

# Strategic and Detailed Local Plan Technical Report

## Economic Development and Employment Land Evidence

**April 2016**



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## List of Key Data Sources

These are general sources referred to in the text and in some cases referenced as specific sources. Web Link references are provided where relevant. SADC sources are available on the Council's website (Planning Policy Document Library)

- 1 Hertfordshire Infrastructure and Planning Partnership (HIPP) and Hertfordshire Planning Group (HPG) (unpublished papers - details available from HCC / Herts Districts on request)  
<http://www.hertfordshire.gov.uk/services/envplan/plan/hccdevplan/HIPP/>
- 2 East of England Forecasting Model (EEFM)  
<http://cambridgeshireinsight.org.uk/EEFM>
- 3 SADC and Dacorum BC Authorities Monitoring Reports (AMRs) 2014 and 2015 (and related databases)
- 4 Valuation Office Agency (VOA)  
<https://www.gov.uk/government/organisations/valuation-office-agency/about/statistics>
- 5 Estates Gazette Commercial Property Database (EG)  
<https://www.egi.co.uk/property/home.aspx>
- 6 Herts Local Enterprise Partnership (HLEP)  
<http://www.hertfordshirelep.com/>
- 7 Herts Local Information Service (LIS) (formerly Herts Observatory).  
<http://www.hertslis.org/>
- 8 St Albans District Local Plan Review 1994 (DLPR)
- 9 Green Triangle (Project / Organisation) (GT)  
<http://www.thegreentriangle.org/hertsandbeyond.html>
- 10 City of Expertise (Project / Organisation) (CE)  
<http://cityofexpertise.com>
- 11 Visitor Partnership (Project / Organisation) (VP)  
<http://www.enjoystalbans.com/more/Visitor-Partnership/index.html>

12 City Centre Partnership (Project / Organisation) (CCP)

<http://www.stalbans.gov.uk/council-and-democracy/press-room/items/2016/january/2015-01-20-business-improvement-district-for-st-albans.aspx>

13 SADC Reports on Economic Development

<http://stalbans.moderngov.co.uk/documents/s50014792/Appendix%20F%20-%20Economic%20Development%20Update.pdf>

<http://www.stalbans.gov.uk/council-and-democracy/press-room/items/2014/december/supporting-economic-development-is-high-on-council-agenda.aspx>

<http://www.stalbans.gov.uk/council-and-democracy/yourviews/consultations/completedconsultations/CouncilBusinessPriorities.aspx>

14 Maylands Partnership (MP)

<http://www.dacorumlooknofurther.co.uk/business-in-hertfordshire/maylands/partnership>

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8. EEFM Forecast Labour Productivity and GVA – SADC 1991 - 2031
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10. Forecasts of Change in the Edge Working Age and Economically Active Populations and EEFM 2010-based Employment Growth Scenarios For SADC 2011-2031
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13. Forecasts of Change in the Working Age and Economically Active Populations, and Scenarios of Employment Growth in SADC, 2011 - 2031
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## Glossary of Frequently Used Terms (including Acronyms /Abbreviations

Term (alphabetical order)	Acronym / Abbreviation (where relevant)	Explanation (where relevant)
Authority's Monitoring Report (formally Annual Monitoring Report)	AMR	
Business Register and Employment Survey	BRES	Official source of employee and employment estimates by detailed geography and industry
Duty to Co operate	DtC	Localism Act duty for LPAs to work together, including with other public bodies on strategic planning issues (including infrastructure planning)
Detailed Local Plan	DLP	
District Local plan Review	DLPR	Current adopted Local Plan (1994)
East of England Forecast Model	EEFM	
Herts County Council	HCC	
Hertfordshire Infrastructure and Planning Partnership	HIPP	Formal partnership and co-ordination body (with regular meetings) for all Hertfordshire local authorities and key partners. Functions as DtC liaison group,

		including managing the London and wider SE England relationships (elected Member level)
Hertfordshire Planning Group	HPG	Officer level grouping serving HIPP.
Local Enterprise Partnership	LEP	Non statutory, but Government recognised, local business and local authority partnership tasked with promoting economic development
Office of National Statistics	ONS	
St Albans City and District Council (District)	SADC	Used to throughout to refer to both the Council itself and the District it administers
Regional Economic Strategy	RES	Former regional level economic development strategy
Regional Spatial Strategy (East of England Plan)	RSS (EEP)	Former regional level statutory plan
Strategic Economic Plan	SEP	
Strategic Local Plan	SLP	
Strategic Rail Freight Interchange	SRFI	

## EXECUTIVE SUMMARY

This Technical Report (TR) identifies and explains important economic development influences on the Strategic and Detailed Local Plans (SLP / DLP).

It updates initial evidence work by considering:

- changes in the general economic climate;
- the strong emphasis in the National Planning Policy Framework (NPPF) on economic development and growth;
- NPPF related Government guidance (Planning Practice Guidance PPG), in particular on defining a Functional Economic Market Area (FEMA) and assessment of economic development land and premises needs (for B Use Classes);
- Hertfordshire Local Enterprise Partnership (HLEP) work with Hertfordshire local authorities on a Strategic Economic Plan (SEP) and an Enterprise Zone (EZ). This has been taken as providing both updated economic evidence and a specific economic development policy direction for the SLP / DLP;
- The Government decision to permit a major Strategic Rail Freight Interchange (SRFI) in the District.

Overall the TR provides up to date analysis of the evidence behind the emerging SLP approach. It demonstrates the positive strategic response to the NPPF (at *paragraph 21 “Building a strong, competitive economy”*) in providing:

- *“a clear economic vision and strategy ..... which positively and proactively encourages sustainable economic growth”* – the SLP implements the HLEP SEP and positively provides for sustainable growth in the District, in the context of the Green Belt;
- identification of *“strategic sites for local and inward investment.....to meet anticipated needs over the Plan period”* – the SLP East Hemel Hempstead 55 Ha land allocation;
- positive plans for key *“sectors”* and *“clusters”* – the SLP special employment sites at BRE and Rothamsted as part of the Green Triangle and ‘grow-on’ space at East Hemel Hempstead
- and identification of *“priority areas for economic regeneration”* – SEP / SLP expansion of Hemel Hempstead to support its wider regeneration.

The SLP and DLP directly address the key business land and premises needs arising in or affecting the District. This is done on an opportunity led basis, following SEP policies; rather than as a result of land use need forecasts. Forecasts inform the strategy, they do not dictate it.

## **Policy Background and Evolution**

The HLEP SEP provides a general, aspirational, economic development policy for the whole of Hertfordshire. It includes evidence and references on current economic development issues. It also sets the economic development of the County in a wider context by addressing economic relationships with wider travel to work areas. The importance of links to London is clear.

The SLP sets out to follow the economic development policy direction of the SEP, particularly by implementing and facilitating the regeneration and expansion of East Hemel Hempstead and its Maylands employment area.

The economic development objectives of the SLP are thus led by sub-regional opportunities and a perceived qualitative (rather than quantitative) need for new B Use Class employment land.

There are important, consistent, policy linkages to former Regional and Structure Plans and related economic development strategies for the sub-region. They all highlight the importance of 'smart' and 'green' growth. These concepts express an intention to build on a strong local economy to achieve economic development in a way that:

- generates high quality jobs based on intellectual capital rather than extensive land and premises demand;
- minimises environmental and overall Green Belt impacts.

Despite the new influences considered, initial evidence work for the SLP remains relevant, particularly in indicating that, at District level, any need that does exist is likely to be for office (B1), rather than shed (B8), accommodation.

## **Economic Background**

The current context for spatial planning decisions is of a healthy, historically robust, local economy, set in an improving national economic context. Local prosperity is however closely linked with the fortunes of London as a 'world city'.

The District has a significant level of net out commuting due to its economic and 'dormitory' relationship with London. This is a key factor in analysis. FEMA definition is inevitably difficult. Given the polycentric geography around London and the limits this creates to planning for a localised homes / jobs

balance, it is proposed to give particular weight to the official Travel to Work Area view.

The table below summarises the expected pattern of population and workforce change, forecast job growth and the resultant workforce and homes / jobs balance:

<b>Estimated / Source</b>	<b>2011 Census</b>	<b>2014 Nomis</b>	<b>2031 (EEFM)</b>	<b>2031 (EEFM with SLP population projection adjustment)</b>	<b>2031 (EEFM with adjustment for a constant out commute assumption)</b>
Workforce	56,475	61,700	85,600	80,355	64,284
Jobs	47,337	56,000	80,000	80,000	80,000
Net commute	-9,138 (out)	-5,700 (out)	-5,600 (out)	-355 (rough balance)	+15,716 (more jobs locally than available workforce)

EEFM = East of England Forecasting Model

It is important to consider the analysis in terms of general growth levels and trends. Absolute numbers in the forecasts are very uncertain / unreliable. The trends demonstrate that the *expected low level of growth in working age population in the District and potential job growth could result in a closer balance between the workforce and jobs available, achieved by reduced out commuting.*

It should be stressed that this is a theoretical viewpoint and in practice planning decisions need to take account of other factors.

In reality, out commuting is likely to continue and *if the out commuting level is taken as fixed, the local workforce will be smaller than the number of jobs available.*

This understanding of the workforce / jobs balance comes with an important rider. Sectoral jobs forecasts are currently optimistic in outlook, reflecting a recent period of economic recovery and high levels of job growth. Forecasts typically exhibit considerable volatility in the face of changing economic prospects.

This point is emphasised through recent Local Plan examination experience. For example the Central Bedfordshire Plan Inspector (2014) took the following view:

“The Council appears to derive its objectively assessed employment need from the EEFM. However the outputs from this appear to fluctuate widely on an annual basis. For example.....the 2013 output...was 15,000 jobs while the interim 2014 figure was 23,900. This had increased to 26,700 by the time of the hearing session. The headroom that can be regarded as aspirational within the 27,000 (target) proposed therefore varies from year to year.”

If the potential level of job growth does occur, then labour market conditions are, in themselves, likely to stimulate behavioural adjustments by local employers. The extent to which jobs grow locally will be affected by employer decisions in direct response to the tight local labour supply and potentially higher labour costs. Possible consequences may include decisions to adjust methods of working to increase productivity through use of technology or changes in working methods, overtime working, mobile working and outsourcing of work to remote locations. Business relocation decisions may also arise. Many elements of these adjustments can be seen as achieving greater economic efficiency.

The economic development position is that:

- there could be a “surplus” of local job vacancy / availability, in terms of the District, but this will directly support the sub-regional jobs and growth ambitions identified in the HLEP SEP, principally at East Hemel Hempstead;
- local residents will have no difficulty finding work. This fits with a historic trend in the District of a strong employment market with many job opportunities and competition with the London job market and higher remuneration there;
- there may be opportunities for reductions in out commuting, with potential benefits in reduced congestion. However this seems likely to be limited given the wider FEMA position with its complex patterns of home to work movement and the particular London pull and effect of radial rail infrastructure. It seems more likely that local employers will adjust their workforce planning in response, as described above;
- the buoyant job market will work to encourage high levels of economic activity. This will be seen in greater opportunity for work in older age groups and by full or part time students. Double jobbing and portfolio employment / self-employment styles of working will probably increase.

Overall this represents the ‘normal’ position for the District in times of general economic and job growth. At most times during the post war period the

District's economy has been relatively buoyant and there has been a low (frictional level only) unemployment rate.

The following spatial planning implications can be identified:

- any attempt to increase the local working population by allocating more housing land is likely to be completely subsumed in the wider TTWA economy, with the District simply taking up a greater dormitory role for other areas, particularly London
- planning imperatives to retain and allocate employment land arise from specific sub-regional and local economic development / sustainable development needs, plus the important aim of addressing the balance and mix of the community's land use requirements, rather than a theoretical quantification of job needs attributable to the local population
- particular spatial planning policies for employment land and premises in the District are justified on the basis of a specific local economic development strategy that creates local regeneration opportunities set in a sub-regional context.

For the District's population alone, there is no theoretical, quantitative, justification for provision of land and accommodation to accommodate more B Use Class jobs. For that reason the SLP does not include a jobs / employment land provision target.

It is important to note that it is likely that a significant proportion of the employers who will eventually occupy new land and premises at East Hemel Hempstead will currently be occupiers in London who will choose to relocate. This will free up current employment land in London for residential development.

A simple, modest, estimation of 25%-35% of the 55 Ha site – being the amount taken up by current employers in London – gives 14-19 Ha of London land freed up – to be developed for residential purposes at typical London densities of 100 dwellings per Ha. This equates to 1,400-1,900 dwellings from space freed up in London.

### **Current Land and Premises Provision**

2015 stock and vacancy rates for B Use Class premises in the District were:

	<b>Shed (B2/ B8/B1c)</b>	<b>Office (B1a/b)</b>	<b>Total</b>
Stock (sq m)	373,636	200,824	574,460
Vacancy rate (%)	8.7	7.1	8.2

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*Based on Valuation Office Agency and Estates Gazette*

There is currently little capacity for new B Use Class development (in the form of permitted developments or unused land allocations).

There is significant pressure for loss of employment land and premises to residential use.

The new national permitted development rights (PDRs) for change of use from office to residential have resulted in potential for the loss of approximately 18,000 sq m of office floor space (at April 2015). If implemented this would equate to loss of approximately 9% of total 2015 office stock.

Qualitative assessment of the existing main employment locations suggests that the following are the most strategically important:

#### Local Businesses and Services

Harpenden:

- Coldharbour Lane
- Southdown Industrial Estate

St Albans:

- Porters Wood / Soothouse Spring
- Alban Park
- Brick Knoll Park
- North Orbital Trading Estate

#### High Quality Office Locations

- St Albans City station
- St Albans City core
- St Albans Abbey station

Potentially, these are the key areas that should be considered as priorities for a high level of protection / safeguarding for B Use Class and related activities under DLP policies. It will be necessary to consider use of Article 4 Directions - a legal tool to withdraw PDRs at local level - to achieve the desired policy outcome.

As context it is important to understand that draft SLP policy (SLP 15) gives general encouragement for all employment areas and premises to continue in employment use. In many cases this will occur as a result of the historical property position and continued market demand. However in areas that are

not specifically safeguarded, it is now likely that further changes to residential will occur, as permitted by Government policy.

### **Future land and premises needs**

Employment forecasting provides a good general indication of employment sectors that are expected to grow and the land use demands likely to arise. The EEFM indicates that the likelihood is that:

- approximately 50% of job growth will be in sectors that require B Use Class land and premises provision - this is the element of growth that is most open to the influence of land use planning
- there will be a strong local emphasis in growth in jobs that require office space and a decline in activities that use shed style accommodation

The various forecasting sources considered in the TR suggest the following mid-range estimates of floor-space need in the District for the Plan period to 2031:

<b>Premises type</b>	<b>2011 stock (SADC estimate)</b>	<b>Notional Rate of growth over plan period</b>	<b>Additional requirement</b>	<b>Predicted total need (stock) 2031</b>
Shed	387,000	7%	+27,090	414,090
Office	217,000	31%	+67,270	284,270

There are two important caveats to place on this understanding.

First, because of changing work patterns, (including increasing numbers of part time jobs, greater home and mobile working, use of multi user managed office and meeting space / virtual reception services, 'hot-desking' of office space - all supported by Information and communications technology improvements), the expected growth in this type of job does not necessarily feed through to an increase in demand for additional conventional office floor-space.

Second, the operation of the market reflects and reinforces these new work styles. Office floor-space is expensive and organisational strategies evolve to minimise demand and maximise occupancy. Also alternative land use values – especially for residential development – create further incentives in that direction. Market demand, office stock level changes and developer rental / yield incentives for new office space are tending to manifest at lower levels than the forecasts might suggest.

Certainly, past forecasts of need have not been fulfilled by the market and in recent years local office stock has been in significant decline. Analysis of the market position suggests there are some office vacancies, particularly for secondary quality / location stock, a continuing and accelerating loss of stock and no current market interest in speculative office development.

A further consideration to bear in mind when translating sector forecasts into expected land use requirements is that job decline may not necessarily result in a reduction in land and premises needs. This is because there may be a substitution of land and machinery for labour. Sometimes this will require more and different types of space. The sectors expected to lose jobs are typically those affected by these factors and they can generate land intensive demands. Wholesale and warehousing is trending to large automated premises with significant lorry parking and access/circulation requirements. Waste and remediation requires special mechanised facilities and open or covered specialist storage (e.g. for materials recycling and composting / digestion). Some forms of manufacturing / quasi manufacturing (e.g. specialist electronics; construction and landscaping products) are linked to service and retail space needs that support their business model.

Market analysis, including local experience of business development enquiries, suggests that these factors will mean that, despite forecasts and trends for a general decline in shed floor-space need, there will be some special shed / non office premises needs that could result in additional demand for employment land.

### **Emerging Strategic Local Plan (SLP) approach**

The SLP states two main economic aims:

*“To foster a healthy, diverse and strong local economy, with a focus on knowledge industries, financial and business services, the rural economy, the green technology sector, creative industries and visitor economy.*

*To offer employers a highly skilled and flexible workforce and individuals the very best opportunities to learn, train, start businesses, develop entrepreneurial opportunities and improve their employability.”*

The Plan also stresses that “the unique and exceptional quality of the built and natural environment is very important in supporting the prosperous local economy and providing a range of jobs for all”.

This highlights that any strategy for economic growth should not unduly compromise the local environment because, in the long term, that would damage the attributes that make the local economy prosperous. This would be counter-productive to securing economic well-being and further growth.

Despite this caveat, the Plan strongly supports the NPPF imperative for economic growth. This is clearly evident in:

- policies to maximise the role of established business areas;
- a positive response to the HLEP SEP, which promotes an M1 / M25 Growth Area and specifically supports regeneration and growth centred on East Hemel Hempstead and a new Enterprise Zone in that area;
- support for the Green Triangle research assets of the Building Research Establishment, Garston / Bricket Wood (built environment) and Rothamsted Research, Harpenden (agriculture – environment); and
- acknowledgement of the necessity to plan taking account of the likely creation of a major new employment / business location; a 65 Ha Strategic Rail Freight Interchange (SRFI) site to meet national need.

The role of existing business areas is covered in Policies SLP 15-17.

In line with the HLEP SEP, Policy SLP 13 b) includes a new, sizable (approximately 55 Ha), business land allocation in the East Hemel Hempstead (South) Broad Location. This area can accommodate some large scale shed development within the part of the Broad Location that is impacted by the Buncefield Oil Depot Consultation Zone (which limits other forms of development significantly). In addition, part of the area near M1 Junction 8 and immediately to the north of the A414 can function as a highly accessible, and potentially prestigious, business park / office location. The northern part of the SLP 13 b) area also provides opportunities for other forms of employment development in a location beyond the Buncefield Consultation Zone. Policy SLP 13 b) also specifically sets out a requirement for provision of “starter units / incubation space” in the first phase of development.

Policies SLP 16 and 17 facilitate the continued success and development of the District’s key research and development assets; the Building Research Establishment and Rothamsted Research.

The SRFI is addressed in Policy SLP 14. This policy acknowledges the significant scale and impact of this proposal on the District and sub-region, but also the high level of uncertainty involved at this point (i.e. will it proceed and in what form / to what timescale).

A possible scenario for the floor-space capacity and job growth potential of the main SLP employment related developments is summarised below. It should be noted that there would be significant capacity for a greater level of office development if market demand arises.

<b>Location</b>	<b>Floor-space growth</b>	<b>Estimated jobs created</b>
East Hemel Hempstead	Offices - 50,000 sq m on 5Ha (20%)  Business park - 75,000	8,000

	sq m on 18.75.Ha (30%)  Warehousing - 125,000 sq m on 31.25 Ha (50%)  55 ha total area	
Strategic Rail Freight Interchange (SRFI) Former Radlett Airfield	Warehousing - 331,665 sq m on 65 Ha (main built area)	3,400
<i>Totals</i>	<i>Offices - 50,000 sq m on 5Ha</i>  <i>Business park - 75,000 sq m on 18.75.Ha</i>  <i>Warehousing - 456,665 sq m on 96.25 Ha</i>  <i><u>120 Ha total area</u></i>	11,400

The level of job creation (11,400) possible from these major developments can be considered in relation to the forecast job growth and the workforce, homes, commuting and jobs balance issues noted above.

The forecasts alone suggest a significant capacity for the local economy to provide more jobs. The SLP shows how the land / premises opportunities will be available to facilitate a contribution to that growth in the sectors requiring B Use Class premises. In terms of opportunities, the land availability position is likely to confirm the outcome predicted – that the number of jobs available in the District will exceed the workforce, if out-commuting patterns remain broadly as they are now. This reinforces the point that the new employment uses at East Hemel Hempstead and the SRFI will, and indeed will need to, draw on a much wider labour market than just the District. The job growth and labour draw involved is, as envisaged by the HLEP SEP, a sub-regional phenomenon.

The scale of the provision is sufficient (in terms of B Use Class land and premises provision and related creation of local job opportunities) to make a major contribution to addressing wider issues and opportunities for Hertfordshire, as called for by the HLEP SEP.

The B Use Class land and premises need aspect of this is illustrated in the table below:

<b>Premises type</b>	<b>SLP proposed provision</b>	<b>District level adjusted floor-space need estimate (from TR evidence)  (% difference)</b>	<b>District level EEFM based floor-space need estimate (from TR evidence)  (% difference)</b>	<b>SW Herts studies upper-end floor-space estimate of requirements across all SW Herts sub-region (to 2036)  (% difference)</b>
<b>Shed (B2, B1c and B8 combined)</b>	456,665 sq m	+27,090 sq m (+94%)	+ 26,300 sq m (+94%)	113,000 sq m (SW Herts Study Table 6.2) (+75%)
<b>Office / business park (B1 a –and b)</b>	125,000 sq m	+67,270 sq m (+47%)	+ 164,800 sq m (-24%)	461,300 sq m (SW Herts Study Table 6.2) (-73%)
<b>Combined land equivalent</b>	120 Ha  (55 ha at East Hemel Hempstead)	-	-	51.5 Ha (SW Herts study Table 6.4) (+6%)

In terms of land area alone the allocation for development at East Hemel Hempstead meets the theoretical need arising from the whole of (the nominal five LPA) SW Herts. In terms of site specific opportunities and floor-space mix issues the development scenario envisaged by the HLEP SEP and SLP would not provide sufficient office opportunities to meet need across the whole of SW Herts. However the office development assumptions in the scenario described above are relatively modest. This is because the floor-space mix reflects not just the forecasts, but also the locational attributes of the sites proposed for development and evidence of market demand. These factors suggest that lower levels of office development will occur than might be expected from the sectoral forecasting of need.

