Review of economic data, context and representations

Greater Cambridge Local Plan

Iceni Projects Limited on behalf of

Greater Cambridge Shared

Planning

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1. Introduction

1.1 Iceni Projects has been asked by Greater Cambridge Shared Planning to consider the robustness of the latest Greater Cambridge Local Plan evidence regarding employment and housing needs, as set out in the Greater Cambridge Employment and Housing Needs Update 2024-2045 published in 2025 (EHNU 2025) which updates previous study iterations, considering latest available data and relevant representations to the Regulation 18 Plan. This review of economic data, context and representations should be read alongside the EHNU 2025.

2. 2025 data

2.1 This section considers the Greater Cambridge future economic scenarios set out in the EHNU 2025 in light of recent data from the Office for National Statistics (ONS) and Cambridge University.

BRES Data

2.2 The EHNU 2025 draws on inputs from ONS's Business Register and Employment Survey (BRES) and Cambridge Econometrics (CE) Local Economic Forecasting Model (LEFM). In particular LEFM long run historical data at a detailed sector level as well as forecasts for the Plan period are used to develop growth model scenarios for the future of the Greater Cambridge economy. Iceni's work is developed from analysis of past change and considering sector strengths and enhanced growth rates, used to build a detailed and reasoned model that inherently allows for economic cycles.

2.3 The Business Register and Employment Survey (BRES) provides data for trading businesses registered for VAT and/or PAYE, therefore excluding non VAT paying. BRES has been consistent in method since 2015, (and previous iterations running from 2009). ONS describe BRES as "the official source of employee and employment estimates by detailed geography and industry". It is recognised that being survey based, BRES is vulnerable to small sample sizes.

2.4 The table below provides the 2024 BRES data results (released autumn 2025) alongside selected years, as well as the Cambridge Econometrics (CE) position. It is of note that BRES is a key input to CE data, given that BRES is official ONS data, adjusted for self employment, agriculture work and HM forces. Consistent data from the 9 year period from BRES is included as well as long run Cambridge Econometrics (CE) data. CE's Local Economic Forecasting Model

(LEFM) employment data was purchased to underpin the Greater Cambridge Employment evidence.

Table 2.1 Greater Cambridge employment select years (BRES/CE)

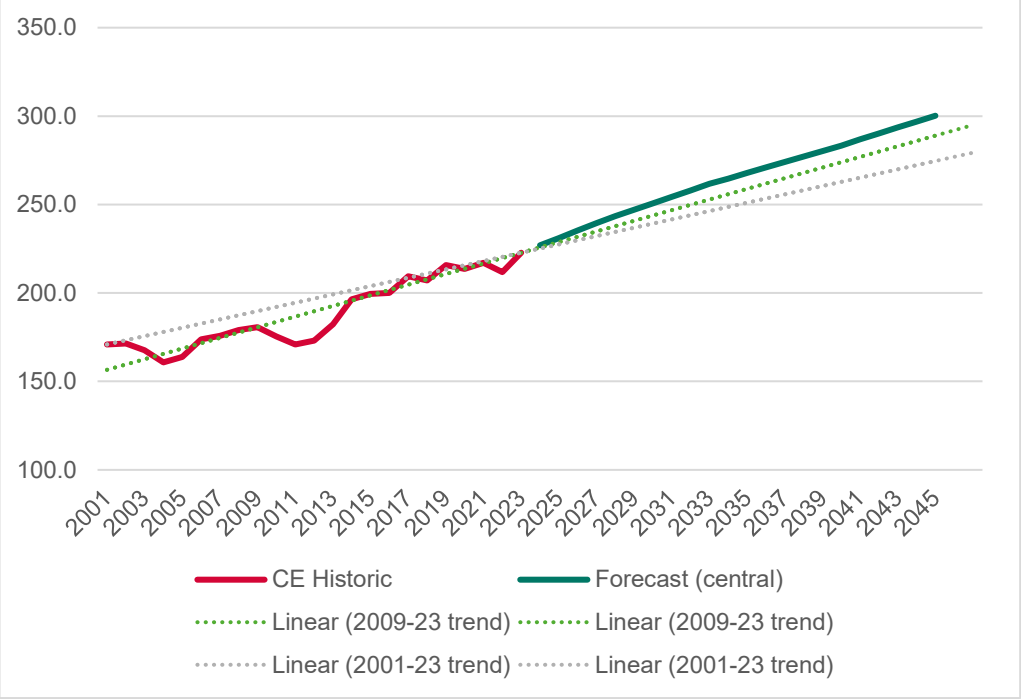
Year	**2001**	**2015**	**2019**	**2021**	**2023**	**2024**	**Latest 5yr Growth Rate**	**Latest 9yr Growth Rate**	**23yr Growth Rate to 24**
BRES	-	183,000	203,000	203,000	209,000	209,000	0.6%	1.5%	-
CE*	170,900	199,600	215,800	217,100	222,800	225,000	0.8%	1.3%	1.2%

