity to the “overheating” commercial property market in Cambridge and the Cambridge cluster of science parks. In particular, it should stress the advantages of the A11 Technology Corridor in terms of significantly lower property values, Norwich Research Park, Lotus, Hethel Innovation Centre, easy access to Europe through Felixstowe, high level skills available in the area and good links to Norwich and Stansted Airports.

3.11 Prepare an **Investment Prospectus** setting out the vision, the development sites, employment targets, delivery timescales and funding commitments from the partners. The Prospectus would emphasise the commitment of public and private sector partners to deliver the vision and refer to national and international examples of best practice in delivering economic growth along highway corridors. The Prospectus would be launched locally to regionally based investors and developers and to a selection of national developers and investors at a London venue, such as the Palace of Westminster. This would add value to the Norfolk Growth Group’s aims to bring forward “stalled” employment sites in Norfolk and Suffolk and complement the Locate Norfolk Prospectus.

3.12 Establish a coherent **planning and development framework** for the A11 Technology Corridor setting out a range of sites specifically allocated for employment uses and those sites where mixed uses, particularly residential would be allowed to facilitate the provision of key site infrastructure and to address viability issues, where appropriate. **Special consideration should also be given to establishing Local Development Orders and designating the A11 Technology Corridor as an Enterprise Zone.** Of paramount importance is the requirement for the three Local Authorities to establish a robust 5 year housing land supply capable of withstanding challenge in order to protect the employment land. In addition, masterplans, development briefs and design codes should be prepared and approved by the relevant local planning authority for each of the major development sites. The report has taken into account current planning policy, but has not been necessarily constrained by this in setting

out the vision for the A11 Technology Corridor. The emphasis on establishing a coherent planning and development framework recognises that this will require further detailed examination.