Nevertheless, much of the SW Herts wide theoretical office need could in fact be met through different decisions or market preferences about how to use

land at East Hemel Hempstead. In practice this will need to be considered in combination with a review of future opportunities and market interest in new City and town centre office development. The Enterprise Zone for the East Hemel Hempstead site may provide additional levers.

It is also important to bear in mind the considerable uncertainty that exists about what the market will actually deliver. Despite various forecasts suggesting demand, there has been very little employment development in the District and wider sub-region for a number of years.

### **Detailed Local Plan (DLP) policy directions**

Policy formulation specifically for the employment land aspects of the DLP is heavily influenced and constrained by the following factors:

- Current policy and guidance in the NPPF and PPG is explicitly less supportive than previous national policy for the normal, and common pre NPPF approach (as included in the DLPR), of “protection” for the majority of existing employment land/ premises. This is because the general national view is that there is a surplus of business property and planning should not overly interfere with the market in respect of redevelopment for pressing housing needs. Recent policy has also tended to assume that mixed use areas almost always work well and that there may be environmental character and sustainable travel benefits of having home and workspaces in close proximity.

(It should be noted that policies to protect employment land address two objectives. First ensuring some land is reserved for local economic activity only and not available for redevelopment for higher value land uses – usually residential, retail or leisure. Second, in terms of pure physical planning for land use and use mix, that some areas exist to accommodate business uses and premises that would not sit well with a residential area due to activity levels, disturbance, noise or pollution).

- This aspect of the NPPF has been reinforced by the introduction of new PDRs which allow for changes of use from business to residential. These PDRs are already in place for a range of uses and have been especially effective in changes from office to residential. In addition extended rights including for redevelopment of business premises to residential will be introduced in future. PDRs can be removed at local level through ‘Article 4 Directions’ (Under the General Permitted development Order), but this measure can be prevented by Government intervention. Nevertheless it is felt that in the circumstances the District faces (very high residential land values and resultant strong residential redevelopment pressures), this avenue should be explored for a limited number of protected employment areas that are viewed as of strategic value to the District or the sub-region.

- The Strategic Rail Freight Interchange (SFRI) at Radlett (a form of major warehousing development), justified on the basis of national need, together with the opportunities that will exist at East Hemel Hempstead, may obviate any theoretical, quantitative, need to retain any other ‘shed’ development land in the District. However there are important qualitative questions about accommodating the local industrial and service uses that are essential to the functioning of a major urban area and that provide more sustainable locations for jobs (accessible by walking, cycling or public transport).

The following issues can be identified for the DLP. In each case a suggested policy response is outlined (*italic text*):

#### Issue 1 - land for local economic development

There is a continuing need for some business land and premises to be safeguarded for local economic development purposes. In particular the need is for small / medium business premises (including start-up / expansion space) to be available. This general need includes utility, and “dirty” / waste / recycling uses.

#### *Policy Response*

*The policy response is continued designation and protection of main business land use areas with more than local impact (similar to DLPR approach). They are likely to be designated as primarily business use areas (to be distinguished from primarily residential areas or City / town / local centre areas).*

#### Issue 2 – loss of business use land and premises to higher property value uses

It is difficult to address Issue 1 above because of the growing market pressure for loss of business premises to higher value land uses. This is now combined with an increase in national level permitted development planning freedoms for both change of use and redevelopment.

#### *Policy Response*

*The policy response is to consider use of locally justified Directions (under Article 4 of the General Permitted Development Order - GPDO) withdrawing permitted development rights in areas designated for “primarily business use”.*

#### Issue 3 - strategic office role of St Albans

There is a need to sustain the strategic office cluster role of St Albans City Centre, especially in face of pressures and freedoms for conversion and redevelopment for residential uses. The strategic role remains relevant in view of the expected growth in need for office

accommodation, the perceived quality of the location (environmental and cluster interaction, support services offer and rail and road connections) and the contribution the cluster makes to the economic health of the sub-region. It is also essential to the District's "City of Expertise" initiative.

Policy response

*The policy response is to consider use of locally justified Directions (under Article 4 GPDO) withdrawing permitted development rights in key parts of the City centre.*

Issue 4 central St Albans service offer complementing office role

The contribution of the City service / retail offer and visitor economy Business Improvement District (BID) initiatives is linked to issue 3 above.

Policy response

*The policy response is to consider reasonably flexible retail and service frontage policies and environmental protection and enhancement strategies for City / town / local centre areas.*

Issue 5 - growth opportunities

There is a need to facilitate longer term sub-regional growth opportunities that respond to the LEP SEP for Hertfordshire (specifically for the M1/ M25 growth area) and act as a contribution to local, sub regional national growth.

Policy response

*The policy response is to make detailed plans (including for infrastructure improvements) for land to be released from the Green Belt at East Hemel Hempstead, including land designated as an Enterprise Zone. These plans should give priority to providing expansion opportunities for the employment sectors that are expected to generate job growth and have some land and premises needs locally. This includes any needs for larger scale business park style offices and automated warehousing. Plans should also allow for potential inward investment.*

Issue 6 – enhancing research and development assets

There is a need to facilitate continued special, high intellectual value, research and development uses in constrained Green Belt settings (Rothamsted Research and BRE). This will support the Green Triangle partnership initiative, including links to Oakland College and the University of Hertfordshire.

### Policy response

*The policy response is to define these major developed areas in Green Belt in the SLP/DLP and set out associated development guidelines that provide some scope for expansion and development, including for associated businesses.*

### Issue 7 – warehousing / distribution

Detailed plans for the east Hemel Hempstead Broad Location (Issue 5 above) will provide land suitable for this use. To meet national rail freight needs SADC may also be required to accommodate a significant modern logistics warehousing development site (SRFI) at the former Radlett Airfield. This development will provide further opportunity for modern warehousing and will alter the profile of the wider local economy. There will be a need to make detailed long term plans for this area and consider how this development works alongside opportunities at East Hemel Hempstead in terms of local economic development.

### Policy Response

*The policy response is to manage the land use and economic development implications arising through a future Plan review cycle (see SLP Policy 14)*

Possible areas / locations for business land use protection are listed above. The rationale for their identification and 'protection' is indicated briefly.

**SECTION 1**

**INTRODUCTION**



## 1.1 Purpose

This Technical Report (TR) supports both the Strategic (SLP) and Detailed Local Plan (DLP).

First it updates and elaborates on the original, general and joint authority, economic development and employment land evidence studies for current Hertfordshire Local Plan work, including the SLP.

Second it provides some more detailed evidence that supports the SLP and that will also assist in preparation of the DLP.

This is done with particular reference to:

- changes in Government policy and guidance during the SLP preparation process, in particular on defining a Functional Economic Market Area (FEMA) and assessment of employment development land and premises needs;
- the influence of Hertfordshire Local Enterprise Partnership (HLEP) work with the Hertfordshire local authorities on its Strategic Economic Plan (SEP); which has been taken as providing direct evidence and an important policy direction source for the SLP / DLP.

The TR should thus be read in conjunction with the following documents (listed here in most recent publication order, but generally explained and referenced in chronological order in the remainder of the TR):

- the HLEP SEP (Ref 12)
- London Arc Employment Land Study 2009 - LAELS (Ref 2) (covered SACD, Broxbourne, Dacorum, Hertsmere, Three Rivers, Watford and Welwyn Hatfield LPAs)
- Central Hertfordshire Employment Land Review 2006 - CHELR (Ref 1) (covered St Albans City and District, Hertsmere and Welwyn Hatfield - SACD, Local Planning Authorities - LPAs)

The HLEP SEP is essentially a policy document, but it is based on, and includes, references to current economic development issues for the whole County. It also sets the economic development of Hertfordshire in a wider context by specifically addressing the relationship with London and wider travel to work areas.

The two earlier joint local authority Local Plan evidence studies were designed to address the same issues as this TR, but were prepared by specialist consultants on a wider cross boundary / sub-regional (Localism Act Duty to Co-operate – DtC – Ref 3) basis. This TR updates the information and evidence they contain. However, as this TR shows, they were intended

as studies examining long term trends and the general conclusions remain valid. They underpin SLP / DLP strategy and policies.

## **1.2 Scope**

The TR addresses St Albans City and District specific local economic development and employment land planning issues. In doing so it explains the particular evidential basis for the SLP / DLP.

However, the TR also draws on the context provided by the sub-regional evidence work noted above and other earlier, or related, regional and sub-regional research / studies / policies.

The current work of the HLEP at sub-regional level is a particularly important influence, as it is the most recent manifestation of a long standing and consistent strategic approach to economic development and employment and business land / premises planning for Hertfordshire and the District.

Regional and sub-regional analysis and evidence reflects the reality that economic and employment land and business premises planning issues for the District are linked with those of a much wider area. The relative openness of the local economy in terms of travel to work patterns and business relationships is a fundamental consideration. Commuting between the District and London is a particularly important factor. This understanding is clearly evidenced in the earlier studies and this update. It has set the basis for past and current DtC work.

It is important to recognise that there are, in practice, considerable limitations on any individual Local Planning Authority's (LPA's) ability to undertake spatial planning for economic development and particularly B Use Class land and premises provision. Additionally, the tools available to a LPA in this field are increasingly limited by national planning policies which offer more freedoms to change the use of existing business premises, especially to residential. These factors condition the scope of the Study, in that the realistic limits to SLP / DLP policy determine the focus of evidence collection, research and conclusions about possible policy directions.

As with the earlier evidence studies noted above, the TR examines general conditions and trends for economic development affecting the District and then looks in more detail at the spatial planning issues around provision of land and premises for a particular range of economic activities that require specific types of premises. These activities are defined as "B Use Class" uses (offices, light and general industry, warehousing and distribution and also special business premises types such as research and development and science parks). Though the TR addresses overall employment issues, it must be remembered that B Use Class land and premises accommodate only approximately 50% of total employment. Throughout the TR, the planning / property term B Use Class(es) is used to describe this aspect of employment.

The TR examines the past and present B Use Class land and premises offer, (including uses present and vacancy / availability). Quality of the employment land / premises offer is assessed.

The study then considers projections of future need and likely gaps in provision.

Current issues and implications for Local Plan strategy and policy choices are identified.

This TR does not deal with retail and leisure use development needs and the employment they generate, other than in respect of their potential overlap with, and impact on, business land and premises provision. This is of course particularly important to the economic development of town centres, where business uses are one source of custom for retail and service uses and, in turn, the quality of the retail and service offer can enhance the attractions and health of a business location.

### **1.3 Approach**

The study uses a combination of primary and secondary data. The approach is:

- For general economic trend analysis, secondary sources only are used. These include updates of the forecasting evidence collected in the earlier sub-regional studies.
- For local employment land and premises research and analysis a combination of national secondary sources and primary SADC surveys are used.

Conclusions are based on analysis from these sources only. This is a “Technical Report” drawing together evidence; it is not a policy document. The draft report has been open to comment from key local authority DtC stakeholders, but in other respects there is no formal consultation element to the study (i.e. views and opinions of the general and business community, or other relevant interests). This aspect of evidence is important, but is a separate part of LPA evidence gathering.

Consultation has taken place with the business community through the main evidence studies referred to and in formal consultation on the emerging plan documents (recorded elsewhere). It is also embodied in the outcomes of the LEP’s Strategic Economic Plan (SEP) process, which included extensive business sector consultation.

For the more local issues to be dealt with in the DLP, future consultation on that Plan will include direct and representative organisation contact with local business interests and assessment of their interests and views.

## 1.4 Methodology

The methodology involved the following main stages of work:

1. Policy context and literature review / update; through desk research
2. Past local studies review and identification of specific SACD update requirements (as listed below); through desk research
3. Re survey and assessment of quantity and type of employment land and premises - including existing provision and recent history of change; using a variety of primary data and secondary published data sources (Data Sources 1-3)
4. Review and assessment of local employment and land / premises need forecasts; using past specialist studies and the standard, published, East of England Forecasting Model (EEFM) outputs. EEFM is a local authorities owned employment forecasting model (Data Source 4)
5. Re-survey (with greater detail in respect of previous studies) of character and quality of existing employment land and premises in the District; through SACDC direct survey
6. Systematic qualitative assessment of existing provision need (with greater detail in respect of previous studies); through SACDC direct survey
7. Reassessment of detailed policy issues and options; through review of overall conclusions from the TR and limited comparative research on detailed policy responses by other LPAs. This stage addresses DLP issues within the context of the publication draft SLP (2016) (which is treated as fixed)

Wherever possible information and survey work records the position at April 2015. This coincides with the published regular Authorities Monitoring Report (AMR) base date at the time of research and allows use of future AMRs as an updating source.

**SECTION 2**

**POLICY BACKGROUND AND EVOLUTION**

## **2.1 Economic Development and Planning**

This Section analyses the overall policy context for local economic development and spatial planning for B Use Class land and premises provision. It highlights implications for the SLP / DLP.

As a general theme it is recognised that land use planning must follow on from, and react to, general approaches to economic development for an area. For that reason the history and evolution of the current national and local policy context as it affects the District is covered in detail. Understanding this history is important as a basis for future policy.

Though Government no longer operates through a regional tier, it is helpful to consider the influence of former regional level economic development studies and policies.

The section includes a detailed look at the local implications of the National Planning Policy Framework (NPPF) (Ref 9) and Planning Practice Guidance (PPG) (Ref 6), for this aspect of planning. Both documents were issued after the original evidence work for the SLP was completed and they significantly change the policy context for Local Plans.

## **2.2 National and Regional Policy / Guidance**

In 2010 the Coalition Government introduced its 'localism' agenda and implemented a series of changes to the planning system that were founded on a new approach to economic development. Very clear priority was given to economic growth, so as to achieve recovery from the 2008/9 financial crisis and subsequent economic recession. This approach has continued under the current Conservative Government.

### Localism Act 2011 (Ref 3)

The Act abolished the regional planning system and left LPAs to assess their own economic growth position and plan accordingly. To deal with strategic and cross local authority boundary development planning issues the Duty to Co-operate (Section 110 of the Act) (DtC) was introduced and applied to all local planning authorities and a number of other public bodies prescribed in Town and Country Planning (Local Planning) and related regulations (Refs 4 /5; PPG ID: 9-001-20140306).

The Act also introduced a new Nationally Significant Infrastructure Projects permission system (NSIPs) with related National Policy Statements which has tended to put greater emphasis on central decisions on national priority infrastructure / economic schemes (Ref 3 Sections 128 - 142).

In parallel to these changes the Government created a new non-statutory system for economic development promotion, business to Government liaison and public investment planning at local level: the Local Enterprise Partnerships (LEPs). The origins of the system lie in the 2010 White Paper 'Local Growth Realising Every Places Potential' (Ref 6). LEPs have been defined variously as 'joint local authority-business bodies brought forward by

local authorities themselves to promote local economic development' (Ref 6) and as 'a body, designated by the Secretary of State, which is established for the purpose of creating or improving the conditions for economic growth in an area' (Ref 4).

LEPs are business led, but their Boards have significant local authority representation. Their financial and operational arrangements are also closely linked to local authorities. Implementation has tended to be through informal partnerships or creation of formal legal entities, usually with a company structure, but with financial accountability for public funds delivered via a lead local authority. LEPs were given access to public funding through the 'Single Local Growth Fund' process and 'Growth Deals' covering several administrative, infrastructure funding and EU funding streams (Refs 7/8). In addition some LEPs have benefited from Enterprise Zone (EZ) designations and associated funding (Ref 7/8).

LEPs are not subject to direct DtC responsibilities, but Town and Country Planning Regulations require all LPAs and other DtC prescribed public bodies to co-operate with them and 'have regard to their activities' as relevant to plan making work (Ref 4 /5 PPG ID: 9-006-20140306).

Government has also encouraged some new local authority joint working arrangements, which have been related to the LEP system and associated Government 'growth funding' initiatives, especially in big city areas. This includes moves to combine decision making and services on economic development, regeneration and transport, including aspects of land use planning. Some specific devolution of Government funding has been included ("City Deals") (Refs 7/8).

The specific local arrangements affecting the District, made in response to these national changes, are discussed in more detail below.

#### The National Planning Policy Framework (NPPF) (Ref 9) and related changes to planning legislation

The Coalition Government introduced a new simplified national policy for spatial planning; the NPPF, (Ref 9). Though the NPPF is based on a policy of "sustainable development" and covers the balance of economic, social and environmental goals (NPPF Para 7), the apparently dominant and strengthened policy driver is national economic recovery. The NPPF strongly promotes the role of spatial planning in supporting economic growth. It says that planning should do "everything it can to support sustainable *economic* growth", and that "significant weight should be placed on the need to support *economic* growth through the planning system" (NPPF Para 19).

Importantly, increased housing development is seen as a major contribution to economic growth (both as direct construction led growth and as infrastructure supporting job growth and improving home-work commuting links).

The NPPF emphasises that Plans should meet objectively assessed development needs (subject to the caveat of adverse impacts not outweighing benefits and the need to restrict development in areas of policy or environmental protection such as Green Belt) (NPPF Para 14). Also “every effort should be made objectively to identify and then meet...the business... development needs of an area (NPPF Para 17). Further; “LPAs should set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth”, “set criteria, or identify strategic sites, for local and inward investment...”, and “support existing business sectors, taking account of whether they are expanding or contracting and where possible identify and plan for new or emerging sectors likely to locate in their area ..” (NPPF Para 21).

Specifically for Plan making and business development needs the NPPF says; “LPAs should have a clear understanding of the business needs within economic markets operating in and across their area”. This should be used to “assess the needs for land and floor space for economic development, including both the qualitative and quantitative needs for all foreseeable types of economic activity...” and “the existing and future supply of land available for economic development and its sufficiency and suitability to meet identified needs” (NPPF Paras 160-161).

However, “planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose (NPPF Para 22). This apparently introduces conflicting objectives and a degree of uncertainty because, in practice land can often only be protected for B class uses through strong application of policy, in the face of contrary market pressures. Also, under the part of the NPPF dealing with “delivering a wide choice of high quality homes”, LPAs “should normally approve planning applications for change to residential use and any associated development from commercial buildings (currently in the B Use Classes) where there is an identified need for additional housing in that area, provided that there are not strong economic reasons why such development would be inappropriate” (NPPF Para 51). These parts of the NPPF, combined with changes to planning legislation noted below, raise some difficult issues for the SLP and DLP.

Alongside the Localism Act and NPPF, Government has implemented a series of secondary legislative changes that are extremely important for local planning for economic development and B Class land uses. These changes effectively centralise some relevant planning decisions at Government level by making significant changes to national permitted development rights (PDRs) for employment and business land uses / premises. Development is permitted subject only to a LPA prior approval system (where the development is acceptable in principle under the PDR, and can only be refused on very limited technical grounds such as traffic, flood risk or noise) (Ref 10). Most significant is the permitted change of use from offices to residential use (temporary, but to become permanent in 2016 with additional freedoms on redevelopment – details still awaited) (Ref 10 Schedule 2 Class 0 and Ref 11).

The Government's localism approach emphasises local decisions on planning. However, it is clear that, in respect of economic development and related spatial planning, the actual scope for local decision is constrained by the strong direction set in national policy and the effects of recent changes in planning legislation.

Additionally the role of individual LPAs is affected by the fact that effective spatial planning for economic development requires consideration of sub-regional or even regional scale needs and opportunities. It therefore becomes a key DtC issue and is heavily influenced by the new LEPs.

The combined implications of all these changes for the SLP / DLP are significant. There is a particular dilemma in that the interface of the property market for business land and premises and for housing is problematic. There is competition for land supply in an area of high housing demand limited by Green Belt and environmental and infrastructure constraints. Given high housing demand and attractive financial returns from housing development, it is difficult for B Use Class land uses to compete for land and premises in an open property market. As explained above, National policy does not generally support Local Plan policy intervention on this issue.

#### LEP and economic development related DtC arrangements affecting the District

LEPs were generally formed on a sub-regional basis, but from the bottom up, through local business and local authority initiatives. Area definitions are not standardised in any way and sometimes LEPs overlap, with constituent local authorities active in more than one area (Ref 7).

LEPs are tasked with preparing Strategic Economic Plans (SEPs) for the designated LEP area. SEPs have functioned in two main ways; as local expressions of economic development aspiration/ policy and as bidding documents used to negotiate access to Government "Growth" funding (Refs 7 / 8). However they have also had considerable influence on strategic spatial planning.

Three LEPs and SEPs are relevant to the District. The HLEP SEP is the key influence. The others are of background relevance:

- Hertfordshire LEP (HLEP) (County boundaries) – 'Perfectly Placed for Business SEP' (Ref 12)
- South Midlands LEP (SEMLEP) (includes the local authorities immediately to the north of SACD, on the M1 Motorway / Midland Mainline Railway axis, in Luton / Bedfordshire. Organisationally this LEP originally included an overlap with Dacorum Borough Council's area but this is no longer active) – 'SEMLEP Strategic Economic Plan 2015 2020' (Ref 13). It is important to note that this LEP covers a substantial area that was, under the former regional guidance /

planning systems, identified for significant growth – ‘Milton Keynes and South Midlands Growth Area’ (Ref 14) (see discussion below)

- London Enterprise Panel LEP (arrangements differ in London as the LEP works with the Greater London Authority and account has to be taken of that Authority’s / mayoral role) - London 2036 - An Agenda for Jobs and Growth SEP (Ref 15)

Since the abolition of the RSSs, Local Plans set housing provision targets and, where needed, business land / premises provision targets.

Given the very open nature of the sub-regional economy of which the District is a small part, finding any meaningful functional economic market area definition is difficult. Any area would tend to be wide in extent. This is considered in more detail in Section 3 below.

Local authority DtC work on economic and employment land issues inevitably involves inter-relationships with a wide range of adjoining and nearby local authority areas. The role and responsibilities of Hertfordshire County Council and the Greater London Authority, as well as the LEPs, is important. The issues arising are discussed further below.

Hertfordshire authorities liaise regularly on economic development issues through the formal structures of the Herts Infrastructure and Planning Partnership (HIPP) (elected Member) and Herts Planning Group (HPG) (officer) (Key Data Source 1).

#### National Planning Practice Guidance (PPG) (Ref 5)

The new web-based PPG resource replaces most past circulars, advice notes and technical guides and is a key component of the Government’s planning reforms. The PPG explains how the NPPF requirement for LPAs to objectively assess and provide evidence for economic development needs within their areas should be applied in Plan making. It includes new guidance on consideration of functional economic market areas and assessing employment land and premises needs, but this is less detailed than previous PPS/ PPG material.

It is also useful to be aware of the history and influences that arise from the now cancelled Government policy documents and related sources. Planning Policy Statement 4: Planning for Sustainable Economic Growth (PPS4) 2009 (Ref 16) and the guidance notes that accompanied the PPG / PPS 4 document series (Ref 17) are particularly helpful. These set out a guide to employment land review studies that is fuller than the PPG and still relevant. It has influenced this TR.