* Cambridge Econometrics Local Economic Forecasting Model[1]

2.5 The LEFM (historic) and EHNU 2025 (forecast) scenarios are set in the figure below. The central scenario (identified in the EHNU 2025 as the preferred / most likely future scenario) outperforms the past rates of actual change. This is sensitive to which years to use for longitudinal analysis, with Iceni intentionally selecting 'peak to present (LEFM latest data)' cycles to smooth cyclical effects.

[1] CE LEFM data 2022, updated for latest BRES inputs 2022, 2023 & 2024

Figure 1.1 Greater Cambridge employment: historic, forecast and trend (CE/Iceni)



CBR Data

2.6 The University of Cambridge's Centre for Business Research (CBR), a joint venture between Law, the Judge Business School and other Cambridge social science departments, has for a number of years been running the Cambridge Corporate Database project. This models the growth of businesses in the greater Cambridge region and provides data for Cambridge Cluster Insights.

2.7 The research tracks the performance of corporate businesses based in Greater Cambridge, but excludes data for sole traders, some elements of the public sector, and for employees of national and international companies with trading and research offices in Cambridge. The CBR methodology has changed over time to include some major international businesses with local HQs providing local employment

data, including AstraZeneca; and some research-based non-corporate organisations have been approached directly[2].

2.8 The CBR work includes update notes approximately twice a year and updated with wholly new data tables annually, with latest update notes at June and November 2025 (and data release at Feb 2025 for 2023/24) and business demography running 2010-11 to 2023-24.

2.9 The work differs from the Business Register and Employment Survey (BRES) which accounts for trading businesses registered for VAT and/or PAYE, therefore excluding non VAT paying.

2.10 Iceni's past work on the Greater Cambridge economy has considered CBR data but not found it sufficiently long run or consistent enough to feed into overall modelling for future scenarios. CBR data is included below to revisit its potential utility particularly regarding growth rates.

2.11 The table below summarises key data elements from the CBR February 2025 data tables (2023/24 data) being the latest available (with 2010/11 first year of published data) and contrasts to BRES and CE.

Table 2.2 Greater Cambridge, employment, selected years

Year*	**2011 2010/11**	**2015 / 2014/15**	**2019 / 2018/19**	**2021 / 2020/21**	**2023 / 2022/23**	**2024 / 2023/24**	**Growth Rate 2010/11-2023/24**	**Growth Rate 2014/15-2023/24**	**Growth Rate 2001-2023**
CBR corporate[3]	55,714	69,899	90,882	96,451	107,004	111,875	5.5%	5.4%	-
CBR corporate	86,614	100,799	125,386	132,734	144,708	150,892	4.9%	4.6%	-

[2] Method derived from CBR database methodology (2025) and cambridgeahead.co.uk

[3] CBR Table 7 Summary Tables by District Greater Cambridge Feb 2025

+ non-corporate[4]									
BRES**	155,000	183,000	203,000	203,000	209,000	209,000	2.3%	1.5%	-
CE***	175,500	199,600	215,800	217,100	222,800	225,000	2.1%	1.3%	1.2%

* Uses BRES/CE year for later part ie CBR 2023/24=BRES/CE 2024

** BRES 2011 data is excluding units registered for PAYE only, BRES method 2009-15 inconsistent with later years

*** Cambridge Econometrics Local Economic Forecasting Model[5]

2.12 The table finds inter alia that:

- BRES reports 'no change' in employment 2023-24 and (table 2.1) the last 5 years to 2024 being a slower growth rate of 0.6%.
- CBR longer run growth rates for 2011 – 2024 are 4.9% (corporate dn non corporate) which exceeds double BRES and CE data
- Longer run CE data from 2001-2023 reports a growth rate of 1.2%.

2.13 The CBR data shows much stronger performance of employment growth compared to BRES and CE outputs. However there is uncertainty regarding CBR data for longitudinal growth analysis. Firstly because of potential variation in method over time (introduction of non-corporates). Secondly and most notably, and what appears to be a 'catching up' of employment towards BRES/CE numbers over time with a narrowing in the total employment being reported between CBR and BRES. For example, at 2011 the CBR data represents 52% of the BRES total whereas by 2024 it has risen to 72%.

[4] Including CBR Non-Corporate Research Institutions Table Feb 2025 to 2023/24 however data not provided for 2010/11 or 2011/12 so 2012/13 used as a proxy https://www.jbs.cam.ac.uk/wp-content/uploads/2025/03/cbr-6-non-corporate-research-institutions.xlsx

[5] CE LEFM data 2022, updated for latest BRES inputs 2022, 2023 & 2024

2.14 The scale of difference between CBR and BRES data reported and the difference in methodologies deployed is considered irreconcilable for the purposes of this plan evidence work.

Conclusions

2.15 Overall recent BRES data is not considered to provide an evidential platform for reviewing the EHNU scenarios or a more optimistic outcome than the recommended EHNU 2025 scenario (Central model, 1.3% long term growth rate).

2.16 Iceni's future scenarios looking 2024 to 2045 consider growth rates of 1.3% to 1.6% which exceed the range of CE's longer term reported historic growth rates – and strongly exceed the CE baseline forecast of 0.6% (and separately of note exceed Experian's baseline forecast of 0.8% to 2045, 2025 Experian data, second main forecasting house outlook). CBR data reports much higher growth rates but is not considered suitable for using to establish a long run dataset or forecast scenario for the economy overall.

2.17 In addition, looking at actual rates of change from CE data from 2001 to 2024 and 2009 to 2024 (using peak to peak data cycles, up to latest data) analysis reports average change of 2,400 to 3,000 jobs per annum. Iceni's preferred scenario is equivalent 3,500 jobs per annum leading to growth of 73,200 jobs. In the historical context, there is substantial uplift built into the Plan evidence. The long run CE LEFM reported 1.2% historic employment growth rate masks the fact that maintaining such percentage growth in the future means ever increasing year on year actual change, which can be increasingly difficult to achieve over time.

3. Policy, strategy and wider data

3.1 This section considers contextual policy, strategy and evidence released since September 2025 including from UK Government and the Cambridgeshire & Peterborough Combined Authority. These are set out here to consider whether they have any bearing on the robustness of the EHNU 2025's objective assessment of employment (and housing) need.

Cambridgeshire & Peterborough Combined Authority – Local Growth Plan (Oct 2025)

3.2 The Cambridgeshire & Peterborough Combined Authority (CPCA) released their Local Growth Plan 'Get Cambridgeshire and Peterborough Growing' in October 2025. Key sectors identified are:

- Life sciences
- Advanced Manufacturing & Materials
- Digital Technologies
- Defence
- Agri-Food & Tech
- Energy and Clean-Tech

3.3 It notes that the plan starts with a baseline Growth forecast of 1.2% growth, and on top projects two further aspirational Growth scenarios. These are both GVA rather than employment focused and set out as:

- Baseline Growth, or 'business as usual' which would see the size of the economy grow to £42.5bn by 2050 - an annual Growth rate of 1.2%.

- Doubling our Economy: our core scenario - would see the economy double in size by 2050 to £62.3bn GVA.

- Aspirational Growth: our Growth ambition is to see the economy triple in size by 2050 to £97.1bn GVA, unlocking an economic powerhouse.

3.4 The Local Growth Plan does not set out the details behind the scenarios but notes that the doubling of output would align to the trend from 1982 to present, being 2.8%.

Ministry of Housing, Communities & Local Government: Greater Cambridge Growth Scenarios (Nov 2025)

3.5 The Ministry of Housing, Communities & Local Government (MHCLG) published the Greater Cambridge: Growth Scenarios in November 2025. This work is caveated as "an independent report produced by Oxford Economics. It does not necessarily reflect the views of MHCLG, nor is it a statement of policy" and that "Oxford Economics have developed three scenarios (Table 1) which draw on a range of illustrative, non-spatial housing and commercial floorspace delivery inputs provided by MHCLG". There is also acknowledgment that the work links to the previous 'Case to Cambridge'[6] 2024 which in itself recognises that the scenarios and the highest scenario is 'illustrative'. Therefore the contents of the work are not reported to be based in evidence.