The PPG generally assumes that Local Plans will create sufficient new employment land and premises opportunities that fully meet the needs of businesses. It also assumes there will be some level of collaborative working between LPAs based on an assessment of economic needs at a functional economic market area level. In that sense the PPG relates economic

assessment to the role and geographic coverage of LEPs (and related partnerships). LEPs are now seen as the primary local representative body on business needs and are given influence, at all levels of Government, on agreeing priorities for public infrastructure investment (PPG ID: 2a-007-201503200).

### *Economic Development Needs Assessment*

The PPG section entitled “Housing and economic development needs assessments” guides LPAs to objectively assess and evidence development needs for housing and economic development (PPG ID: 2a-001-20140306 onwards).

In respect of economic development and employment it suggests LPAs should “identify the future quantity of land or floor space required for economic development uses including both the quantitative and qualitative needs for new development; and provide a breakdown of that analysis in terms of quality and location, and to provide an indication of gaps in current land supply” (PPG ID: 2a-002-20140306).

Guidance also states that “Need for all land uses should address both the total ..... quantity of economic development floor space needed based on quantitative assessments, but also on an understanding of the qualitative requirements of each market segment. Assessing development needs should be proportionate and does not require local councils to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur” (PPG ID: 2a-003-20140306).

The guidance further states that “there is no one methodological approach or use of a particular dataset(s) that will provide a definitive assessment of development need”. LPAs should “make an assessment of the likely change in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area” (PPG ID: 2a-005-20140306 and 2a-018-20140306).

### *Functional Economic Market Area (FEMA)*

The functional economic area can be described as the area within which businesses interact, co-operate and compete. The PPG says: “The geography of commercial property markets should be thought of in terms of the requirements of the market in terms of the location of premises, and the spatial factors used in analysing demand and supply – often referred to as the functional economic market area” (PPG ID: 2a-012-20140306).

The PPG approach appears to be that that economic development and land /premises needs should be assessed in relation to the relevant economic area. This area should be defined on the basis of the catchment areas which best reflect the drivers of the local economy. To define the assessment area a number of factors are suggested as relevant:

- Extent of any Local Enterprise Partnership within the area
- Travel to work areas
- Housing market area
- Flow of goods, services and information within the local economy
- Service market for consumers
- Administrative area
- Catchment areas of facilities providing cultural and social well being
- Transport network

(PPG ID: 2a-012-20140306)

The issues and implications arising from the NPPF and PPG for this study and SLP / DLP policies are considered in detail throughout the remainder of the TR.

### Regional planning influences

Though Regional Spatial Strategies (RSS) were abolished by Government through the Localism Act, their history has an inevitable, continuing, influence on HLEP and SADC economic development and employment / B Use Class land use planning issues. It is therefore important to understand and take account of the legacy of regional planning.

#### *East of England Plan and the regional economic development (Regional Economic strategy – RES)*

The final East of England Plan (EEP) (Ref 18), an RSS under the Planning and Compulsory Purchase Act 2004, was prepared by the East of England Regional Assembly (EERA) as a review of the former Regional Planning Guidance for East Anglia and part of the earlier South East Region and the Milton Keynes and South Midlands Sub Regional Strategy (Ref 14). It was approved by the Secretary of State and published in May 2008. It covered the former East of England Region (the counties of Norfolk, Suffolk, Cambridgeshire, Essex, Hertfordshire and Bedfordshire). The process (especially post EEP changes) was controversial for Hertfordshire and this resulted in successful legal challenges to major growth proposals affecting parts of the County including SACD (Refs 18 /19).

The evidence collected for the RSS, including the East of England Forecasting Model (EEFM), (Key Data Source 2) and regional policies remain useful background information sources and context. The policies in the RSS established some approaches and a momentum that has necessarily been taken forward in aspects of the SLP / DLP.

The Plan included an objective:

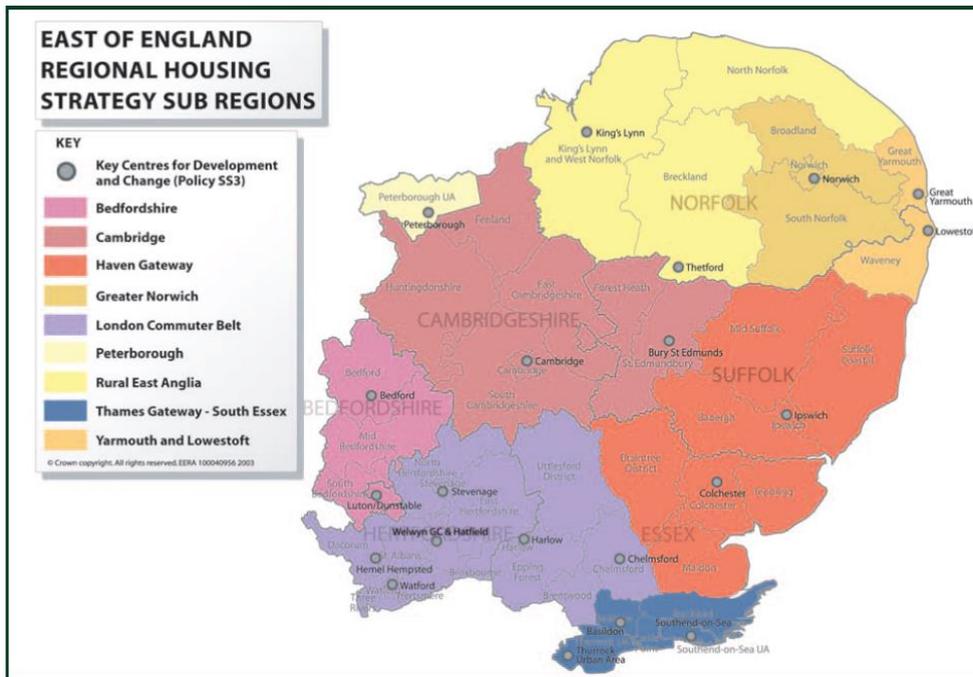
‘to realise the economic potential of the region and its people’, by:

- Facilitating the development needed to support the region's business sectors and clusters in line with the EE Regional Development Agency (ERA) Regional Economic Strategy (RES);
- Providing for job growth broadly matching increases in housing provision and improving the alignment between the locations of workplaces and homes;
- Maintaining and strengthening... inter-regional connections by improving access to economic opportunities in London; and
- Ensuring adequate and sustainable transport infrastructure'.

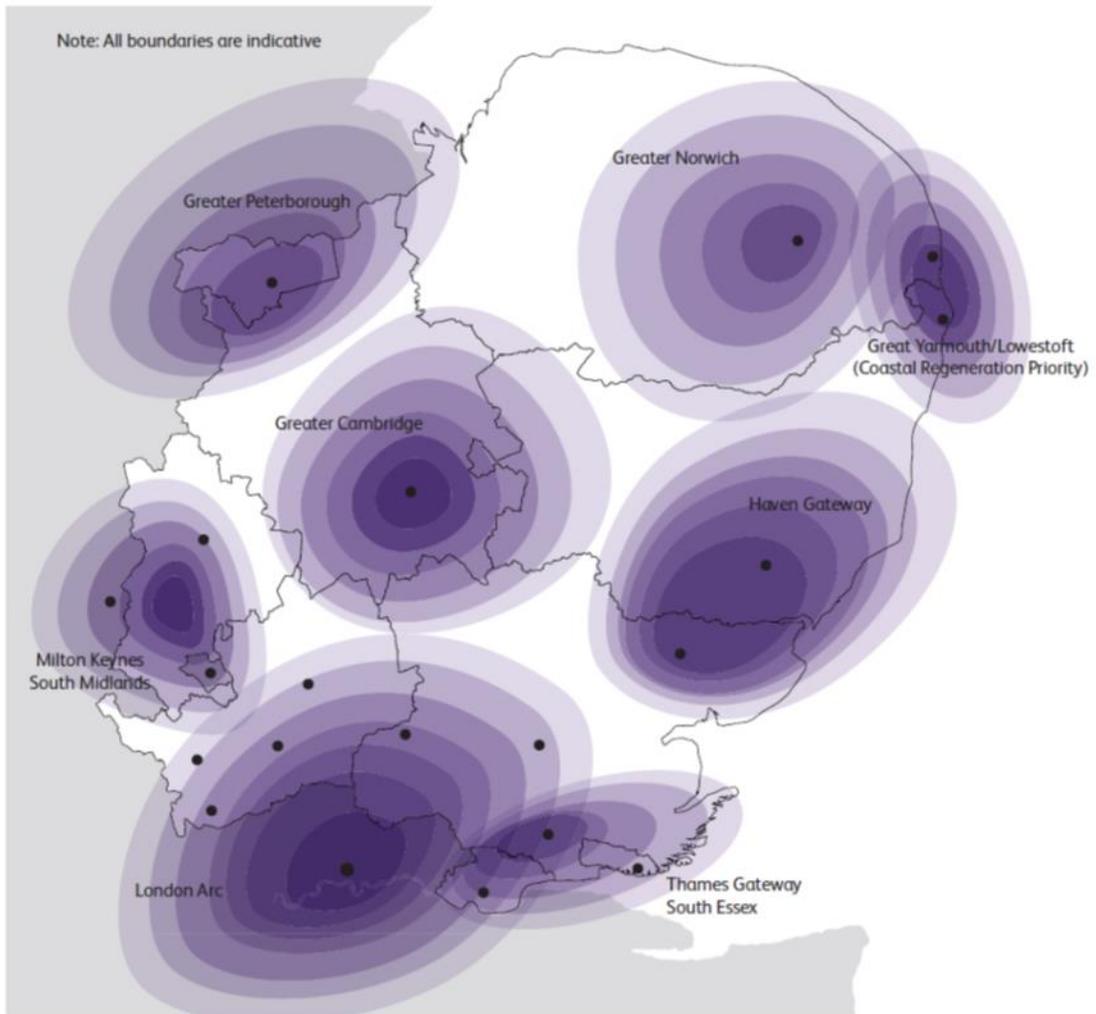
The Plan highlighted that the East of England is largely made up of towns and cities surrounded by rural hinterlands, but, importantly, that the position around the London fringe is very different. This area is characterised by..... 'urban areas close together and linked to each other and to London by journeys to work, to services and to education'. This area was variously termed the "London Commuter Belt / Arc" (the Arc concept was for economic development and specific area policy purposes). The Plan defined the London Arc as being Broxbourne, Dacorum, Hertsmere, St Albans, Three Rivers, Watford and Welwyn Hatfield in Hertfordshire, and Brentwood and Epping Forest in Essex'(Ref 18 Policy LA1). The London Arc was described as "a complex polycentric area of market towns and twentieth century new towns over which London has a powerful influence....." The policy approach addressed Green Belt constraint and sought an opportunity approach to development that was focused heavily on growth in central Hertfordshire.

Figure 1 below shows the commuter belt definition for housing policy, of which the Arc was a subset.

Figure 1 London Commuter Belt (RSS - EEP) / Arc (RES)



## Engines of growth



The EEP advocated priority use of previously developed land, setting a target that 60% of development region-wide should be on previously developed land (Policy SS2). It also aspired to maintain the 'broad context' of Green Belts in the East of England, but considered that strategic reviews of Green Belt boundaries are needed to accommodate development in sustainable locations (Policy SS7).

The EEP was closely aligned with the Regional Economic Strategy (RES) (Ref 20) produced by the East of England Regional Development Agency (EEDA), also published in 2008. This plan set out to achieve.....'continued economic and job growth of the most dynamic areas, sectors and clusters and better alignment between homes and jobs'.

The EEP set out job growth targets for the period 2001-21. These were related to sub-regional groupings rather than individual districts. The evidence was not however considered sufficiently robust to set more than indicative targets. Future RSS review was intended to produce more robust targets and to disaggregate them to district level.

EEP Policy E2 stated that 'Local Development Documents should ensure that an adequate range of sites / premises is allocated to accommodate the full range of sectoral requirements to achieve the indicative job growth targets of Policy E1, or revisions to those targets as allowed by that policy, and the needs of the local economy'.

EEP Policies E2-E4 provided three main themes in respect of economic development and employment land:

- i) Sustainability – LDDs (Local Development Documents – i.e. development plans produced by LPAs) should identify employment sites at locations which minimise commuting through better alignment of jobs and homes, maximise use of public transport, protect important wildlife and minimise or mitigate loss of social capital – which 'will often mean' giving preference to previously developed land and intensification of existing uses over greenfield development. (This had links to the long standing Hertfordshire economic development theme of "Smart Growth" – see below).
- ii) Strategic Sites – LDDs should identify readily-serviceable strategic employment sites, 'which meet the needs of business'. The Plan did not define what it meant by strategic employment sites, but advised that such sites should be particularly, but not exclusively at specified locations, of which two were relevant to the Hertfordshire part of the Arc (sites at Hemel Hempstead and other unspecified Hertfordshire locations). This policy had synergy with the long standing Hertfordshire economic development policy theme of promoting a few key new development sites as opportunities designed to add value to the local economy through inward investment. At that point the policy had been partially successful, but there had been a conspicuous site related failure in the SADC / Dacorum area – the NE Hemel Hempstead reservation for specialised technological activities; see below).

iii) Sectors and Clusters – LDDs should support the growth of regionally and locally important sectors and clusters. Regionally important clusters included multi-media ‘from London to Hertfordshire’ and life sciences (including pharmaceuticals), mentioning Hertfordshire. Locally important clusters and sectors were to be identified by local economic partnerships, working with local authorities and EEDA. LDDs were expected to provide land for them, including sites for incubator units, grow-on space and larger facilities, sites close to key institutions and sites close to universities. User restrictions to secure space for specific activities were suggested though that would, in practice, have been very difficult to deliver through normal planning controls.

The RES also used the London Arc concept (seeing it as one of the ‘engines of growth’ – RES Fig 14 – see Figure 1 above) and stating that “the geography of economic influence is ..... multi-layered and complex”.

The RES and EEP relied on local level employment land reviews to identify the accommodation needs of businesses, and encouraged joint working between districts.

The EEP provided specific guidance on employment land and development in parts of the London Arc. Especially relevant to the current position in western Hertfordshire were the following points:

- Hemel Hempstead should provide for substantial employment growth, with regeneration of the Maylands Avenue area and reconstruction of the Buncefield Depot (the oil depot at east Hemel Hempstead that was been destroyed in a serious explosion / fire in 2005). This intent remains largely unimplemented but, in less specific terms, it has carried through into the current SEP in the concept of the M1 / M25 growth area. It is a key issue for the SLP / DLP. The legacy issues are detailed later in the TR. (EEP Policy LA2)
- Welwyn Garden City and Hatfield should provide for substantial job growth, capitalising on links to Stevenage and central London and the presence of Hertfordshire University. The Strategy suggested a need for new employment sites in Welwyn Garden City and Hatfield especially, centred on the former British Aerospace site at Hatfield. Large scale development has taken place, though further land and premises opportunities still exist in these areas and they are seen as contributing to the SEP A1M growth area. (EEP Policy LA3)
- Watford should provide for continued employment growth, with restructuring of employment areas and parts of the town centre, high-quality redevelopment including mixed-use schemes and intensification, focus on the knowledge-based and health sectors and higher-order services, and enhancement of the town’s role as a major public transport interchange. This has partly taken place, with further implementation intended (especially the

current Croxley Rail Link Project), though further land and premises opportunities still exist in these areas and they are now seen as contributing to the SEP M1 M25 Growth area; (EEP Policy LA4)

The EEP and RES also took forward a cross regional boundary growth area; the Milton Keynes and South Midlands (MKSM) Strategy (Ref 14 – see above) and this was seen as providing some significant growth opportunities beyond the metropolitan Green Belt; a point of continued relevance.

These geographically specific economic growth aspirations were, in line with the overall EEP development strategy, closely linked to housing growth proposals. The EEP included major housing growth at Hemel Hempstead extending cross boundary into the District (SADC) and also at Hatfield with potential cross boundary impacts with the District. The suggested level of growth proved very controversial because of its green field Green Belt development impacts. The proposals had been introduced at a very late stage in the EEP process and had not been subject to the correct consultation and strategic environmental assessment procedures. As a result they were eventually the subject of a successful legal challenge by Hertfordshire County Council (HCC) and SADC. As a result they were removed from the Plan (Ref 19). Though the overall scale of growth, particularly for housing, proved unacceptable at that time, the strategic directions for employment and business growth embodied in the EEP were received more positively.

As a result the regional planning and economic development history described has been a major influence on the current / emerging economic development and spatial planning framework for the sub-region in which the District sits. This can be seen in:

- The Herts SEP focus on growth in the main transport corridors (M1/ M25 and A1M) (Ref 12)
- The Herts SEP and SLP identification of east Hemel Hempstead as a focus for major housing and employment growth – reflecting the need, and opportunity, for regeneration in the former new town; especially for the Maylands area which had been adversely affected by the Buncefield explosion / fire (Ref 12)
- A continuing economic development growth focus at Welwyn Hatfield where some brownfield employment land development opportunities exist in close proximity to the University (Ref 12 and Key Data source 8)
- An expectation that new development opportunities will arise from a combination of local Green Belt land releases and some diversion of business growth pressures beyond the Green Belt (Refs 13 and 14)
- The Herts SEP identification of, and support for key sectors, where there were existing economic clusters and potential for growth (pharmaceuticals, film, research and development expertise) (Ref 12)

Effectively the SLP strategy for employment land and premises is embedded in this sub regional approach. It can be seen that there has been a reiteration of elements of the former RSS strategy, especially in respect of Green Belt release and employment and housing land allocations at east Hemel Hempstead (see Section 6.1).

### **2.3 Local Policies**

It is important to note the evolution of, and influences on, the development of local policy. An understanding of this historical context helps explain the policy approach in the SLP / DLP, particularly in the context of the Duty to Co-operate with the LEP, Hertfordshire County Council (HCC) and adjoining district LPAs. It also illustrates a consistent thread of policy thinking that has survived the advent and demise of the regional planning system and the ups and downs of the global and national economy. The policy review below demonstrates that the SLP and DLP are aligned with the SEP and can play an appropriate part in delivering the sub regional economic development outcomes sought in higher level policy.

#### Hertfordshire Structure Plans (Refs 21/22)

The last HCC Structure Plan (SP) was the Hertfordshire Structure Plan Review 1991 – 2011 (Ref 21). It was adopted and operative from 30 April 1998. At the time RSSs were introduced and SPs were abolished the County Council was preparing a replacement for this Plan, known as the Hertfordshire Structure Plan Roll Forward (to 2016) (Ref 22). The early work for this Plan included consideration of some further housing growth and employment land provision at Hemel Hempstead and Hatfield. Though the ideas were not finalised, generally county councils had a significant input to the Regional Planning process and the influence of this work on later stages of regional planning is evident. The scale of growth involved was not agreed at this point and from a Hertfordshire perspective the extent of development subsequently envisaged in the EEP was disputed (see above).

For both the last adopted SP and the intended roll forward the approach taken to economic development and employment land was consistent. It was based on the 'bright green' vision / industrial strategy and related economic development strategies 1997 and 2000 (Ref 24 - see below). The central tenant of this was:

“fostering the more sophisticated, higher order ‘knowledge-based’ forms of employment growth in preference to an open-ended encouragement or accommodation of all potential employment growth. This plays to the County’s economic strengths and allows for economic growth on a sustainable basis while being consistent with the need to conserve the County’s environment”.  
(Refs 21 / 22)

The SP indicated that net commuting from the County into London in 1991 was almost 75,000, equivalent to 14% of Hertfordshire’s resident workforce, with the census also indicating the greater distances travelled in an (at the time) insecure labour market and as a result of rail and road improvements in

the mid-1980s. This gives an important perspective on the evolution of local thinking about the way to plan for economic development in Hertfordshire. It emphasises the influences arising from a consolidation of the trend to an open local economy as a result of globalisation, the strengthening of the London economy in that context and improved local road communications, alongside long standing but enhanced rail links to London. This was particularly important for the District because the Bedford to St Pancras (Midland) Line had been electrified, dramatically reducing journey times to London, at the same time as the last section of the M25 was completed just south of the City.

The SP acknowledged the potential environmental benefits of seeking a closer relationship between homes and workplaces, but noted that for Hertfordshire the strong dormitory / commuting relationship with London would remain important as a baseline for any future planning policy. As a result, it was not seen as possible, or desirable, to promote a simple jobs and housing growth match in the County.

The County's Research identified a significant over-supply of employment land and floor-space. The Plan envisaged a loss of some outmoded employment land / premises to housing and other uses, but did also promote some new employment land provision. This was on the basis of qualitative rather than quantitative need (particularly in support of the knowledge based economic development envisaged under the 'bright green' strategy).

The sites identified as key employment sites included the former British aerospace site at Hatfield (eventually developed as a major new employment and housing location) and green field land at Three Cherry Trees Lane Hemel Hempstead ("to form a long term reserve for the needs of firms concerned with specialised technological activities or other activities which are in the national or regional interest"). This land is still undeveloped, but is now allocated for housing in the Dacorum (Core Strategy) Local Plan with permissions and on the part of the site in the St Albans City and District, now pending planning applications. This history is important to understanding the current SLP approach to development at east Hemel Hempstead (see Section 6).

The overall concept of 'bright green' has been consistently applied to local planning for economic development in the sub region since the late 1970s (before that time the New Towns programme had led to a movement of economic activity out of London to Hertfordshire and regeneration within London and Green Belt protection had been a lower priority). It remains appropriate and is now a driving force in the SEP / SLP strategy for economic development (albeit not named as 'bright green').

The local term 'bright green' has sometimes also been referred to loosely as 'Smart Growth'. In academic terminology developed in the USA, this has a deeper meaning (concentration of development in urban areas / high density development with good access to public transport and limitation of green field development – in other words the "compact city") (Ref 23). This concept also

has a close connection to the SEP (Ref 12) / SLP strategies. Early drafts of the SEP specifically used the term Smart Growth.

Whatever the chosen terminology, the relationship to the economic development and planning policy context, including the purpose of the Metropolitan Green Belt, the regeneration of London and the SLP's use of the 'compact city' concept is clear (SLP Para. 6.26).

#### Hertfordshire Economic Development Strategies (Ref 25)

A series of Hertfordshire Economic Development Strategies were prepared linked to the concept of 'Bright Green...' (Ref 25). They highlighted some important themes and priorities for economic development in Hertfordshire:

- To create a knowledge economy in a sustainable environment through the "Bright Green Strategy", which aimed to encourage and promote a culture of entrepreneurship and support knowledge based business clusters
- To enhance business competitiveness by supporting small and medium-sized enterprises, through the establishment of management development centres, promotion of skills for the ICT and pharmaceutical sectors and support for business start-ups and for tourism and cultural sectors, including the film and media sector
- To develop environmentally responsible businesses

The overall vision was 'to create a strong vibrant economy responsive to economic and social change, ready to grasp opportunities and offering opportunities for all'. The importance of making the best use of existing employment land, and where appropriate regenerating sites to meet modern needs was identified. Again the cross cutting influence of these themes in respect of the EEP, and Hertfordshire Structure and Local Plans, and now the SEP in the post regional 'world', is clear.