3.6 Oxford Economics assess the growth potential of Greater Cambridge's knowledge intensive sectors and the wider impact this additional growth could have on local and national economic performance if commercial space and housing is provided to support this scale of growth.

[6]https://assets.publishing.service.gov.uk/media/65f1d8edff11704896615973/The_Case_for_Cambridge_March_2024.pdf

Alongside their baseline forecast, Oxford Economics developed three scenarios. Key sectors identified are:

- Life sciences
- Knowledge intensive market services [ie professional services]
- Knowledge intensive high-tech services
- Other knowledge intensive services: such as education, human health and social work, arts and entertainment

3.7 The scenarios are developed as below

Table 3.1 Scenarios for Greater Cambridge 2023-2050 (Oxford Economics)

Scenario	**Housing change**	**Commercial floorspace, million sq.ft change**	**Jobs change**	**Jobs % y/y**	**Population change**
Baseline			85,000	1.1	81,000
Low	100,000	22	145,000	1.8	188,000
Medium	125,000	27.5	187,000	2.2	250,000
High	150,000	33	229,000	2.5	312,000

Other announcements

3.8 Other matters that may be relevant to economic growth considerations as they relate to infrastructure and development considerations that may have a long term bearing on economic outcomes:

- The Cambridge Growth Company was established in 2024 as a subsidiary of Homes England, to “to address barriers to growth and help unlock Greater Cambridge’s full potential.”
- On 23rd Oct 2025 announced up to £400 million of initial government funding to kickstart development in Cambridge with

affordable homes, infrastructure and business expansion [although details have been limited].

- In February 2026 consultation was launched by MHCLG on the potential for a Development Corporation for Greater Cambridge, the consultation running until 1st April 2026. Objectives for the Corporation include: 1. Transformational economic growth; 2. Infrastructure-led development; 3. Innovative investment; 4. Environment and climate; 5. Inclusion and opportunity
- East West Rail which is expected to reach Cambridge by 'mid to late 2030s' being towards the end of the emerging Plan period.

3.9 The Government is taking a greater focus on Greater Cambridge's growth potential. However other than longer term progress with East West Rail (and acknowledging Cambridge South station to open Summer 2026) the details of investment are not yet fully developed. At the same time other funding commitments have changed, including the removal of funding for the relocation of the Water Treatment Works in August 2025 which creates a material barrier to long term growth in that part of the Plan area.

Conclusions

3.10 The Local Growth Plan and OE work for MHCLG set out aspirational and illustrative scenarios which report higher outcomes than the Local Plan evidence. However they are not considered suitable for local plan making. OE's MHCLG work is termed 'illustrative'. The Local Growth Plan sets its tripling of GVA as aspirational[7] whilst the doubling is a core scenario but published evidence is not provided – it also focuses on GVA rather than employment and resulting employment land. This is

[7] Growth Plan notes "to achieve a trebling of the economy in Cambridgeshire & Peterborough, there would need to be an unprecedented level of Government support and funding"

not aligned to an objective assessment of employment needs as set out in the Local Plan evidence.

3.11 Similarly whilst Government is taking a greater focus on Greater Cambridge's growth potential, it is not yet clear how this will manifest and what certainty it provides over long term economic outcomes.

4. Considerations and implications for economic outlook

4.1 This section draws together the findings from previous sections.

4.2 As noted, BRES data in recent years shows the effect of macroeconomic conditions on the Cambridge economy, with 5 year growth at an average 0.6%. Whilst CBR data reports very strong growth, it is not considered reliable for longitudinal analysis because of poor alignment with CE/BRES numbers over time, including where CBR appears to be increasing its alignment to BRES or 'catching up' and reporting faster growth as a result, ultimately due to different methodologies.

4.3 CE's LEFM baseline forecasts have been below 1%, whilst OE's baseline is at 1.1% (derived from MHCLG) and the CPCA Growth Plan baseline at 1.2% (albeit for a larger area than Greater Cambridge and for GVA not jobs). Long term historic employment performance has been recorded at around 1.2% (CE), which in itself has been strong. Iceni's central and higher scenario models forecast 1.3-1.6%. Having considered in detail datasets on sector by sector performance, Iceni's scenarios are considered realistic and embedded in past trends of known change, including periods of strong growth, but also taking into account periods of cyclical slow down – as being experienced at present.