#### Central Hertfordshire Employment Land Review (2006) (Ref 1)

The Central Hertfordshire Employment Land Review (CHELR) (Ref 1) was jointly commissioned by SADC, Hertsmere Borough Council and Welwyn Hatfield Council to provide evidence for a new cycle of Local Plans work under the RSS (EEP) and the then Local Development Framework (LDF) Development Plan system. The area covered represented one view of a localised Functional Economic Market Area (FEMA), as now referenced in the PPG, sitting within the RSS concept of the London Arc.

The objective was to consider local business land and premises needs and future provision in detail. This meant there was a focus on considering needs for office, industrial and warehouse premises (B Use Classes) only, the

aspect where spatial planning can have most influence on economic development.

The Review highlighted the specialisations and strengths of the individual districts, indicating, for example, that the St Albans City and District generally attracted financial and business services in the office market, while Hertsmere was attractive to high technology industries and pharmaceuticals are an important part of the Welwyn Hatfield economy.

The Review noted that in general Central Hertfordshire residents were well-skilled and well-paid with good access to jobs.

Three employment forecasts were explored, with a scenario which predicted creation of 64,700 new jobs County-wide over the period 2001-2021 being preferred. Of this change only part would occur in sectors requiring B Use Class land and premises. Indeed in terms of the history of job growth in the County, the report concluded that over 75% of growth had been in sectors not requiring B Use Class premises. There was an underlying assumption that commuting levels would remain constant.

The Review showed a particular issue in Central Hertfordshire; that the shed market was becoming increasingly driven by distribution uses, with a take-up of 66,700 sq m per annum over the five years up to 2005; the majority of deals being for warehousing.

In the preferred scenario (linked to the RSS assumptions), SACD's job growth was forecast as 5,900 (9-10%). The assessed overall / net need for new B Use Class floor-space was very low at 12 894 sq m (Table 3 Update Note), with a significant over-supply of sheds and new office space being the only component with growth (a higher figure of 60,390 sq m - direct floor-space ratios are not applicable as the assessment assumes a theoretical transfer of over-supply of shed land to office use). This was noted as equating to accommodating B Use Class job growth of 1,800.

The Review also identified that because of existing land availability and potential to transfer shed land to office use, St Albans City and District would have a theoretical short fall in provision of office space of approximately 25,000 sq m (rounded figure from overall conclusions in Interim Report Executive Summary) - a land equivalent deficiency of just 2.5 Ha.

However the Review recommended that each of the commissioning councils should consider explicit opportunity / qualitative provision related objectives to support and enhance local economic strengths, including:

- St Albans City and District – high-value-added financial and business services and a dynamic micro-business economy;
- Hertsmere – high-tech service sectors including computing and communications as well as the specialist film/TV cluster;
- Welwyn Hatfield – high-tech manufacturing and meeting the needs of the large employers that play an especially important role in the local economy.

The Review also suggested that for St Albans City and District a policy objective that out-commuting should not increase was important given the long standing and growing pressures for loss of employment land to other, especially residential, uses. In addition it recommended that lower-value activities and lower-skill employment development opportunities should be protected from competing higher property value land uses, especially housing.

These points became, and remain, remain key policy themes for SLP / DLP preparation.

Provision of new / additional land to attract inward investment or provide for local job growth in the B Use Classes was clearly not justified on a quantitative basis alone.

#### Hertfordshire London Arc Jobs Growth and Employment Land Study (LAELS) (2009) (Ref 2)

The Hertfordshire London Arc Jobs Growth and Employment Land Study (LAELS) (Ref 2) looked at the EEP / RES London Arc within Hertfordshire as a whole. It was produced jointly by SADC, Broxbourne, Dacorum, Hertsmere, Three Rivers, Watford and Welwyn Hatfield, alongside a parallel study for Brentwood and Epping Forest in Essex. The Study provides a wider sub-region overview of employment changes and employment land and premises requirements, set in the context of the London commuting relationship represented by the Arc. It examined the B Use Class property markets in more depth than CHELR.

The Study area represented a wider view of a FEMA based on the EEP and RES analysis and was complementary to the more local perspective taken in CHLER.

In terms of economic context the Study recognised that in the 15 year period from 1991 to 2006 employment in the region had grown by 22%. However it also important to note that the Study took place at a time when a long period of generally very favourable economic conditions was coming to an end (as a result of the global financial and debt crisis commencing in 2007/8). This point is crucial to understanding the economic forecasting context changes from the 2006 CHELR.

#### LAELS employment forecasting:

The study used the East of England Forecasting Model (EEFM) (Key Data Source 2), which was originally devised for EEP / RES work. The preferred employment forecast indicated 46,400 net jobs would be created up to 2026, with (locally to St Albans City and District), most growth in Welwyn Hatfield (13,400 additional jobs) and Dacorum (13,300 additional jobs). It identified that during this period, Dacorum (-30%), St Albans City and District (-27%) and Welwyn Hatfield (-26%) would experience significant losses of shed based industrial jobs.

The Study also predicted a decrease in warehousing employment between 2006 and 2031 by 1,500 jobs. St Albans City and District demonstrated the

largest loss at 1,077 jobs (19%) and Watford the second largest at 670 jobs (14%). Change was small in the other nearby districts.

Office based employment was predicted to increase by 38%, with the largest increase in Dacorum (9,300 jobs or 64% increase) and Welwyn Hatfield (6,000 jobs or 52% increase).

LAELS industrial / warehousing (shed) market analysis:

Land and premises in this market are viewed as potentially interchangeable, either by use or redevelopment. Some limitations to this in the form of specialist building requirements and / or quality issues for particular users are acknowledged.

The Study identified that the Hertfordshire London Arc had an industrial/ warehousing floor-space stock of 3.47 sq m in 2008, of which one third was industrial space and two thirds warehousing.

Between 1998 and 2007 industrial floor-space fell significantly in most parts of the Study area. The Study also showed the market responding strongly to the logistics sector with developers building large warehousing buildings (automated logistics sheds). A poor supply of new high quality shed space was identified with vacancy averaging only 5-6% (below frictional).

The Study also identified that for large logistics sheds, demand is footloose across long distances, due to the large catchment areas for these operations. If land was provided for strategic distribution the area could potentially attract a large volume of regional demand. This conclusion is relevant to later issues emerging about national / regional rail freight proposals emerging for the District and the role of the Maylands area in Hemel Hempstead (see below – especially Section 6). The Study also pointed out that there was a danger of supply dropping faster than demand, with lower-value industrial activity being pushed out by higher-value uses.

LAELS office market analysis:

Office floor-space in the Hertfordshire London Arc grew by around 8% between 1998 and 2007, bringing the total to around 1.6m sq m. The Study suggested that the office market in Central Hertfordshire was generally oversupplied, with high vacancy rates. This was particularly evident in off centre locations such as Hemel Hempstead, Maylands. Central areas such as St Albans City were more resilient. The availability of vacant office floor-space in South West Hertfordshire peaked in 2004 at 138,215 sq m.

LAELS overall need for employment land and premises:

Based on employment forecasting and sectoral analysis (of B Use Class premises based employment), the Study identified a theoretical need, across the study area to 2026, for:

- an additional 231,855 sq m of industrial and warehousing floor-space
- An additional 567,700 sq m of office floor-space

A notional split of additional floor-space need projections for individual districts was provided as set out in Table 1 below.

**Table 1 LAELS Office, Industrial and Warehousing Land and Premises Need 2006 – 2026**

<b>Net Floorspace Change predicted sq m</b>	<b>Office (sq m)</b>	<b>Industrial (sq m)</b>	<b>Warehousing (sq m)</b>	<b>Industrial and Warehousing (sq m) (net effect of previous columns – as interchangeable land / premises)</b>
<b>Broxbourne</b>	41,529	-47,439	67,521	20,082
<b>Dacorum</b>	167,368	-68,562	93,979	25,417
<b>Hertsmere</b>	75,185	-35,083	95,613	60,530
<b>St Albans C&amp;D</b>	45,581	-41,255	10,253	-31,002
<b>Three Rivers</b>	33,273	-6,546	44,262	37,716
<b>Watford</b>	97,642	-32,629	23,244	-9,385
<b>Welwyn Hatfield</b>	107,112	-51,444	179,942	128,497
<b>Herts section of London ARC</b>	567,692	-282,958	514,813	231,855

Source: LAELS

The Review predicted that (across the Hertfordshire Arc) if all existing employment sites were safeguarded, and permitted and allocated supply came forward, the industrial and warehousing market would be close to balance. Office supply was predicted to fall short of forecast need, but only in the later years of the projection period, potentially after 2020.

However it was also suggested, on quality of land supply grounds, that the study area should provide one or more strategic high-quality business parks which could include some new land for office and knowledge based industrial use up to 2026. Locations were suggested as either St Albans City and District or Welwyn Hatfield.

Hertfordshire Economic Development Strategy (Hertfordshire Works Partnership) 2009-2021 (Ref 26)

The “Hertfordshire Works” Economic Development Strategy (2009-2021) (Ref 26) was prepared at the time of the CHELR and LAELS. It reflected HCC’s continued economic development work with EERA and EEDA on the EEP and RES. The aims and themes outlined in previous strategies (Ref 25) were reiterated, but with a new focus on local implementation initiatives. One issue was of particular relevance for spatial planning. The Strategy identified a need to work with LPAs to bring forward a small number of high quality strategic employment sites, reflecting the conclusions of LAELS. Further detailed work on this issue was in hand at the time of publication (see below).

#### Hertfordshire Strategic Employment Sites Study (2011) (Ref 27)

EEDA work on strategic employment sites for the RES and EEP had pointed out the strong economic influence of a number of major, high quality, employment sites across Region. For Hertfordshire EEDA concluded that Hatfield Business Park was the most important site of this kind in Hertfordshire and was comparable to the best sites in the M4 corridor. The site was seen as having potential to be further developed. However EEDA suggested that a general lack of high quality strategic employment sites in the County / sub-region was thwarting aspects of economic development.

As a local follow up to this Hertfordshire Strategic Employment Sites Study (2011) (Ref 28) was commissioned by HCC and EEDA. It responded to the regional level analysis and conclusions referred to above and also to some local political and business concern that Hertfordshire might be seen as ‘losing its competitive edge’ and that, as a result, a targeted initiative to attract inward investment in key growth sectors was needed.

It is important to note that this work was in a much changed context following the global financial crisis and recession of 2008/9. The outlook for the national and local economy and for job growth was uncertain.

The Study took the view that even in a period of relatively high prosperity and economic growth (1998 – 2008) Hertfordshire had been under-performing in relation to key economic indicators. For example:

- Whilst Hertfordshire generated high levels of Gross Value Added (GVA), growth in GVA and GVA per head had been slower than certain competitor areas. GVA per head in Berkshire increased by £8,000 more than in Hertfordshire over the same period.
- Employment growth in Hertfordshire had been behind some other areas. It increased by 2% which compared to national and regional growth levels of 10% over the same period.

The Study compared Hertfordshire to Berkshire in property market terms. It indicated that Berkshire had much stronger office market (indicated in rent levels) and more prestigious business parks. However Hertfordshire demonstrated a larger market demand for shed properties.

Though the Study was headlined as land / sites research it included some analysis of the local economy and future prospects.

A series of employment growth sectors were identified. The focus in Hertfordshire had tended to be on low value sectors, with dependency on 'wholesale and retail trade' and 'admin and support services'. Education, health and social care sectors grew between 1998 and 2008, but 'research and development' sectors were not keeping pace with national growth. The study also identified a decline in the software/digital sector and green (environmental) technology related industries between 2003 and 2008, and a decline in specialist logistics.

However these findings were tempered by evidence of a very strong increase in life sciences employment between 2003 and 2008, and also some growth in advanced manufacturing and professional, banking and finance services.

In terms of the business property market the Study noted a loss in industrial floor-space of 22% between 1998 and 2008. Hertfordshire experienced a 6% growth in all B Use Class floor-space between 1998 and 2008, compared to 13% growth in East of England and 20% in Cambridgeshire. For offices there was a 12% increase in office floor-space compared to 21% in Berkshire and 58% in Cambridgeshire. Warehouse floor-space grew by a third. This reinforced the view of a relatively weak office market.

The Study referred to forecasting of future job growth in the East of England Forecasting Model (EEFM). The model was suggesting that employment in Hertfordshire would increase by 16% between 2011-2031 (79,300 jobs). It recommended that Hertfordshire should use the EEFM and this output as a basis for future economic development work and land use planning.

The EEFM scenarios used predicted job growth would be concentrated in sectors such as software/digital, life sciences, advanced manufacturing, creative and media, green (environmental) technology industries, logistics, professional and banking and finance.

The final Study was published as a consultancy report. It included evaluation of a range of large sites which were thought to have strategic potential for future business premises development. For St Albans City and District and surrounds these included:

- Maylands area of Hemel Hempstead
- Hatfield University and Business Park
- Land around the A414 and M25 south of St Albans

The Study had / has no planning status and did not address wider planning issues or Green Belt constraints. The conclusions of the Study were not formally endorsed by the commissioning bodies. Instead it was eventually treated as one input to early LEP strategy development and work by the LPAs on their Local Plans. In this sense aspects of the study became influential in later work by Hertfordshire LEP and Herts Infrastructure and Investment Partnership (HIPP).

Hertfordshire Economic Outlook (2011) (Ref 28)

The Hertfordshire Economic Outlook 2011 (Ref 28) provided an overview of economic trends and issues in the County in the context of the recession period.

This was the start of an intended annual series, but as the first prepared, it was detailed in terms of background analysis and influential.

The Study indicated that the economically active population (workforce) had been consistently higher than the national average and that employment has not been able to keep up with the increase in working age population since 2004. This was set in the context of a highly skilled workforce performing well on qualifications at Level 3 and above, and a low rate of out of work claimants. It is important to remember that recession conditions were making employment forecasts much more pessimistic at this point. Political perceptions were also coloured by this.

The Study identified that there was positive growth in output in the mid to late 1990s taking Hertfordshire's GVA per head to 21.8% above that of the UK by 2000. This performance was reflected in the strength of sectors such as research & development, business services and communications. There was also strong growth in small firms between 2007 and 2008.

Factors that were unattractive for potential investors were highlighted. Transport was a key issue, both as a positive and negative, with Hertfordshire being well connected, but with congestion issues.

Overall, the County was seen as having lost some of its attraction as a centre of employment. The business survey undertaken suggested that businesses were dissatisfied with the high cost and availability of premises in the County. However property rental levels were highlighted as lower than in more successful areas due to quality of stock, transport problems and sometimes poor on site physical environment.

#### Perfectly Placed for Business: A Strategy for Smart Economic Growth in Hertfordshire 2013-2030 (2013) (Ref 29)

"Perfectly Placed for Business: A Strategy for Smart Economic Growth in Hertfordshire 2013-2030" (Ref 29) was prepared by the LEP at its inception and became their initial strategy. It was eventually superseded by the SEP (Ref 12), which was prepared to a Government specification (see below). The Strategy is based on encouraging growth of knowledge and innovation and promotion of a more competitive, but greener (more environmentally friendly), economy. The longstanding Hertfordshire 'bright green' concept was translated as 'smart growth' (see above) in this Strategy.

The Strategy had three main themes. They are summarised below:

- *Maintaining global excellence in science and technology*

Prioritising development and support of bioscience facilities and encouraging growth of knowledge-based businesses. (Attune Hertfordshire's physical infrastructure to opportunities for economic growth. Also work with Hertfordshire's FE colleges,

key businesses and the University of Hertfordshire to support workforce development through training and knowledge).

- *Harnessing relationships with London (and elsewhere)*

Encouraging growth of sport, leisure and cultural activities as key economic drivers. (Work with local authorities with the aim of prioritising possible high quality business parks, and ensure strategic transport infrastructure works with these opportunities).

- *Re-invigorating places for the 21<sup>st</sup> Century*

(Work with a range of businesses and local authorities to promote Hertfordshire as a “smart county” with supporting infrastructure for communications, and develop local authority collaborative thinking on a spatial plan for Hertfordshire).

Despite the post-recession concerns noted above, the Strategy identified Hertfordshire’s economy as recovering well and generally healthy, with high employment / low unemployment rates and a good skills base. This was put down to a strong employment base and the legacy of growth in the mid to late 1990s.

The Strategy pointed out Hertfordshire’s strengths including that 40% of the working age group are qualified to degree level, it is a current location for knowledge-based businesses including (e.g.s) GlaxoSmithKline and EADS Atrium and has a favourable strategic position in the heart of UK’s ‘golden triangle’, linking London in the south with Oxford to the west and Cambridge to the east.

However in terms of the employment land position and business use property market, an identified, substantial, decline in the stock of commercial floor-space between 2006/07 and 2011/12 was seen as a key issue.

#### Hertfordshire’s Strategic Economic Plan (SEP) (Ref 12 / Key Data Source 6)

Hertfordshire’s Strategic Economic Plan (Ref 12) was prepared by the LEP to a Government specification and approved by Government in 2014. It supported a successful Growth Deal funding bid (Key Data Source 6).

This document is the current official expression of sub-regional economic development aspiration and is thus a firm basis for Duty to Co-operate work. It has been a major influence on the SLP, especially in setting the priority for regeneration at Hemel Hempstead and in its effective support for the more local priorities for economic development in St Albans City and District. The SADC ‘Green Triangle’ and ‘City of Expertise’ economic partnership initiatives are particular areas of alignment (see below for more detail on this). The Green Triangle initiative supports the SEP research and development theme and features the special employment sites in the SLP; Building Research Establishment and Rothamsted Research.

Though the SEP had to reflect a Government specification, its themes generally remain those that follow through from the regional and County economic development work of the last 20 years.

However, interestingly, the explicit reference to 'Smart Growth' in earlier LEP work was dropped. It is unclear why, but this was probably to shift the overall emphasis towards the Government's view of general economic growth as a priority and also to reflect the increasing recognition that national planning policy is likely to necessitate substantial green-field (Green Belt in Hertfordshire) development.

The SEP includes a definition of 'growth areas' in the County. Details are in Figure 2 below). Parts of the District fall in the M1 / M25 Growth Area. The overall extent of growth areas is loosely (diagrammatically) defined and is not intended to include all parts of the County. However:

The M1 / M25 area includes parts of Watford BC, Three Rivers DC, Hertsmere and Dacorum BC and SADC

The A1M area includes parts of Welwyn Hatfield BC and Stevenage BC

The A10 / M11 area includes parts of East Herts DC and Broxbourne BC

The arrangements for economic development roles and partnership work on these growth areas (Growth Area Forums and targeted infrastructure projects) are in their infancy, with key partner discussions still in process.

The LEP written definition for the M1 / M25 Growth Area specifically lists 'Hemel Hempstead, Watford and St Albans'. This is an important point in relation to the history of regional, sub regional and current definitions of what might now be termed as functional economic market areas (FEMAs). The SEP says that of the SEP growth areas; "These are, de facto, functional economic areas – albeit with permeable boundaries". However, it is certainly not possible to view the SEP growth areas as the same as FEMAs for Local Plan evidence and policy purposes because they relate only to selected settlements and transport corridors and are limited to the County boundary.

**Figure 2 SEP Growth Areas**



SADC Development Plan (Key Data Source 8)

The statutory Development Plan for SADC consists of the District Local Plan Review 1994 (DLPR) (Key Data Source 8), and the Hertfordshire Waste Local Plan (Ref 30) and Minerals Local Plan (Ref 31).

The DLPR highlighted a number of challenges in respect of economic development and business land and premises. These were sites being lost to other, higher value residential, uses including residential and retail (Para. 4.4) and very little land available for new development due to Green Belt and environmental constraints (Paras. 4.4 / 6). However limited employment development opportunities did still exist and together with the vacant commercial floor-space available, these were accepted as adequate to cater for full employment in the Plan period.

In respect of office employment it was noted that congestion and conservation constraints in the main location; St Albans City centre, meant that opportunity for further office development there, beyond that allocated would be limited (Para. 4.6).

The then new B1 Use Class created issues for LPAs in protecting areas for industrial and warehousing use, but did give an outlet for new office development in less central locations. The result was a reduction in the amount of traditional shed floor-space and development of less accessible

mixed use / office locations with consequent access and traffic issues and some site quality and market attractiveness issues (e.g. Porters Wood and Alban Park).

The Plan responds to issues that remain very relevant for the SLP / DLP. In particular retention of a stock of employment land and premises to meet local needs and sustaining the more strategic office employment role of the District are central objectives.

Saved and deleted policies in the DLPR relevant to economic development and employment land and premises are summarised in Table 2 below.

**Table 2 DLPR Policies Relevant to Employment Land and Premises**

<b>Policy</b>	<b>Description</b>	<b>Current Status</b>
Policy 19: Overall Employment Strategy	Overall strategy based on the following points: <ul style="list-style-type: none"> <li>- Level of employment</li> <li>- Employment areas</li> <li>- Business use in St Albans City Centre and Harpenden Town Centre</li> <li>- Expansion of local firms</li> </ul>	Saved
Policy 20: Development in Employment Areas	Within the employment areas and employment development sites listed in the Local Plan, the Council will assess applications on the basis of: <ul style="list-style-type: none"> <li>- B1: normally acceptable, except on EMP 7</li> <li>- B2: normally permitted only in environmentally acceptable locations within areas shown for B2</li> <li>- B3-7: as B2, must also comply with health and safety regulations</li> <li>- B8: normally permitted only within areas shown for B8</li> <li>- Similar employment uses not in “use classes order”: normally permitted if environmentally acceptable</li> <li>- Other uses such as housing, leisure and shopping: not acceptable</li> </ul>	Saved
Policy 21: Storage and	The District Council will normally	Deleted

Distribution	permit storage and distribution development, involving new development, redevelopment, extensions or changes of use only in those employment areas listed in Policy 20 as being suitable for B8 development	
Policy 22: Small Businesses	The District Council will encourage the provision of facilities for small firms on the employment areas listed in Policy 20.	Deleted
Policy 23: Business Use Development	<p>Planning permission for business use development, including extensions and change of use, will not normally be permitted unless:</p> <ul style="list-style-type: none"> <li>- St Albans City Centre: New business use floor-space</li> <li>- Harpenden Town Centre: New business floor-space</li> <li>- Upper floors of premises in Retail Frontages</li> <li>- Employment areas</li> <li>- Marconi and Timber Yard Site, Hatfield Road, St Albans; and High Street/Haseldine Road, London Colney</li> <li>- Existing business use premises on unallocated sites</li> </ul>	Saved
Policy 24: Unallocated Employment Sites	<p>On existing employment sites not covered by policies 20 or 23, employment development will normally be restricted to Use Class B1. Subject to this;</p> <ul style="list-style-type: none"> <li>- Within Towns and Specified Settlements</li> <li>- Within the Green Belt</li> </ul>	Saved
Policy 26: Land for Employment Development at North East Hemel Hempstead	Land at North East Hemel Hempstead is identified as a long term reserve for a high standard landscaped development to make provision for employment needs beyond the present Plan period. Priority will be given to specialised technological activities or other	Saved

	activities which are in the national and regional interest.	
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Source: DLPR

Some of the employment areas / sites identified in Policy 20 have since been lost to residential; these are highlighted in Section 5 below.