4.4 An emphasis on long term percentage growth rates (compound annual growth rates, CAGRs) for employment has pitfalls, as discussed in the Greater Cambridge Employment and Housing Evidence Update 2023 para 4.18. It is of note that the Growth Plan focuses on GVA (rather than jobs) in its prospects. The issue with percentage growth rates that are in line with or higher than the past, is that they rely on ever higher year on year actual job creation over time, as the percentage is derived

from an increasing base. Therefore equivalent and/or higher growth rates than the past actually represent consistently higher performance in real employment terms in the future. The EHNU 2025 considers the balance between actual and percentage change as observed historically and develops realistic long term scenarios including cyclical effects.

4.5 The Growth Plan and MCHLG Oxford Economics work are noted and the baseline outlooks of 1.2% and 1.1% respectively whilst above the CE LEFM and Experian positions (0.6% and 0.8%) positions are useful reference points. The aspirational scenarios have been discounted for the purposes of Local Plan making evidence as an exercise derived on existing historical data.

4.6 The Government is showing increased levels of commitment to supporting growth in Greater Cambridge. This includes East West Rail which is expected to reach Cambridge by ‘mid to late 2030s’ being towards the end of the emerging Plan period, as well as the aspirations of the Cambridge Growth Company and Development Corporation to drive growth. These are yet to be fully clarified and over time clearer evidence may emerge, but the focus of the Local Plan evidence has been on wholly evidencable sector and economy wide performance.

5. Wider issues raised

5.1 Representations to the Local Plan focused primarily on the economic outlook for Greater Cambridge, which has been considered above. However some wider topics informing the EHNU's approach to determining overall employment land space as well as the relationship with homes have also been challenged. As a result responses are set out below.

Logistics, warehousing and mid tech

5.2 The EHNU 2025 and sister reports including on Industrial and Warehouse needs include detailed analysis and consideration of the Greater Cambridge employment land requirements across specific sectors including industrial and warehousing.

5.3 Representations on the need for logistics, warehousing and mid tech space cover:

- The need to include demand for strategic scale units and analysis of market activity from beyond the Plan area.
- That the 'need' figures should be higher when accounting for factors such as: vacancy level consistently below market equilibrium (suppressed demand); prohibitive historic development management policies; industrial and warehousing floorspace losses; and the need to replace existing floorspace to address an ageing stock and pressure
- The use of GVA based forecasts for future need.
- Underestimation of need for mid-tech space, data centres and agri-tech space.

5.4 The requirement for the industrial and warehousing space (317,000 sqm, rising from 200,000 sqm in previous work) has been developed considering a range of factors which are compliant with the Government's planning practice guidance and take a very positive approach to industrial needs. The finer grain interpretation of specific technical adjustments is a matter of professional judgement to be considered on a case by case basis. This includes the case for example:

- Whether trends for gross rather than net completions or absorption should be relied upon. Relying on gross trends would ignore the effects of on site stock recycling which have and will continue to occur, particular as aged stock needs to be renewed, which is one of the factors considered.
- A greater margin for flexibility is raised. This is a matter of professional judgement.
- The use of GVA outlook for floorspace needs forecasting. This approach does not have good precedent or a policy guidance basis.
- Suppressed demand and historic market equilibrium. This issue is considered in the EHNU 2025 p56/57.
- Agritech space demand. This demand is considered to fall under wider forecasting for wet/dry labs (Egii), for which generous provision is recommended for the whole plan.

5.5 Regarding the sufficiency of mid tech requirement recommendations, these are explored in detail in the Greater Cambridge Warehouse and Industrial Space Needs 2024 study (Iceni Projects) which draws on extensive stakeholder engagement and site visits. This makes recommendations on needs including around 10% of total (industrial) needs for mid-tech, reflecting mixed views on future demand, whilst acknowledging that this space is broadly interchangeable with other high quality B2/B8 space, including part E(g) space, and could evolve in its requirements over time. The study recommends "A new mixed industrial / tech park on the SRN [strategic road network], preferably but not critically located on the Cambridge fringe" (p11) which is considered to remain a suitable recommendation.

5.6 Regarding the requirements of strategic scale warehousing, the study primarily considers the needs of Cambridge City and South Cambridgeshire, including warehousing needs to support business and population. Whilst wider area large scale warehouse requirements are acknowledged, it is not clear that they are Plan area specific, with historic patterns focussing delivery in other parts of the Cambridgeshire and Peterborough area such as Peterborough and Huntingdonshire.