The Waste Local Plan (Ref 30) and a related Supplementary Planning Document includes a series of allocated sites and Employment Land Areas of Search (ELAS) as preferred locations for waste land uses. The DLP allocated employment areas perform an important role in this respect. This is considered further in Section 5 below.

SADC Economic Development Initiatives (Key Data Source 13)

Appropriately supporting economic development has always been high on SADC’s agenda and will remain so for the future. SADC does not prepare an overall economic development plan, but works on specific targeted initiatives within the context of the long standing Bright Green / Smart Growth concept and the SEP. General encouragement for inward investment with extensive land and premises demand has clearly been inappropriate given Green Belt constraints.

SADC’s approach to economic development within its main settlements is primarily to build on the existing strengths of the local economy and exploit opportunities for growth that are not dependent on urban expansion. The general aim is to facilitate growth in high value jobs relying on intellectual capital, including specialist consultancy. Such jobs may often be linked to London companies and their London headquarters premises, rather than necessarily generating significant local premises demand.

Recent and current economic development strategy work for the District includes the following guiding principles:

- A recognition that the District is prosperous and has a low level of unemployment. Its prosperity is closely linked to the health of the London economy and its growth as a world city financial and other services centre. As a result of the opportunity to commute by rail to London (and other commuting opportunities), seeking undifferentiated local job growth does not need to be an over-riding objective (given the other issues listed below)
- Because the District is subject to severe Green Belt and environmental constraints, economic development should be encouraged only on the basis of “Smart Growth” – following the longstanding Hertfordshire approach to encouraging economic prosperity mainly through regeneration of existing land and premises, not allocation of new land and expansion of employment areas

- In the context of Smart Growth there is an opportunity to further enhance local prosperity through a number of niche, but important, economic development initiatives.
- Many of the local jobs that may be created in the future are expected to be in services in existing centres, non-specific locations / premises, and in work from home / mobile jobs

Specific initiatives have been developed through extensive consultation and regular liaison with the local business community (including via HLEP). They are designed to that work in conjunction with the sub – regional economic development and land use planning strategy described above. They also relate closely to the work of local partnerships:

- St Albans and District Strategic Partnership (SP). The SP is a group of key local public, business and voluntary/community sector organisations working together to improve the quality of life for everyone in the District. It is responsible for the SACD Community Strategy. Four themed partnership groups exist, one is the Economic Sustainability (ES) Partnership.
- Economic Sustainability Partnership (ES). The ES operates within the SP to provide a strategic lead on employment, training and skills across the District. It champions economic development and works to create a diverse and sustainable economy. ES roles include; coordinating and communicating information about economic development in the District and providing a link with the Herts Local Enterprise Partnership (LEP).

The main partnership economic development initiatives are:

- The Green Triangle (GT) (Key Data Source 9) This is a partnership formed through a collaboration of the SADC, the Building Research Establishment (BRE), Rothamsted Research, the University of Herts, and Oaklands College. The overall aim is to develop a world renowned centre of excellence for green technology.
- St Albans City of Expertise (CE) (Key Data Source 10) This is a partnership that promotes the City as a professional services hub. The District is home to a unique cluster of professional services and organisations. The aim is to market the area's strengths for expertise in the specialisms of law, accountancy, finance and chartered surveying. The initiative will also support and facilitate the development of a community, or hub, of local professional services experts. There are 23 organisations involved directly, including some nationally known companies.
- St Albans District Visitor Partnership (VP) (Key Data Source 11) This is a group of local businesses and organisations working together to

establish St Albans as a top UK visitor destination. As part of their work a new brand has been developed (with the strapline 'St Albans, Choose Your Story') to link all interested parties in developing their service specific marketing. The Partnership has introduced a new strategy and website ('Enjoy St Albans').

- St Albans City Centre Partnership (CCP) (Key Data Source 12) This is a business-led partnership of the private and public sector within the City, working to create a vibrant, thriving City centre. The partnership is working on a business plan to deliver key initiatives to further support the City centre. A City centre manager has been appointed and a Business Improvement District (BID) proposal vote is planned for autumn 2016.

**SECTION 3**

**ECONOMIC BACKGROUND**

### 3.1 National Context

Post war UK economic performance has been characterised by periods of “boom and bust”. A significant factor since the main SLP evidence studies were completed is the impact of the 2008/9 recession and the subsequent steady recovery. As described in Section 2 above, the changing national economic position has heavily influenced the national planning policy position and this has correspondingly affected local policy.

The main evidence studies were undertaken at a time of uncertainty as to how the national economic position would develop. This had a particular influence on interpretation of economic / job forecasts (Ref 28). There is still, as always, considerable uncertainty about economic prospects, but the current picture is of steady improvement.

This is explained in more detail in ONS regular labour market profiles for local areas (Ref 32).

Understanding this context includes recognition that there been three previous recessions (in the 1970s, the early 1980s and the early 1990s), all of which have influenced the make-up and health of the local economy. The recession which began in 2008/09 was caused by global economic problems and particular issues in the financial / banking system. The financial crisis and uncertainty in investment caused a major slowdown in the UK economy, with significant impacts on London with its world city and financial services role. The economic fortunes of Hertfordshire generally and the District in particular were heavily affected by the area’s very strong relationship with London.

Each of the recessions proceeding the 2007/8 financial sector led recession saw a decline in local manufacturing and technical / research and development activity (which had been very strong in the immediate post war period) and an increasing commuting / dormitory and service industry role for London and wider SE England. Rail and motorway transport improvements easing travel to central London and its airports have contributed to these trends.

Despite this global and national change, the local economy has proved to be relatively robust and retains some important research and development and specialist strengths.

Nevertheless it is likely that during the SLP period there will be further periods of recession. As a result spatial planning should be undertaken from a long term perspective, with current employment forecasting considered in that context.

The local current economy position is considered further below.

### **3.2 Updating Evidence on the Local Economy**

This section reviews and analyses new, general, evidence on the local economy covering the period since completion of the main evidence studies for the SLP in 2010 (CHELR and HLAS). Both current position and future prospects are considered. Key Data Sources 3 and 7 are the main sources. These draw extensively on ONS NOMIS information (Ref 32).

The period since 2010 includes a global financial crisis and resultant recession and then a significant economic recovery. This introduces more than usual uncertainty into attempts to forecast local economic conditions and examine the potential for job growth and resultant land and premises needs over the plan period. Unsurprisingly the recession resulted in downward revisions of the EEFM job growth forecasts, but in the period since 2012/13 there has been a significant upturn in actual job growth and thus in forecasts. The most recent, 2014 based, forecasts are used in this update (Key Data Sources 2 and 7).

Evidence on local economic performance, (current and forecast), is considered below and then related to national policy and guidance on:

- the general national economic development and planning policy context;
- specific Planning Practice Guidance (PPG) on defining functional economic market areas and undertaking employment development needs assessments.

### **3.3 Local Economic Performance**

The information below updates the picture of the local economy provided in the 2006 / 2010 studies in terms of the most recent general indicators of performance. The published Authority's Monitoring Report (AMR) (Key Data Source 3) includes updates of this information annually.

#### Level of employment

The Census 2011 (Ref 32) records a District resident workforce of 57,104 and a District workplace based workforce of 47,337. The difference represents the net out commute of approximately 9,767 (17%) (See Table 8 below for more details). Census job figures differ slightly between various secondary references due to inclusion / non-inclusion of international / off shore jobs). This high level of out commuting results from the complex flow of journeys to work in the area and in particular the pull from London jobs which are easily accessed by rail.

AMR 2015 (Key data source 3) summarises complementary data available from the most recent Business Register and Employment Survey (BRES) in 2013.

BRES 2013 records the total number of District employee jobs at 65 800. This is conceptually the equivalent of the Census District workplace based workforce.

The Census gives the best estimate of active / filled jobs as the figures are compiled from a full household survey, but it is a snapshot in time, every 10 years. The 2011 Census was of course taken at a time of recession and a decline in job numbers.

BRES estimates (which provide the basis for the EEFM) are compiled from a business perspective and are sample based. This means the estimates are less reliable at disaggregated local authority level. The estimates include all jobs existing at a business address in the relevant area. BRES will usually give a significantly higher job estimate than the Census because employers may record vacancies and notional future jobs within their structures, including vacancies. Also jobs often exist within a company and are recorded locally (i.e. based on a HQ office), but actually filled elsewhere. Sometimes there are significant errors in job locations. BRES is therefore most useful for understanding proportional business sector representation and forecasting future job growth expectations, rather than precisely recording the number of jobs that actually exist.

This illustrates that job estimate sources and perspectives differ significantly.

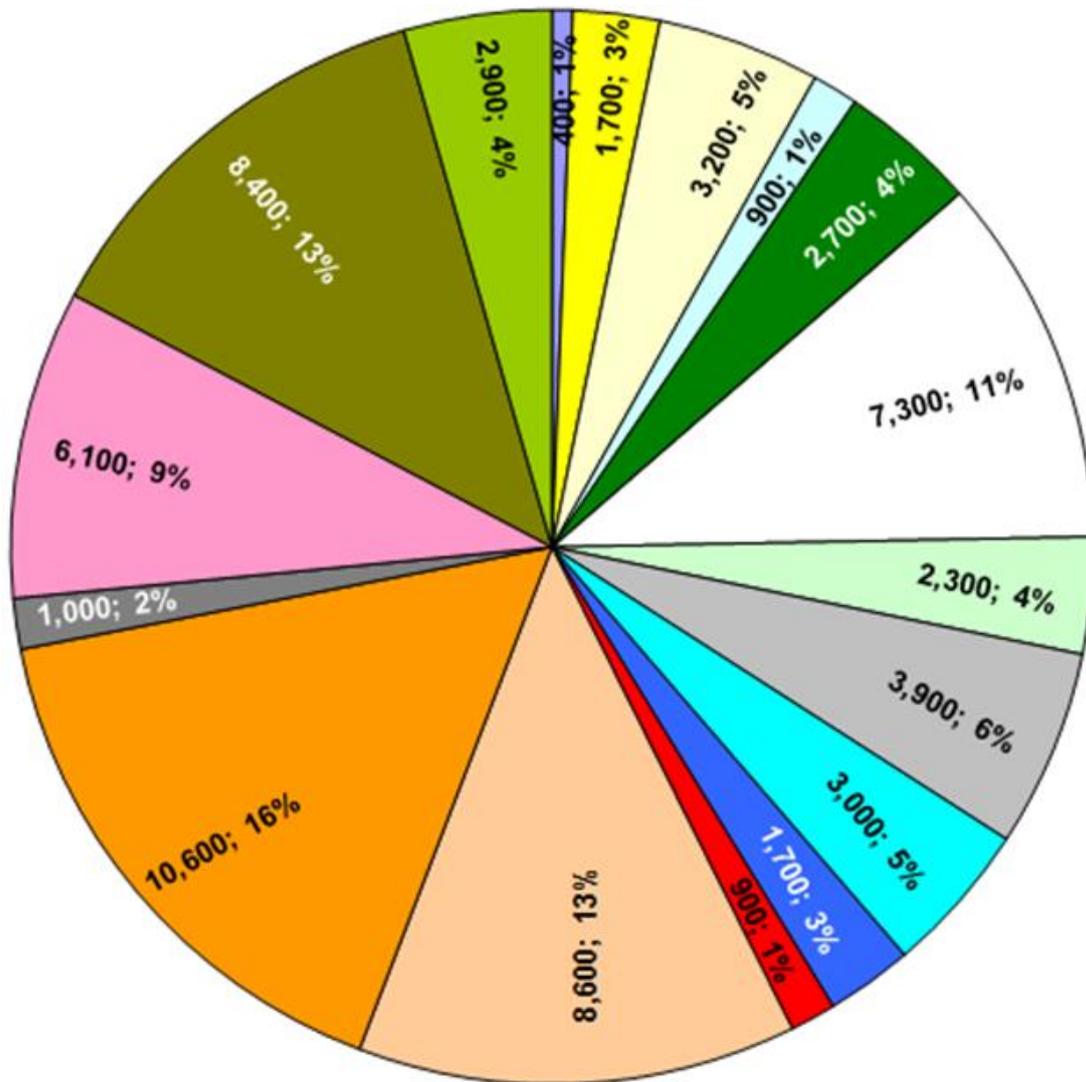
However the BRES figures do provide local level evidence of significant job growth in the period since 2011, indicating the local effects of global, national and local economic recovery.

### Business sectors

Again, the latest data available is from the BRES 2013 and is summarised in AMR 2015 (Key Data Source 3). All percentages are rounded.

**Figure 3**

**Total Number of Employee Jobs by Industry Groups**



The biggest sectors are business administration and support services (16%), professional, scientific and technical services (13%), health (13%), retail (11%) education (9%), and accommodation and food services (6%). This tends to indicate that, in terms of the B class land uses that are most important for an employment land review, the greatest demand will be for office accommodation.

From this level of BRES analysis of employment sectors it is also possible to get a gain a broad insight into the level of local jobs that are likely to be accommodated in different types of B use class premises:

### Office

Business and administration	16%
Professional, scientific and technical	13%
Information and communication	5%
Financial and insurance	3%
Public administration...	1%
<u>Total</u>	<u>38%</u>

### Shed (industrial / warehousing)

Transport and storage (incl. waste)	4%
Wholesale	4%
Manufacturing	3%
Motor trades	1%
<u>Total</u>	<u>12%</u>

This shows that only approximately 50% of local jobs are likely to require B Use Class buildings.

This takes no account of mobile or home based work; which does often require some kind of premises base as well – albeit in virtual / serviced accommodation, or in access to a HQ or touch down office or other base. This will undoubtedly reduce conventional premises needs. The 2014 ONS Labour Market Survey (from Ref 32) estimated that nationally home and mobile working equated to approximately 14% of the overall workforce, so, applying this figure to the sector splits noted here, would reduce the overall proportion of the workforce requiring B Use Class office or related premises to about 33% ( $38\% \times 0.14 = \text{minus } 5.32\%$ ). The estimated home / mobile figure is actually higher in the SE at 16%, so this is likely to be a low estimate.

The EEFM (Key Data Source 2) incorporates a finer grained analysis of BRES to generate its detailed floor-space forecasts. For general understanding it is useful to compare the local figures here to similar analysis undertaken at the national level (AECOM for Braintree District Council at Appendix 5). This shows that approximately 24% of the workforce fall into sectors requiring

office floor-space, 12% in manufacturing and 7 % in warehousing (thus 19% in shed accommodation and an overall total working in B use class premises of 43%). It can be seen that, setting aside home and mobile working trends, the local economy is somewhat more land and premises dependant than is the case nationally and that there is a particularly strong bias towards sectors that require office and research and development (B1 a and b use class) space.

ONS data (NOMIS) shows that there were 7545 'enterprises' in the District in 2013. This represents about 14% of the total for Hertfordshire.

BRES provides more detailed information with a break-down of business units by size. This is set out in Table 3 below. Small firms dominate the local economy, with 75% of enterprises employing 4 or fewer people. Less than 7% of companies employ 20 people or more. It should be noted that BRES records business units which are not exactly equivalent to enterprises so the overall numbers are greater.

**Table 3 No of Employment Units by Number of Employees 2013**

No of Employees	0-4	5-9	10-19	20 or more
No of Units	6,110	905	505	550
Employment %	75.7	11.2	6.3	6.8

Source: BRES 2013

### Workforce and skills

Census 2011 data shows that St Albans has a highly skilled resident workforce, particularly at advanced levels. This is illustrated below through a comparison with the east of England:

**Table 4 Workforce Qualifications 2011**

		<u>St Albans</u>	<u>E of England equivalent</u>
All usual residents aged 16 and over (as base figure)	110,590		4,738,333
<u>Qualification</u>	<u>=</u>	<u>% of</u>	<u>% of base</u>

		<u>base</u>	
No qualifications	14,268	12.9	22.5
1-4 O levels/CSE/GCSEs (any grades), Entry Level, Foundation Diploma	37,372	33.8	35.3
NVQ Level 1, Foundation GNVQ, Basic Skills	5,219	4.7	7.8
5+ O level (Passes)/CSEs (Grade 1)/GCSEs (Grades A*-C), School Certificate, 1 A level/2-3 AS levels/VCEs, Higher Diploma, Welsh Baccaulaureate Intermediate Diploma	58,069	52.5	34.3
NVQ Level 2, Intermediate GNVQ, City and Guilds Craft, BTEC First/General Diploma, RSA Diploma	11,278	10.2	15.0
Apprenticeship	5,628	5.1	6.5
2+ A levels/VCEs, 4+ AS levels, Higher School Certificate, Progression /Advanced Diploma, Welsh Baccaulaureate Advanced Diploma	38,846	35.1	17.3
NVQ Level 3, Advanced GNVQ, City and Guilds Advanced Craft, ONC, OND, BTEC National, RSA Advanced Diploma	9,655	8.7	10.5
Degree (eg BA, BSc), Higher degree (eg MA, PhD, PGCE)	37,997	34.4	15.3
NVQ Level 4-5, HNC, HND, RSA Higher Diploma, BTEC Higher Level	5,302	4.8	4.1
Professional qualifications (eg teaching, nursing, accountancy)	27,017	24.4	14.2
Other vocational/work-related qualifications	18,594	16.8	17.6
Foreign qualifications	7,939	7.2	5.4

Source: AMR 2015, drawing on 2011 Census

### Economic activity rates

ONS (NOMIS) National Labour Market Statistics include estimates of economic activity rates in local areas and provide regional and national comparators:

**Table 5 Economic Activity 2014**

Economically Active (all people)	St Albans (Nos)	St Albans (%)	East of England%	Great Britain%
	73, 600	81.8	80.1	77.5

Source: ONS in AMR 2015

It is clear that the District has a very high economic activity rate. This is an indicator of a strong local economy with many job opportunities and a consequent likelihood of a labour and skills shortages.

### Unemployment

AMR 2015 (Key Data Source 3) looks at changes in unemployment from 2003 to present. This is shown in Table 6 below. The data used to produce these statistics derives from the Claimant Count, not the Labour Force Survey. The LFS gives higher % figures based on numbers that might theoretically wish to work, but the claimant count method gives a better picture of active job search and of local economic performance.

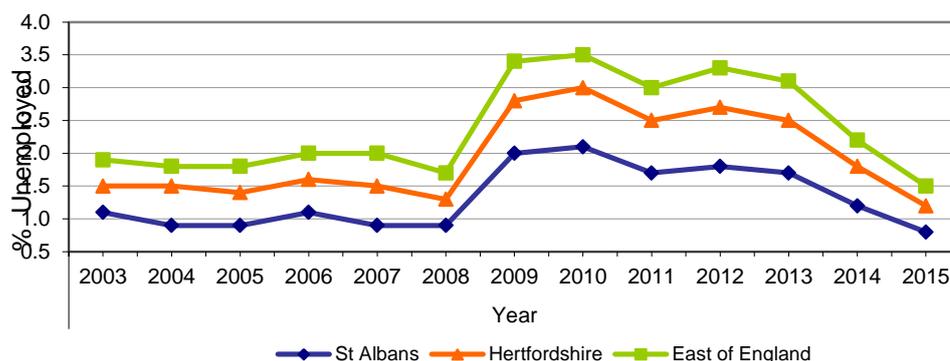
The percentage level of unemployment has been uniformly low even in the recent recession period.

**Table 6 Unemployment Figures 2003 - 2015**

Year	St Albans		Hertfordshire		East of England	
	Number	%	Number	%	Number	%
2003	873	1.1	9,369	1.5	62,504	1.9
2004	728	0.9	9,311	1.5	60,799	1.8
2005	754	0.9	9,192	1.4	60,770	1.8
2006	876	1.1	10,472	1.6	68,421	2.0
2007	777	0.9	9,947	1.5	69,260	2.0
2008	710	0.9	8,378	1.3	59,157	1.7
2009	1,612	2.0	18,187	2.8	118,556	3.4
2010	1,716	2.1	19,735	3.0	121,488	3.5
2011	1,475	1.7	17,859	2.5	112,254	3.0
2012	1,618	1.8	19,127	2.7	123,131	3.3
2013	1,531	1.7	18,079	2.5	116,458	3.1
2014	1,051	1.2	13,136	1.8	83,263	2.2
2015	738	0.8	8,955	1.2	54,043	1.5

Source: Hertfordshire County Council Monthly Unemployment Bulletin

**Figure 4 Unemployment Rate 2003-2015 (based on figures for March)**



### Commuting

The Census shows the location of employee jobs. Self-employed work is not included in these figures as location is indeterminate or home based.

Table 7 below provides a Census time series comparison of SACD commuting flows. The comparison shows that overall flows have increased, but that the net flow has been fairly stable. Generally then the commuting pattern has been reinforced, evidencing the longstanding and continuing position of a very open economic geography. As a result job / home relationship self-containment levels for the District are low, with about 36% living and working in the District in 2011. Overall net out commuting has fallen slightly since 2001 but the level remains substantial and reflects the District's dormitory relationship with London.

The 2011 Census shows little change in the pattern of commuting since 1991. This is largely because of the pull of London and the economic geography of a number of medium sized towns with overlapping economic functions and service catchment areas. This has important implications for the view taken on assessment of economic development land and premises needs set out later in this Section.

**Table 7 Commuting Comparisons Between 1991, 2001 and 2011**

	1991	2001	2011
Commuting out - flow	31,000	33,436	36,629
Commuting in - flow	22,560	23,340	26,862
Net out - commuting	8,440	10,096	9,767

Source: Census in AMR 2015

Table 8 below shows the detail of the 2011 pattern of commuting into and out of the District. It further illustrates the importance of the out commuting relationship with London, but also indicates significant in and out commuting from the Hertfordshire Districts of Dacorum, Hertsmere, Watford and Welwyn Hatfield.

**Table 8 2011 Commuting Flows**

Place		Workers			Percent	
		Inflow	Outflow	Net Flow	Inflow	Outflow
Hertfordshire	Dacorum	3,420	2,241	1,179	7.22	3.92
	Welwyn Hatfield	3,196	4,793	-1,597	6.75	8.39
	Hertsmere	1,698	2,122	-424	3.59	3.72
	Watford	1,539	1,732	-193	3.25	3.03
	North Hertfordshire	1,287	494	793	2.72	0.87
	Three Rivers	978	828	150	2.07	1.45
	Stevenage	758	765	-7	1.60	1.34
	<b>Total</b>	<b>12,876</b>	<b>12,975</b>	<b>-99</b>	<b>27.20</b>	<b>22.72</b>
London	Barnet	784	1,204	-420	1.66	2.11
	Camden	145	1,918	-1,773	0.31	3.36
	Islington	92	1,116	-1,024	0.19	1.95
	Westminster and City	46	6,710	-6,667	0.10	11.75
	Tower Hamlets	29	1,052	-1,023	0.06	1.84
		<b>Total</b>	<b>1,096</b>	<b>12,000</b>	<b>-10,907</b>	<b>2.32</b>
Neighbouring Authorities	Luton	3,212	1,819	1,393	6.79	3.19
	Central Bedfordshire	2,468	679	1,789	5.21	1.19
		<b>Total</b>	<b>5,680</b>	<b>2,498</b>	<b>3,182</b>	<b>12.00</b>
	Other Locations	7,210	9,156	-1,943	15.23	16.03
	<b>Commuting Total</b>	<b>26,862</b>	<b>36,629</b>	<b>-9,767</b>	<b>56.75</b>	<b>64.14</b>
Residing and Working in St Albans			20,475		43.25	35.86
Total Number of Jobs in St Albans			47,337			
Total Population in Work			57,104			

Source: Office for National Statistics, 2011 Census

Table 9 below summarises the top out commuting destinations for the District. The data shows the strong links with Central London and adjoining Hertfordshire districts.

**Table 9 Top Out-Commuting Destinations**

<b>Ranking</b>	<b>2015 AMR (% of total commuters)</b>
1	Westminster and City (11.75%)
2	Welwyn Hatfield (8.39%)
3	Dacorum (3.92 %)
4	Camden (3.36%)
5	Hertsmere (3.72%)
6	Luton (3.19%)

Source: 2011 Census

Table 10 below shows the top in-commuting origins for the District. The data indicates the links between the District and central Hertfordshire districts and Luton and Central Bedfordshire; heavily influenced by the M1 and East Midlands / Thameslink rail lines and house price differentials moving north. Watford is also a significant origin point. There is an important communication corridor (including the Abbey Rail Line).

**Table 10 Top In-Commuting Origins**

<b>Ranking</b>	<b>2015 AMR (% of total commuters)</b>
1	Dacorum (7.22 %)
2	Luton (6.79%)
3	Welwyn Hatfield (6.75%)
4	Central Bedfordshire (5.21%)
5	Hertsmere (3.59%)
6	Watford (3.25%)

Source: 2011 Census

An important additional point to note about out commuting and its contribution to the District economy is that the earnings of residents generally is high in comparison to earnings of those who work in the District. Jobs in London in particular pay well and bring significant wealth and spending power into the District. This is detailed in Key Data Source 3.

This issue of commuting is considered in more detail in other parts of the TR, as it is crucial to an understanding of functional economic geography.

## Overview

These basic indicators describe a relatively strong and healthy local economy with significant growth potential. The growth potential arises from the concentration of companies and jobs in sectors that have grown in recent years and are expected to continue to do so. This view is also reflected in the wider analysis of the immediate sub-region (taken here as Hertfordshire) included in the Herts LEP's SEP (Ref 12).

The implications of all these indicators for functional economic geography and understanding the local balance of homes and jobs are considered below.

### **3.4 East of England Forecasting Model (EEFM)**

The EEFM was created for the former East of England Regional Development Agency (EEDA) and the local authorities covered by EEDA. It is now maintained under contract by a specialist economic consultancy (Oxford Economics) acting for all local authorities in the former Region. The model coverage was extended in 2011 and now also provides forecasts for the Greater Cambridge / Greater Peterborough, Hertfordshire, New Anglia, Northamptonshire, South East and South East Midlands LEP areas. The EEFM is widely used and accepted in many quarters as a good source for forecasting at local area level.

The EEFM is an economic sector based model that produces employment change led forecasts at local authority level. As well as forecasting employment change the model produces estimates of the housing growth likely to be needed to match forecast employment changes. It also gives information on a number of related variables, including output and productivity and the business premises floor-space that would, theoretically, be needed to accommodate predicted employment changes.

Each year, generic forecasts and commentaries are published for the client local authorities to use as they see fit. The generic forecasts provide a baseline forecast for a 20 year forecast period and in some cases have included high / low growth scenario variants. These model outputs have been widely used by local authorities and LEPs to help in understanding the economic development and land use issues in their areas. It is possible to commission bespoke model runs, but given the general context for planning employment land use in SACD (explained in full elsewhere in this report), there is no need for this to be done for this evidence update.

The EEFM forecast used in this TR is based at autumn 2014 and was published in January 2015. A full Oxford Economics analysis for this forecast was not available at the time of writing. The earlier spring 2013 baseline forecasts have however been considered in detail by Oxford Economics and their analysis is summarised and drawn on below. The general conclusions from the spring 2013 forecasts are also relevant to the autumn 2014 forecasts.

Full details of the model and interpretation are provided in Key Data Source 2.

At the time of preparing the TR additional 2015/6 based forecasts were due, but unavailable. Though such forecasts will inevitably vary from those used here, it is not expected that general trends or conclusions drawn will be different.

Overall the forecasts provide a good backdrop to this evidence update. Earlier evidence in CHELR and HLAS was based on a period of strong economic performance before the 2007/8 financial crisis and recession. The dramatic change in economic position at that point inevitably created considerable uncertainty about economic change and employment growth prospects. The new EEFM outputs reflect a period of general economic recovery and job growth in more recent years (2012 onwards) and the overall findings therefore take a relatively optimistic view of longer term sector growth trends and the consequences for land and premises needs.

Generally, as with all sectoral economic forecasting, results are projections based on past trends and can only give an illustration of possible outcomes in the real world. Forecasting for small local areas is particularly prone to uncertainty. Thus results always need to be considered and interpreted taking account of possible changes in factors affecting outcomes – such as changed global / national economic conditions, local planning policy intentions, major company changes or moves and infrastructure improvements.

The end date of the EEFM forecasts matches the SLP/ DLP plan period (2031).

Where figures are quoted below they are rounded and this should be noted when checking internal consistency of figures and against original sources.

### **3.5 EEFM 2013/14 Baseline Forecasts**

The East of England is expected to outperform the UK in the medium to long term, with 8.5% employment growth over 2012-21 compared with 5.6% in the UK. The baseline forecast anticipates jobs growth for the Hertfordshire LEP area of 8%, with an additional 57,300 jobs created.

The fastest growing sectors over the next decade and long term are professional and other business services (including legal & accounting and management consultancy services amongst others), accounting for 129,400 additional jobs across the East of England over the period 2012-21, with 31,200 additional jobs in these sectors within the Hertfordshire LEP area.

Two additional scenarios were considered alongside the 2013 baseline; a “high migration” scenario and a “lost decade & beyond” scenario. The high migration scenario is a higher growth scenario which assumes official (ONS) migration assumptions. The lost decade & beyond scenario is a lower growth scenario which assumes fifteen years of sluggish economic growth as a result of recession impacts.

The most important point to draw from the analysis is that there is now clear evidence of a pick-up in the economy following the 2007- 9 recession and also of corresponding significant job growth. In Hertfordshire, job growth is expected to out-perform national benchmarks.

Given the high priority the NPPF accords to facilitation of economic growth, it is important that Local Plan (SLP / DLP) policies for employment land and premises provision are prepared with this relatively optimistic economic outlook in mind. The SLP / DLP should therefore set out, as far as reasonably possible, to ensure that there is no undue future constraint in land and premises availability.

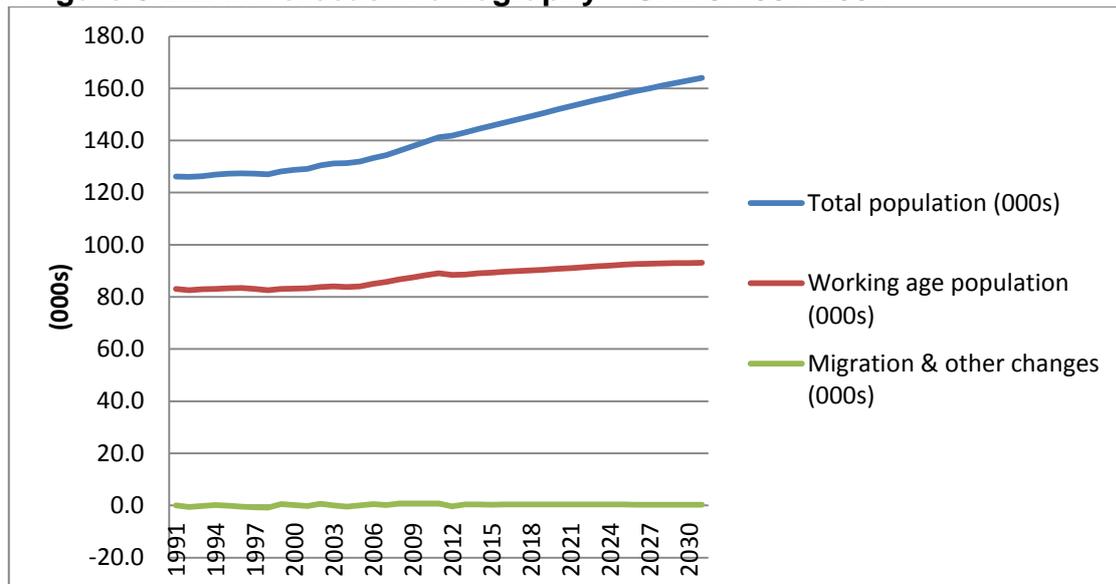
EEFM 2014 baseline forecasts for SADC

Key SADC level outputs from the autumn 2014 baseline forecast are noted and discussed below:

Demography

The EEFM forecast is based on a significant total population increase; from 141,200 in 2011 to 164,000 in 2031 (16%) (the SLP / DLP plan period). However, working age population is forecast to rise only slightly from 89,100 in 2011 to 93,100 in 2031 (4.5%), because the population is ageing. This data reflects official ONS projections, but should be seen in the context of local evidence work on population change (Independent Assessment of Housing Needs and Strategic Housing Market Assessment – SHMA - Ref 33), which indicates slightly lower population growth, largely due to different assumptions about migration trends. On this basis the working age population estimates in EEFM should be seen as a top end estimate.

**Figure 5 EEFM Forecast Demography – SADC 1991-2031**



Source: East of England Forecasting Model: 2014 baseline  
Labour market

The forecast for the District's labour market shows significant increases in employment / jobs available. 'Employees in employment' in the District's population increases from 64,200 in 2011 to 78,700 in 2013. This is an increase of 14 500 jobs or 725 per annum. The forecasts are based on BRES sector data. This can incorporate some anomalies / problems, especially for detailed local area breakdowns, and there can be a tendency to over estimate job numbers. This is discussed elsewhere in the TR.

For comparative purposes, taking SADC demographic research (in Ref 33) housing provision led population forecast used as the basis for the SLP, envisages related job / employment growth of only 200 per annum, or 4,000 over the 20 year plan period. There is clearly a big difference in these estimates that reflects the different methods of forecasting (employment led versus population led). The potential overall stronger trend of job growth arising from local sectoral strengths shown in the EEFM is not factored into the population and housing (SHMA), based estimates of job growth. There is a link from this point to consideration of commuting issues (see Section 4 below). It also important to acknowledge the high degree of uncertainty around these forecasts.

'Total employment', which adds self employed estimates, increases from 75,500 in 2011 to 93,500 in 2031. The model also forecasts a specific trend to increasing levels of 'self employed', up from 11,200 in 2011 to 14,700 in 2031. Recent, short term, trends, which reflect a post recession period, may not be a very reliable guide to the future here. It is unclear whether this trend will be sustained in a strengthening economy where more conventional employee options become readily available.

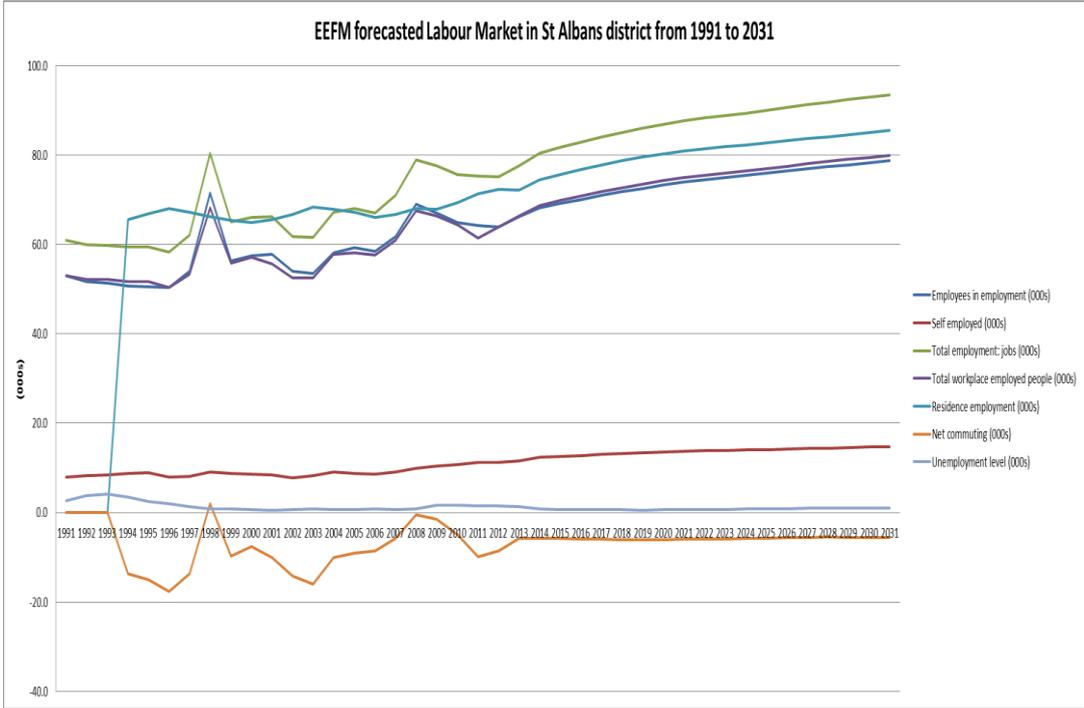
'Total workplace employed people', which is a measure of the number of people employed at workplaces located in the District rises from 61,500 in 2011 to 80,000 in 2031. 'Residence employment', which is the measure of people living in the District that are in employment, including outside the District, also increases, (from 71,400 in 2011 to 85,600 in 2031).

Significantly, from this, the model forecasts a steady decline in 'net commuting' (from 9,800 in 2011 to 5,700 in 2031 – a 41% reduction). The model indicates a potential for local residents to take up the increased job opportunities that are forecast, so as to work locally. This may appear to suggest a desirable trend from a local work /home relationship and transport point of view. However it is questionable model output, given the economic pulling power of London and the complexity of travel to work patterns across the sub-region. In addition commuting infrastructure will improve considerably in this period through the full implementation of Thameslink rail capacity improvements. It is more realistic to assume that net commuting flows would remain broadly as they are over the Plan period. It is possible that the out commute could drop slowly due to the changes the model identifies and also because of home working trends. This is considered in more detail in Section 4 below.

Overall there is a slight decrease in the 'unemployment level' (a claimant count figure) from 1.7% in 2011 to 1.1% in 2031.

Total workplace employed people and residence employment figures for 2011, included in the model, are re-based against the 2011 Census figures for total number of jobs in the District and total population in work (see AMR - 2011 Census figures). However the total EEFM figures are different because they include self-employed and count full and part time jobs separately; some people having more than one job. Comparisons are made in the analysis of the homes / jobs balance below.

**Figure 6 EEFM Forecast Labour Supply – SADC 1991-2031**

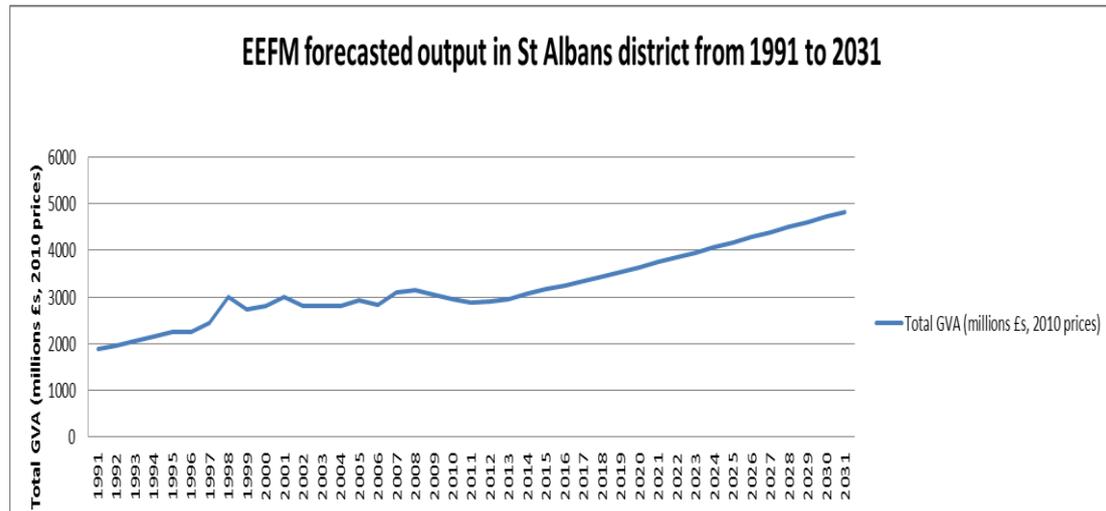


Source: East of England Forecasting Model: 2014 baseline results

## Output

The EEFM forecasts a significant increase in total Gross Value Added - GVA (millions £s, 2010 prices) from 2,888 in 2011 to 4,831 in 2031.

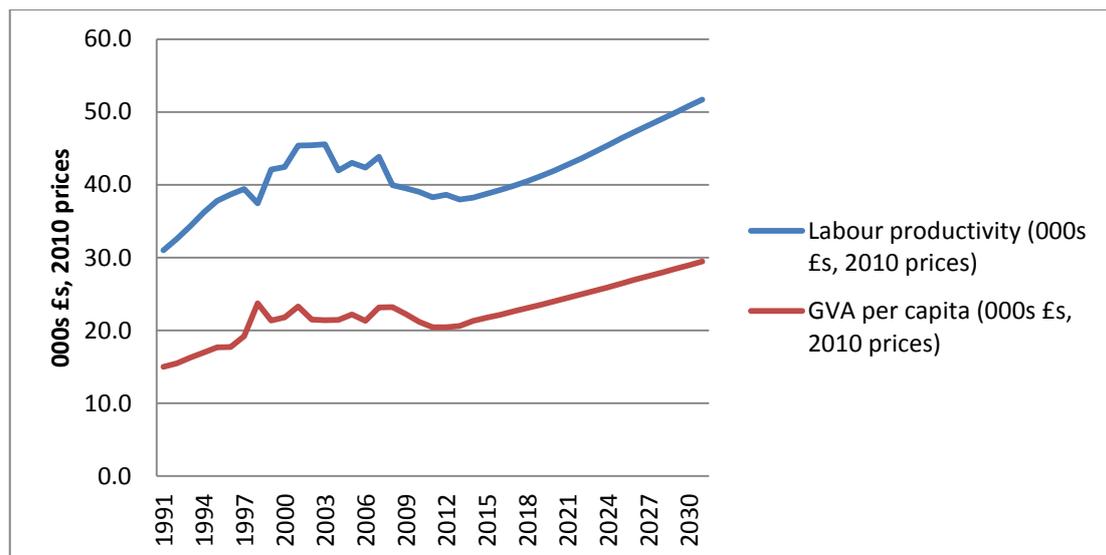
**Figure 7 EEFM Forecast Output (GVA) – SADC 1991-2031**



Source: East of England Forecasting Model: 2014 baseline results, Oxford Economics

The EEFM also forecasts an increase in Labour Productivity (000s £s, 2010 prices) from 38.3 in 2011 to 51.7 in 2031, and an increase in GVA per capita (000s £s, 2010 prices) from 20.4 in 2011 to 29.5 in 2031.

**Figure 8 EEFM Forecast Labour Productivity and GVA – SADC 1991-2031**



Source: East of England Forecasting Model: 2014 baseline results, Oxford Economics

These elements of the forecast show significant increases in prosperity reflecting the local presence of sectors that are expected to grow and perform strongly in the future (see below). However the projections should be viewed as optimistic because they reflect the recent period of improving economic conditions, which may not be sustained in the long term.

### **3.6 Functional Economic Market Areas (FEMAs)**

The Government's PPG advises that a LPA should prepare a Local Plan on the basis of an understanding of economic development needs across a functional economic market area:

PPG Paragraph: 008 Reference ID: 2a-008-20140306

"Needs should be assessed in relation to the relevant functional area, i.e. housing market area, functional economic area in relation to economic uses, or area of trade draw in relation to main town centre uses."

Establishing the assessment area may identify smaller sub-markets with specific features, and it may be appropriate to investigate these specifically in order to create a detailed picture of local need. It is important also to recognise that there are 'market segments' i.e. not all housing types or economic development have the same appeal to different occupants.

In some cases housing market areas and functional economic areas may well be the same."

The main SLP evidence studies did not specifically refer to a FEMA, as the concept had not been 'named' in that way at the time. However the studies did take full account of the underlying concept. Market areas were considered on the basis of work undertaken for the former East of England Regional Strategy (RSS) and the practical / policy related need to take account of relationships with local authority administrative boundaries.

The studies, (especially LAELS – Ref 2) used the concept of the "London Arc" – the group of authorities / areas around the northern edge of London that have a very strong economic interaction and commuting relationship with the London economy and each other. This remains a powerful and highly relevant concept. It offers a valid approach to defining a FEMA for land use planning purposes in the terms set by the PPG.

The Arc concept is particularly relevant in respect of the emergence of LEPs in the period since the main evidence studies were completed. The LEP SEP sets an economic development approach for the whole Arc within Hertfordshire. It then develops this in more detail for cross local authority boundary areas where economic interactions and radial transport links are strongest. There are also important links outside the Hertfordshire. For example, in the case of SADC, the SEP "M1/M25 growth area" cannot realistically be seen as stopping at the northern County boundary. It extends into Bedfordshire, where London Luton Airport and the growth and regeneration of the Luton / Dunstable conurbation, with major new housing areas, improved strategic road links and an enterprise zone are extremely important. The Arc and SEP are useful in

acknowledging the influence of the relationship with London and existing transport infrastructure in creating functional economic areas.