Commuting assumptions

5.7 Representations highlighted issues around the need to adjust commuting patterns including in line with predecessors to the EHNU 2025.

5.8 Regarding commuting assumptions, the 2011 Census is used in the EHNU 2025, considering the issues at the time of the 2021 Census (pandemic enforced work from home). As a result this means the Greater Cambridge modelling assumes a greater draw from other areas that the 2021 Census implies. This is the same approach taken as in previous iterations of the work.

Standard Methodology alignment

5.9 Representations noted the standard method is subject to change.

5.10 The EHNU 2025 draws on the Standard Method requirements as correct at June 2025. The Standard Method will continue to change periodically with the publication of new affordability ratios and other data. The planning authority continues to monitor these changes but also takes a pragmatic view in terms of plan making which requires a ‘fixed position’ at a point in time.

Affordable housing need

5.11 Representations noted that affordability issues and high affordable housing need is a case to increasing housing requirements in the Plan.

5.12 The Plan's Standard Method requirement already incorporates an uplift for affordability in its calculation, therefore further uplifts are not considered suitable.

Changing relationships between jobs and homes

5.13 Representations point out that the EHNU 2025 has a different jobs – homes ratio than previous iterations.

5.14 It is acknowledged that the ratio of jobs and homes has changed between iterations of the evidence base due to new demographic information arising including from the Census 2021, changing assumptions on how the population will be accommodated. In particular, the latest overall Plan population projections are showing higher growth in key age groups where activity rates are high (25 up to age 44). The 2022-based sub national population projections are also projecting higher changes in key working-age groups compared with the 2018-based figures.

5.15 Whilst there is a different ratio in the most recent work, which essentially means more workers can be accommodated in less homes, this draws on latest demographic information at the time and is therefore considered robust.

Household representative rates

5.16 Points are raised in representations regarding the use of household representative rates (HRRs) to link jobs and homes, including notably

the need for further adjustments to enhance affordability and a lack of justification for the approach taken.

5.17 The approach taken by Iceni and Justin Gardner regarding household representative rates (HRRs) to link jobs and homes has been found sound at a number of examinations (notably recently in Blackburn, Iceni Economic Needs Update Blackburn with Darwen and Hyndburn 2021 section10, plan adopted 2024).

5.18 Regarding how HRR influence affordability, the standard method in itself includes a substantial uplift for affordability which is captured in the housing need figure, and Greater Cambridge is meeting this requirement. There ultimately is no clear evidence around the “supply-price-affordability relationship” which makes conjecture is this area difficult when it comes to supply increases and affordability. Ultimately a tested and balanced approach regarding testing HRRs and return to past trends is taken in the Plan evidence.

Employment land supply and labour demand

5.19 Points about mismatch between supply of employment land (capacity) exceeding the labour requirement (forecast) are identified.

5.20 These are considered to have largely been dealt with in detail in the 2023 and 2025 evidence updates and summarised below.

5.21 Regarding industrial space, the majority of the ‘gap’ between job creation and expected floorspace need/delivery is considered to be dealt with by replacement demand factors, with some anticipated losses of older industrial stock to other uses or due to age and quality, this leading to stock and job displacement rather than newly created employment demand. Additionally, some industrial floorspace and job uplift is built into the 2025 EHNU due to enhanced floorspace requirements. Furthermore, some vacancy headroom (and margin) is

assumed in the models that would mean not all floorspace is used at one time (with upwards of 7% showing in all markets at May 2026).

5.22 A gap is acknowledged between forecasts in R&D labour and potential floorspace space - with these relationships being highly sensitive to density assumptions which are uncertain (EHNU 2025 para 5.35/36) and typically varying between urban and out of town campuses. Whilst there is some inevitable uncertainty regarding the labour relationship, the recommendation overall is to plan positively above the net trend.

5.23 Mismatches between forecast needs on employment land supply and the jobs to fulfil them need to be considered in the overall context of employment land commitments, which for office and labs are far higher than the forecast need as has historically been the case in this Plan area, with a range of considerations around deliverability in this and the next Plan period.

Conclusions

5.24 Iceni has reviewed the representations made across a range of topics and consider the evidenced position in the EHNU 2025 and predecessor reports to remain robust.