However it is also useful to re-examine the functional economic market area approach taken in more detail in light of the PPG. The relevant guidance is reproduced in full below:

“ PPG Paragraph: 012 Reference ID: 2a-012-20140306

How can functional economic market areas be defined?

The geography of commercial property markets should be thought of in terms of the requirements of the market in terms of the location of premises, and the spatial factors used in analysing demand and supply – often referred to as the functional economic market area. Since patterns of economic activity vary from place to place, there is no standard approach to defining a functional economic market area, however, it is possible to define them taking account of factors including:

- extent of any Local Enterprise Partnership within the area;
- travel to work areas;
- housing market area;
- flow of goods, services and information within the local economy;
- service market for consumers;
- administrative area;
- Catchment areas of facilities providing cultural and social well-being;
- transport network.

Suggested Data Source:  
Office of National Statistics (travel to work areas)  
Revision date: 06 03 2014 “

Considering each guidance point in turn:

LEP extent: The Herts LEP approach reflects the London Commuter Belt / Arc and transport corridors as described above, albeit it is a Hertfordshire centric approach (which reflects history and administrative boundaries). It is not a full basis for FEMA analysis / definition, as the functional separation of areas east / west on transport corridors and relationships northwards are more important than the County boundary. The identified specific growth areas in the SEP are similarly limited. They relate only to the policy element of the SEP and cover specific urban centres (in the case of the M1 / M25 growth area the City of St Albans and the Towns of Watford and Hemel Hempstead) (Ref 12). This is too partial a view to prevail as a major determinant of a FEMA.

TTWAs (ONS): The guidance effectively suggests this is the primary source because it places emphasis on functional analysis. TTWA information is the only data source specifically listed. TTWAs are considered in more detail below.

HMA: The SLP approach to HMA definition relies on an understanding of a size hierarchy of market areas. It then uses housing market demand and house price research on small area sub-markets to set a local HMA (Ref 33) This is useful background to FEMA issues, but because any local HMA has relatively low levels of self-containment (in respect of migration and commuting

flows), this definition is not considered sufficient to address wider and non-housing functional economic relationships on its own.

*Flow of goods / services...etc. and service market...*: The position on both of these flows is similar. Retail, services and leisure facilities are provided in a sub-regional area around main transport routes. Accessibility to London's economic and service 'offer' also plays a major role. There are many retail and service centres with overlapping catchments and different functions / roles. In some cases centres complement each other and in some cases they compete. There is no clear cut hierarchy. This tends to support a view that the FEMA is wide in extent and the local economy is very open in terms of movements.

*Administrative areas*: The SADC administrative area is not self-contained in economic terms, unless housing only research is used as the key factor (see above – Ref 12). However the Hertfordshire administrative area LEP approach, as noted above may be helpful in respect of a defining a localised FEMA concept for the County and creating a pragmatic policy link (effectively the SEP).

*Transport network*: For SADC the main transport network centres on the M25 and the M1 / A1 M road corridors and the Midland / Thameslink and the East Coast rail lines. LEP work in defining 'growth areas' suggests transport as part of the rationale for a sub-area geography in Hertfordshire. The SEP puts justifiable emphasis on the economic importance of main radial transport routes and uses this to subdivide the 'Arc'. However it appears overly road focused and the analysis stops at Hertfordshire boundaries and understates the London relationship. The divide between the A1 M and the M1 / M25 areas is also somewhat arbitrary. Previous geographies, which appear just as credible have crossed this divide and reflected a central Herts concept.

As the PPG sets out there is no single approach or definitive answer to the definition of a FEMA. However considering all the guidance points in this way confirms that for the area around SADC the most useful source for an academic / data based FEMA definition arises from analysis of commuting patterns in census data and particularly the official TTWA (which is the only PPG recommended data source).

An important view about the wide extent of functional and main commuting relationships is provided by the Government's official Travel to Work Area (TTWA) definitions. It is useful to compare the 2001 census based Watford TTWA definition, and the recent updating of TTWAs using the 2011 census. This is done below in the context of an overview of the London Arc area.

Figure 9 provides a direct comparison of the changes in the TTWAs from 2001 to 2011.

Figure 9 (i) Herts London Arc TTWA Comparison 2001-2011 - Map 1 2011



**Figure 9 (ii) Herts London Arc TTWA Comparison 2001-2011 - Map 2 2001**



The naming convention for the 2011 TTWAs has meant that the TTWA name “generally reflects the largest and second largest settlements”. Where there is a single “dominant” settlement in the TTWA, the name will generally reflect this settlement name alone. Hence there has been a change between censuses from Luton and Watford to Luton. On the other hand the Stevenage TTWA is now known as the Stevenage and Welwyn Garden City TTWA reflecting the more equal importance of the two towns in the TTW relationship. In terms of the relationship between TTWA boundary evolution and the Herts London Arc concept the following points are of interest, when it comes the taking a view about the nature and extent of a FEMA in which the SACD economy is best analysed:

- There is a general difficulty of defining TTWAs around London. The definitions tend to exist alongside an understanding that there is a dominant radial public transport related relationship with London.
- Allowing for this, the definitions reflect the radial (north / south) transport corridors used by the Hertfordshire LEP SEP, but also extend beyond Hertfordshire to the north showing how commuting extends out to Bedfordshire.

- SACD is now part of the Luton TTWA, rather than Luton & Watford. This is indicative of the scale and importance of the Luton / Dunstable conurbation and its economic role. Given the history and future of growth and regeneration plans for this conurbation (Refs 13, 14, 18) the name change is a reminder of an important relationship that should influence economic development and planning policy approaches in Hertfordshire.
- The updated TTWAs involve the creation of several new areas including one affecting Hertfordshire. Ware and Bishops Stortford are now two major settlements in the Cambridge TTWA. Both were previously part of the Harlow and Bishops Stortford TTWA, but this area now ceases to exist showing the effect of more dispersed patterns of commuting around London.

Generally the 2011 TTWAs have grown in size (Ref 34). To illustrate; in terms of other changes in boundaries and sizes, Bedford has increased in size to the north of the Stevenage and Welwyn Garden TTWA, whilst that TTWA has increased in size to the east. The Cambridge TTWA has now dramatically increased in size to the south. This reflects increasingly diffuse commuting patterns and the growing range of transport options and relatively lower costs of transport. Also, difficulties in home moves and housing market cost differentials probably contribute to this change. Thus the tendency for TTWAs in areas around major conurbations to be large and growing is unsurprising.

Tables 11-13 below display the commuting flows behind the 2001 and the 2011 TTWAs definitions. They show direct changes between the two data sets, with the latter highlighting these changes in brackets. Overall self-containment levels have dropped in the 2011 definitions, including for the Luton TTWA.

The data demonstrates that there have been no major changes in Luton / Bedford and Stevenage / Welwyn Garden City and that only larger areas such as these have credible levels of self-containment to define and justify a FEMA.

**Table 11 2001 TTWA Data Analysis**

<b>Name (2001)</b>	<b>Number of people in employment resident in the TTWA</b>	<b>Number of Jobs in the TTWA</b>	<b>Supply side self-containment (% employed residents who work locally)</b>	<b>Demand side self-containment (% local jobs taken by local residents)</b>
Luton and Watford	321,759	302,788	70	74.4
Bedford	88,174	80,418	69.5	76.2
Cambridge	191,098	199,571	84.4	80.9
Harlow and Bishops Stortford	155,704	144,400	67.1	72.4
Stevenage	168,025	157,349	69.3	74

**Table 12 (i) 2011 TTWA Data Analysis**

<b>Name (2011)</b>	<b>Number of people in employment resident in the TTWA</b>	<b>Number of Jobs in the TTWA</b>	<b>Supply side self-containment (% employed residents who work locally)</b>	<b>Demand side self-containment (% local jobs taken by local residents)</b>
Luton	348,790 (+27,031)	320,522 (+17,734)	67.7 (-2.3%)	73.7 (-0.7%)
Bedford	110,807 (+22,633)	105,067 (+24,649)	69.2 (-0.3%)	73 (-3.2%)

Cambridge	355,543 (+164,445)	351,611 (+152,040)	77.8 (-6.6%)	78.7 (-2.2%)
Stevenage & Welwyn Garden City	182,717 (+14,692)	179,512 (+22,163)	67.5 (-1.8%)	68.8 (-5.2%)

**Table 12 (ii) 2011 TTWA Data Analysis**

<b>Name (2011)</b>	<b>Number of component areas (LSOAs, DZs/SOAs)</b>	<b>Number of residents working in area</b>	<b>Number of economically active residents (aged 16+)</b>
Luton	433	236,106	375,008
Bedford	144	76,652	118,663
Cambridge	416	276,605	374,199
Stevenage & Welwyn Garden City	223	123,406	195,162

Source: Tables 11/12 ONS

Table 12 (ii) shows an addition to the data analysis in 2011. It highlights two key 'component areas'; number of residents working in area and number of economically active residents. No comparisons can be made with the 2001 data. However some useful conclusions can be drawn. In all cases, the number of economically active residents is more than the number of residents working in that area. A significant number of residents are commuting out of the TTWA for work. This effectively represents the London Arc pull to work in London and around the M25 belt and reinforces the conclusions above. In the case of Luton (including SADC) the difference is 138,902 (37%) which illustrates the difficulties of finding self-containment, even for larger areas in the vicinity of London.

Overall, the TTWA definitions are similar over the two data periods, with the exception of Cambridge. Both sets of TTWA definitions cover a wide area indicating the openness of the local commuting patterns.

The available data suggests that the self-containment levels that define the 2011 TTWAs, together with an understanding of functional relationships and economic development opportunities across and adjoining the Luton TTWA, especially with London provide a good basis for definition of a FEMA.

SLP work has therefore proceeded on the basis that the official Luton (formerly Luton and Watford) TTWA is the best overall definition of a FEMA for the area in which SADC falls.

There are however some important provisos that have to be taken into account in this evidence update and in policy formulation:

- The District's 'dormitory' relationship with London and related housing market issues are a key economic influence and constraint
- The relatively strong in commuting relationship to, Welwyn Hatfield and its proximity to SADC needs to be taken into account, particularly in terms of the economic development opportunities of the A1M corridor and the Green Triangle (including Herts University / Oaklands College)
- Both these points confirm the continued local value and importance of the Hertfordshire London Arc concept and the evidence work on economic development opportunities and property markets in the central Herts area in the CHELR

Recently emerging research for a SW Herts grouping of LPAs for their Plan reviews to a longer timescale than the SLP (Ref 35), also confirms this analysis, by examining more local commuting relationships. This research does however examine theoretical self-containment on the basis of excluding London flows, which only tells part of the story.

CHELR conclusions are of interest in respect of FEMA and TTWA issues (See Section 19, Executive Summary); that currently and historically SADC "has both low self-containment and a negative commuting balance. Many of its residents out-commute to work outside the District, mainly to London. Furthermore, the offsetting flow of in-commuters is considerably smaller. Hence, in net terms St Albans is dependent on other places for its residents' jobs and incomes – and in particular for the better jobs and higher incomes, since people who work in the area earn much less on average than people who live there, but work elsewhere".

Overall this analysis rightly centres on a primarily travel to work / transport based view of the FEMA. It is clear that this is the most important one to consider.

The following conclusions can be drawn:

- SADC cannot undertake spatial planning to facilitate the realistic economic development of the District in isolation. The widespread FEMA, including strong London links, means that the LPA's ability to influence outcomes at a local level is quite limited. It is however equally difficult to conduct FEMA based spatial planning analysis and policy formulation as this would require a strong regional / sub regional framework

- The wider FEMA general evidence base provided in the main evidence studies and in recent LEP work is therefore crucial to the SLP. Generally the LEP SEP work is the best basis available for local economic development and related spatial planning
- In terms of local economic development strategy and spatial planning the District plays an important part in the approach to this wider area. This is most clearly seen in the SLP response to the LEP SEP strategy for the Herts M1/ M25 growth corridor and the proposals for expansion of Hemel Hempstead discussed elsewhere
- Attempts to project or forecast future job growth must be seen in the light of the points above – there is considerable uncertainty
- The SLP does not, and realistically cannot, seek to achieve a particular level of local job maintenance or growth. In terms of quantitative plan requirements and targets, the SLP is housing led. It does also plan positively for economic development by providing significant opportunities for the B Use Class development that can provide new jobs locally, but it has to be acknowledged that, overall, future job needs will be met in a wider FEMA. This clearly includes London where the established commuting relationship will not change materially over the SLP period (see section below on economic development needs assessment)
- Allocation of land for economic uses is certainly not sure to result in market take up and job growth, as has been illustrated in the history of spatial planning in Hertfordshire.

For SLP / DLP policy formulation purposes it is necessary to examine business land and premises needs and opportunities in the District on the basis of the District's specific economic characteristics and role, set within evidence and analysis from forecasting for the wider areas in the CHELR / LAELS and SEP.

### **3.7 Jobs / Homes Balance**

As a background to strategic planning decisions it is useful to examine the existing balance between jobs and homes in an area and potential changes in the future. Normally the area considered should be a specifically defined FEMA. The TTWA analysis above shows how it is necessary to think in terms of a widespread FEMA that still has a very significant net commuting outflow (including to London). However a more localised analysis for SACD alone is also of interest, as long as it is seen in the context of the jobs / homes balance in the wider TTWA.

Relevant advice in the PPG states:

How should employment trends be taken into account?

Plan makers should make an assessment of the likely change in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area. Any cross-boundary migration assumptions, particularly where one area decides to assume a lower internal migration figure than the housing market area figures suggest, will need to be agreed with the other relevant local planning authority under the duty to cooperate. Failure to do so will mean that there would be an increase in unmet housing need.

Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility or other sustainable options such as walking or cycling) and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or infrastructure development could help address these problems.

Revision date: 06 03 2014

The conclusions about local economic geography drawn above show that the District sits in a very large FEMA / TTWA and that even this area does not achieve a particularly high level of self-containment largely because of outflows to London.

This means there is a conflict between the advice in the PPG, which appears to suggest Duty to Co-operate (DtC) should result in plans to balance job growth and provision of homes at a theoretical FEMA level and the practicalities of planning for such a wide area with a significant out-commute. As a result the SLP strategy is based on a positive, opportunity based, local response to functional economic relationships as they interact with the local housing market area (HMA) alongside a major contribution to the wider LEP SEP strategy.

Theoretically, if predicted employment growth in the HMA significantly exceeds projected population growth, there can be changes in the way an area functions economically. There are implications for the housing market and the prevailing balance between homes and jobs. There may be changes in inward commuting, increased aspirations for inward migration and consequent further housing development pressures. Also, if there is currently out commuting, more local people may be able to work locally.

This issue has therefore been examined at the SADC HMA level. The aim is to check if issues arise that should and can be addressed through SLP and DLP policies. The projected relationship between the growth in the working age population (defined as those aged 16-64); growth in the economically active population (aged 16-74) and forecasts of employment growth in the District over the Plan period are considered below.

The analysis uses the demographic outputs of the SADC “Independent Assessment of Housing Needs and Strategic Housing Market Assessment”

(Ref 33). These rely on local projections identifying growth in the working age population provided by Edge Analytics - for the 10 Years Migration-led Scenario (the preferred / background demographic and housing scenario for the SLP) and in employment by the East of England Forecasting Model (EEFM).

The following table compares projected growth in the working age and economically active populations against EEFM employment forecasts (full time equivalent jobs) for SADC. The forecasts developed in 2010 are used because they include an illustrative range of employment growth scenarios reflecting uncertainty about the effect of the recession.

**Table 13 Forecasts of Change in the Working Age and Economically Active Populations, and Scenarios of Employment Growth in SADC, 2011-2031**

Indicator	2011-16	2016-21	2021-26	2026-31	Total
(Edge) All population aged 16-64	405	1,825	2,394	1,178	5,802
(Edge) All economically active aged 16-74	1,095	1,330	1,286	1,221	4,932
Job growth - base growth scenario	6,200	3,300	1,900	2,100	13,500
Job growth - low growth scenario	6,600	3,600	2,100	2,200	14,600
Job growth - high growth scenario	7,700	4,900	3,400	3,800	19,800

Source: Edge Analytics and Oxford Economics EEFM 2010 Forecasts

This shows that:

- Forecast employment (job) growth exceeds growth in the working age and economically active populations substantially (with the current 'optimistic' forecasting base)
- Only in the period 2021-2026 does growth in the working age population roughly match employment growth for the base and low growth and scenarios

The following table compares projected growth in the Edge working age and Edge / EEFM economically active populations against EEFM 2014

employment forecasts (as used elsewhere in this TR). The EEFM 2014 forecasts are relatively optimistic and close to the high employment growth scenario above.

**Table 14 Forecasts of Change in the Working Age and Economically Active Populations, and 2014-Based Employment Growth in SADC, 2011-2031**

Indicator	2011-16	2016-21	2021-26	2026-31	Total
(Edge) All population aged 16-64	405	1,825	2,394	1,178	5,802
(Edge) All economically active aged 16-74	1,095	1,330	1,286	1,221	4,932
EEFM working age population	600	1,400	1,500	500	4,000
EEFM employment forecast	7,500	4,800	3,000	2,800	18,100

Source: Edge Analytics and EEFM, Autumn 2014

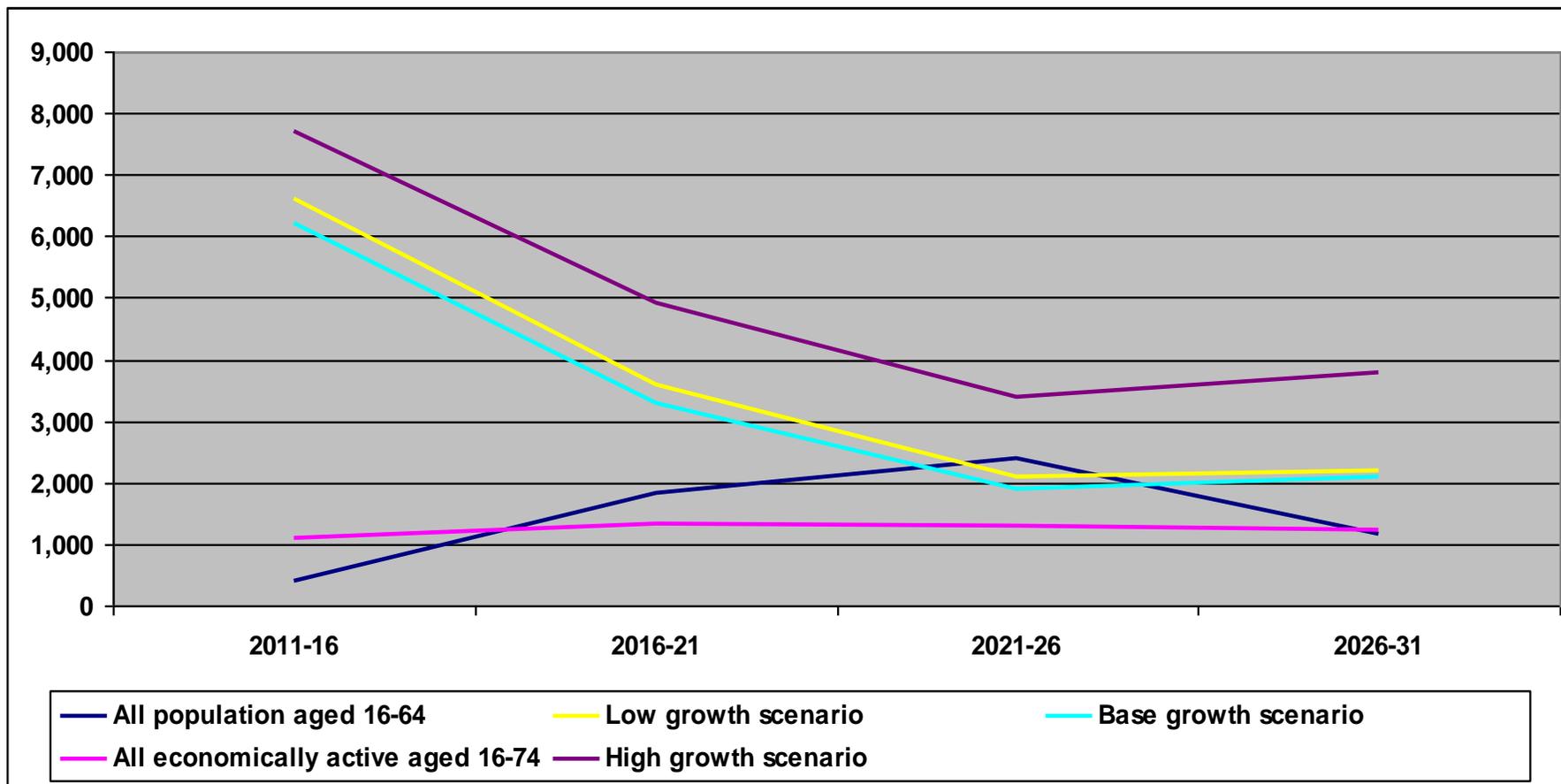
This again shows that:

- Employment growth is forecast to exceed significantly growth in the working age and the economically active populations.
- At no point does growth in the working age population match employment growth.

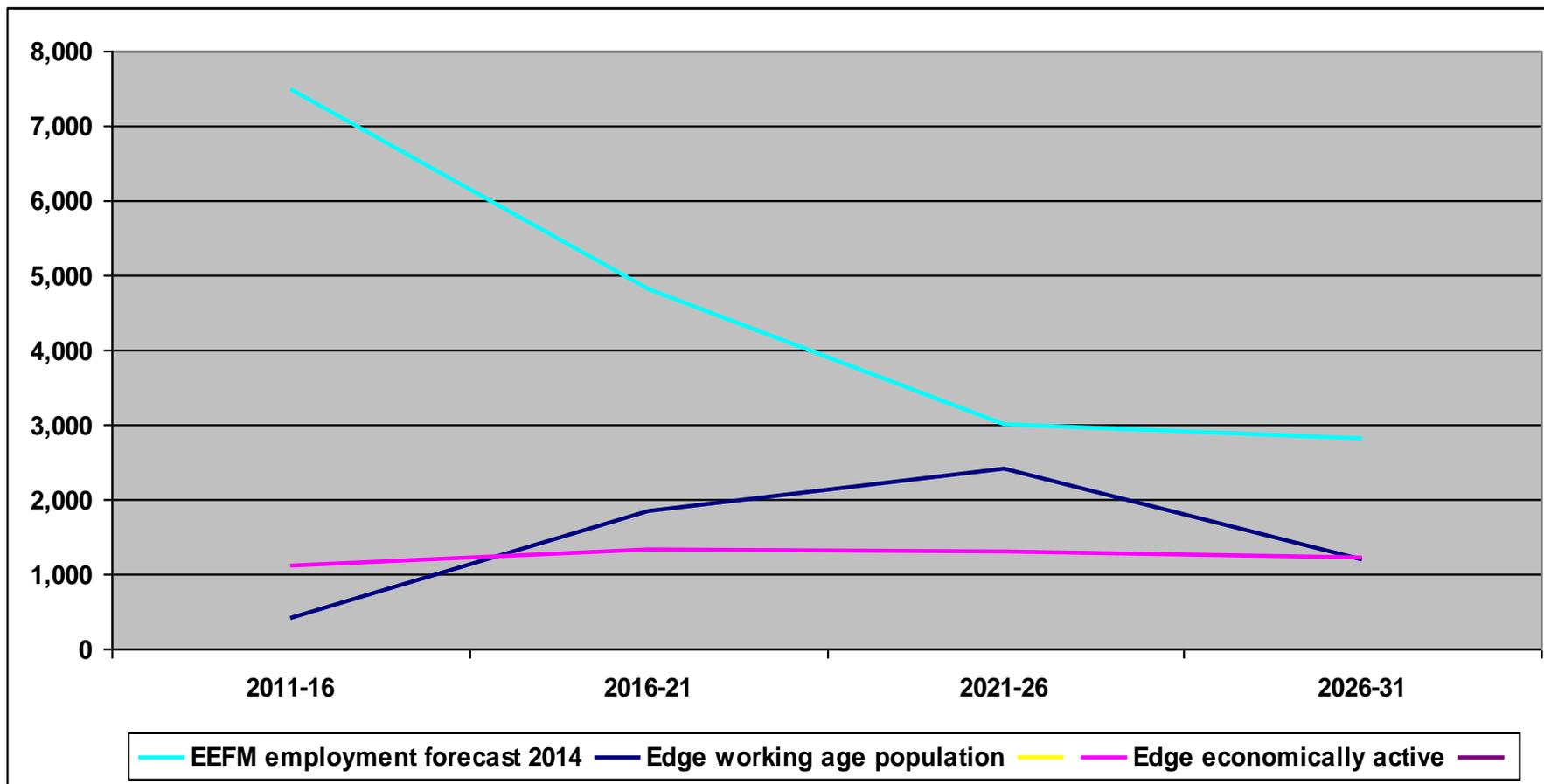
The relationship between projected population and forecast employment growth can be best seen in the following graphs:

- Figure 10 compares the Edge Analytics working age and economically active population projections with 2010-based EEFM scenarios of employment growth;
- Figure 11 compares the Edge Analytics working age and economically active population projections with the 2014-based EEFM employment forecasts; and
- Figure 12 compares the Edge Analytics working age and economically active and EEFM working age projections with the 2014-based EEFM employment forecasts.

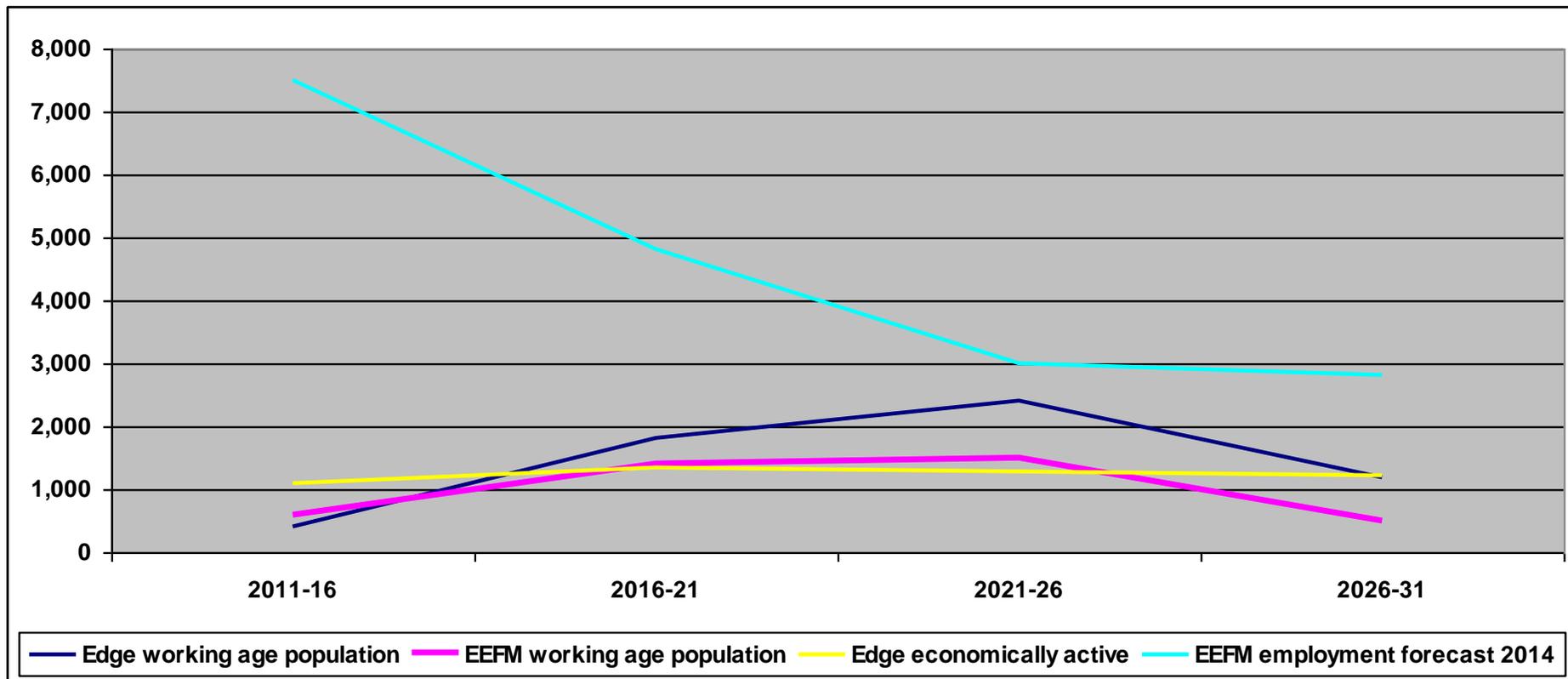
**Figure 10 Forecasts of Change in the Edge Working Age and Economically Active Populations and EEFM 2010-based Employment Growth Scenarios For SADC 2011-2031**



**Figure 11 Forecasts of Change in the Edge Working Age and Economically Active Populations and 2014-based EEFM Employment Growth For SADC, 2011-2031**



**Figure 12 Forecasts of Change in the Edge and EEFM Working Age and Economically Active Populations and 2014-Based EEFM employment growth For SADC 2011-2031**



The analysis above takes no account of the current pattern of net out commuting locally in the SACD HMA and across the TTWA / FEMA. As noted elsewhere, SACD is part of a wider London area economy. The level of investment in infrastructure to support journeys to work, especially by rail to London means that pattern of commuting is embedded. It therefore seems reasonable to assume, and to plan for, a continued high level of net out commuting from the District.

The 2011 census shows the commuting out flow amounts to approximately 16-17% of the total population in work in the District. It is reasonable to assume that a similar proportion of the growing working population will out commute in future. 16% can probably be taken as a minimum level of future out commuting. It could also be suggested that the continued growth of London as a “world city” and the SHMA research (Ref 33) about the nature of internal migration to the District (families seeking a different living conditions, but still with the main earner likely to be working in London) illustrates that there might be an increase in this figure (say to 20% assumed out commuting). The higher figure is used below for illustrative purposes.

It is useful to see what the EEFM model shows about the overall jobs / homes / commuting balance at the end of the Plan period and how the position compares to what is known about the position at 2011 (Census and start of the Plan period and now (2014)). Clearly this is a theoretical perspective as the model is only able to project growth in jobs from past trends. This is unlikely to be a fully realistic view of job creation in a dynamic national and local economy. It is also unconstrained in terms of potential for adjustment in the pattern of movements to and from work.

Table 15 below illustrates the potential effect of job growth exceeding the availability of local labour leading to an adjustment in in commuting.

**Table 15 Population, Jobs and Commuting Relationships SACD**

<b>ESTIMATE / INDICATOR</b>	<b><u>Census Base (Plan base date) 2011</u></b>  Figures equate approximately to those summarised in AMR 2015 Table 12	<b><u>ONS Nomis Estimates 2014</u></b> (uses ONS demographic projections and BRES)	<b><u>EEFM Forecast 2031</u></b>  (bracketed figures show 2011 model output as calibrated to Census)	<b><u>SADC (Edge projection) based adjustments to EEFM Forecast 2031</u></b>  (2011 census with projected growth added + 5,802 – see Table 14 above)	<b><u>SADC (Edge projection) based adjustments to EEFM Forecast 2031 - Comparison controlling for constant out commute</u></b>	<b><u>Notes</u></b>
<b>LABOUR SUPPLY (Workforce)</b>						
1. Economically Active Population (or proxy for this in form of estimate of total number of residents)	74,553	73,600	85,600  (71,400)	80,355	64,284 (80,355 minus 20% fixed commuting adjustment)	Detailed make up of published estimates differs as indicated. Figures are not therefore

<p>expected to be seeking employment).</p> <p>From age group 16-64</p>						<p>precisely comparable. This does not affect consideration of overall position and trends.</p> <p>SADC modelled economically active population is lower reflecting proposed level of house-building and lower level of in migration than in ONS projections (- 6% used in adjustments)</p>
<p>2. In employment</p>	<p>56,475 (Note minor</p>	<p>61,700</p>	<p>78,700 (64,200)</p>	<p>73,978 (-6%)</p>	<p>73,978 (-6%)</p>	<p>Employee figures only. Model based</p>

	Census base count differences from AMR table due inclusion / exclusion of count of off shore workers etc.)					figures are estimated Full Time Equivalent (FTE). See 10. below for self - employment estimates
3. Total employment (including self - employed) (2+10)	69,041	72,000	93,400 (75,400)	87,796 (-6%)	87,796 (-6%)	
4. Unemployed (% = 4/1)	2,715 (3.6%)	2,400 (3.3%)	1,000 (1.1%) (1,500 - 1.7%)	940 (1.1%)	940 (1.1%)	These estimates are based on proportion of economically active and differ from more commonly used claimant

						count figures
5. Full time students economically Active)	2,797	Not available (assumes included in total employment)	Not available (assumes included in total employment)	Not available (assumes included in total employment)	Not available (assumes included in total employment)	
<b>LABOUR DEMAND (jobs available in District)</b>						
6. Total number of jobs in District (workplace jobs – employees only)	47,337	56,000  (Nomis 70,000 Adjusted minus 20% see notes below)	80,000	80,000	80,000	Sources differ. NOMIS and EEFM use BRES sample data which tends to over-estimate actual jobs.  EEFM adjusts to give FTE jobs accounting for double

						jobbing.
<b>DISTRICT POSITION</b>						
7. Total number of people residing and working in District (as % of total population in work) (7/2 )	20,475 (36%) (r)	Not available	Not available	Not available	Not available	
8. Net Commute (2-6) (1-6 for forecasts)	-9,138 OUT	-5,700 OUT	-5,600 OUT	- 355 OUT (rough balance)	adjusted +15,716 THEORETICAL IN (more jobs locally than available workforce)	
9. Self-employment	12,566	9,500	14,700	13,818 (-6%)	13,818 (-6%)	Estimates are excluded from

			(11,200)			<p><i>assessment of the commuting balance as all such jobs are assumed to be home based</i></p> <p><i>EEFM forecast figures do not take account of economic activity levels, which may adjust in practice – figures do not therefore sum</i></p>
Notes	<p>Figures equate approximately to table above. Note: minor discrepancies are due to Census source figure rounding</p>	<p>Shows significant job growth in period following recession.</p> <p>The decline in self-employment is part of this, as in the post- recession period self-employment rose significantly as</p>	<p>Reflects ONS / DCLG local demographic projections (National assumptions)</p> <p>EEFM converts job numbers to Full Time equivalent (FTE), so figures differ</p>	<p>(SADC proportional adjustments based on EEFM growth)</p> <p>Reflects SADC commissioned local demographic projections -SLP strategy</p>	<p>(SADC proportional adjustments based on EEFM growth)</p> <p>Reflects SADC commissioned local demographic projections -SLP strategy</p>	

		<p>workers set up their own businesses as a result of redundancies as reflected in the Census.</p> <p>Workplace jobs figure is BRES based and is likely to be an over estimate, as it includes jobs recorded in SADC but physically located up elsewhere – e.g. HQ office covering outwork or agency working and vacancies). This gives an unrealistic picture of actual out commute. Adjusted figure - a 20% out commuting allowance for this effect - is used as</p>	<p>from Census / ONS which records all jobs full and part time.</p> <p>Overall figures do not therefore sum.</p>	influenced	<p>influenced</p> <p>Illustrates effect of constant out commuting at assumed 20% 2011 level - in other words level of demand for jobs in other areas accessed by local residents.</p>	
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		a proxy. Actual out commuting in 2011 was 16% (8/2)				
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Source: Data combinations as indicated. As a result data additions and any EA rate calculations do not exactly match in figures used elsewhere.

It should be noted that the two main sources used in this table show substantial differences between estimates of numbers of jobs in existence in the District. This is noted and explained in Section 3 of the TR.



### 3.8 Spatial Planning Implications

The overall picture shown in Table 15 contains useful information for planning. However, it is very important to consider the outputs in terms of general growth levels and trends. Absolute numbers in the forecasts are very uncertain / unreliable.

*The trends demonstrate that the expected low level of growth in working age population in the District and potential job growth could result in a closer balance between the workforce and jobs available, achieved by reduced out commuting.*

It should be stressed that this is a very theoretical viewpoint and in practice planning decisions need to take account of other factors. This is discussed further below.

The analysis in the Table also shows that because, in reality, out commuting is likely to continue and *if the out commuting level is taken as fixed, the local workforce will be somewhat smaller than the number of jobs available.*

This understanding of the workforce / jobs balance comes with an important rider. The EEFM sectoral jobs forecast is a projection and is currently very optimistic in outlook, reflecting a recent period of economic recovery and very high levels of job growth. The analysis above illustrates the extreme volatility of sectoral economic / jobs forecasts in the face of changing economic prospects.

This point is emphasised through recent Local Plan examination experience. For example the Central Bedfordshire Plan Inspector made the following points to the Council (Ref 37):

“The Council appears to derive its objectively assessed employment need from the EEFM. However the outputs from this appear to fluctuate widely on an annual basis. For example.....the 2013 output...was 15,000 jobs while the interim 2014 figure was 23,900. This had increased to 26,700 by the time of the hearing session. The headroom that can be regarded as aspirational within the 27,000 (target) proposed therefore varies from year to year.”

If this potential level of job growth does prove to be a realistic prospect, then labour market conditions are, in themselves, likely to stimulate behavioural adjustments by local employers. The extent to which jobs grow locally will be affected by employer decisions in direct response to the tight local labour supply and potentially higher labour costs. Possible consequences may include decisions to adjust methods of working to increase productivity through use of technology or changes in working methods, overtime working mobile working and outsourcing of work to remote locations. Business relocation decisions may also arise. Many elements of these adjustments can be seen as achieving greater economic efficiency.

The economic development position is that:

- There could be a “surplus” of local job vacancy / availability;
- Local residents will have no difficulty finding work. This fits with a historic trend in SACD of a tight employment market with many job opportunities and competition with a strong London job market and higher remuneration there;
- There may be opportunities for reductions in out commuting with potential benefits in reduced congestion. However this seems unlikely given the wider FEMA position with its complex patterns of home to work movement and the particular London pull and effect of radial rail infrastructure. It seems much more likely that local employers will adjust their workforce planning in response as described above;
- The buoyant job market will work to encourage high levels of economic activity. This will be seen in greater opportunity for work in older age groups and by full or part time students. Double jobbing and portfolio employment / self-employment styles of working will probably increase;
- Overall this represents the ‘normal’ position for the District in times of general economic and job growth. At most times during the post war period the SACD economy has been relatively buoyant and there has been a very low (frictional level only) unemployment rate.

The following spatial planning implications can be identified:

- Any attempt to increase the local working population by allocating more housing land is likely to be completely subsumed in the wider TTWA economy, with SACD simply taking up a greater dormitory role for other areas, particularly London;
- Any planning imperatives to retain / allocate employment land arise from specific sub regional and local economic development needs (discussed elsewhere in the TR), rather than any theoretical quantification of job needs attributable to the local population.
- Particular spatial planning policies for business land and premises in SACD will need to be justified on the basis of specific local economic development strategy and regeneration needs or opportunities.

### **3.9 Conclusions**

The context for spatial planning decisions is of a healthy, historically relatively robust local economy, set in an improving national economic context. Local prosperity is however closely linked with the fortunes of London as a ‘world city’.

Overall, spatial / land use planning can only respond to the general economic climate described above. It cannot change economic conditions in a significant way, though it can have a local level influence in the long run. The main role of planning is in creating or facilitating new physical regeneration opportunities and making land available for economic activity.

This TR deals only with B Use Class land uses and premises. For the District's population alone, there is no theoretical, quantitative, justification for provision of land and accommodation to accommodate more B Use Class jobs. For that reason the SLP does not include a jobs / employment land provision target.

However, the District level relationship between homes / workforce and forecast job growth has to be seen within a large TTWA, which exhibits a variety of economic development needs and opportunities. There are particular economic development reasons and opportunities, arising from local economic geography, that suggest the need for a spatial planning policy intervention in the B Use Class land and premises market. As a result SLP is predicated on playing a big part in meeting wider than District economic development aspirations. This approach provides an exceptional circumstance justifying some adverse impacts on Green Belt. This issue is considered in detail in Sections 4, 5 and 6 below.

**SECTION 4**

**CURRENT LAND AND PREMISES PROVISION**

#### 4.1 Employment (Business Use Classes) Floor-space Stock and Stock Change Trends

The 2015 SADC Authority’s Monitoring Report (Key Data Source 3) draws on planning permission and Valuation Office Agency (VAO) data (Key Data Source 4) to record B Use Class premises stock and annual stock change 2001 – 2012 in the two main categories of premises type as determined by their physical characteristics; industrials (shed) / office.

VOA data can be combined with information from the Estates Gazette (EG) commercial property database to give vacancy information (Key Data Source 5)

The industrial category covers all shed type premises and includes warehousing. The combination of B1c/B2/B8 use classes as shed space is an approach normally taken in marketing and is applied, where possible, consistently throughout this section of the TR. This is justified by the fact that flexible / multiple uses are often specified for this type of building. In the EG classification and adverts for shed type buildings warehousing (B8) is often taken as the primary use for marketing purposes, whereas the building is also suitable for industrial and mixed use. As a result, if B1c/B2/B8 were presented separately the B8 element would tend to be over-recorded, especially through the EG data source.

It is important to note that EG recorded B1 space is strictly office or research and development (B1a and b) space and does not include B1c (light industry). This classification is generally accurate because most B1c space in the District is in the form of shed type buildings. To classify B1c space in the standard B1 category would lead to data that would not accurately reflect the physical characteristics of employment floor-space in the District.

**Table 16 B Use Class Floor-Space Stock Change 2001 – 2012**

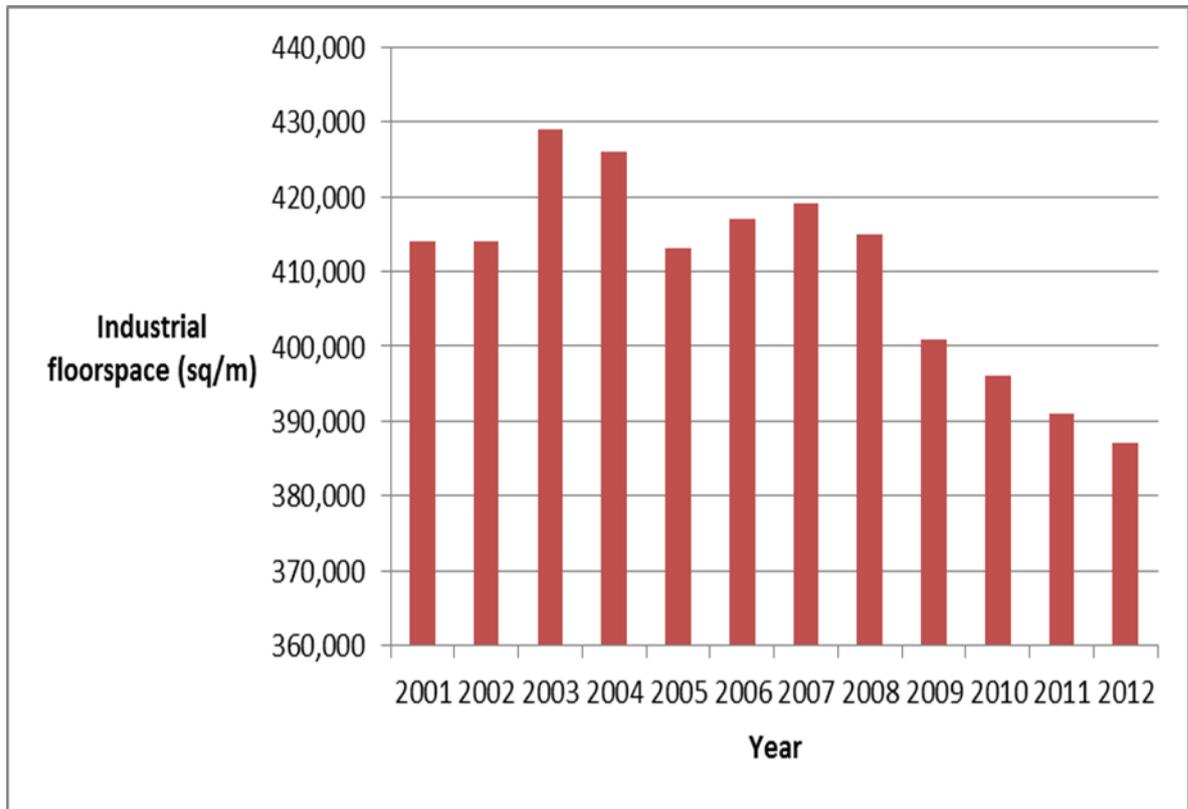
<u>Year</u>	<u>Floor-space in sq m</u>	
	<b>Industrial style including warehousing</b>	<b>(shed premises including warehousing) Office</b>
2001	414,000	235,000
2002	414,000	217,000
2003	429,000	223,000
2004	426,000	214,000
2005	413,000	214,000
2006	417,000	218 000
2007	419,000	220,000
2008	415,000	219,000
2009	401,000	220,000
2010	396,000	225,000

2011	391,000	220,000
2012	387,000	217,000

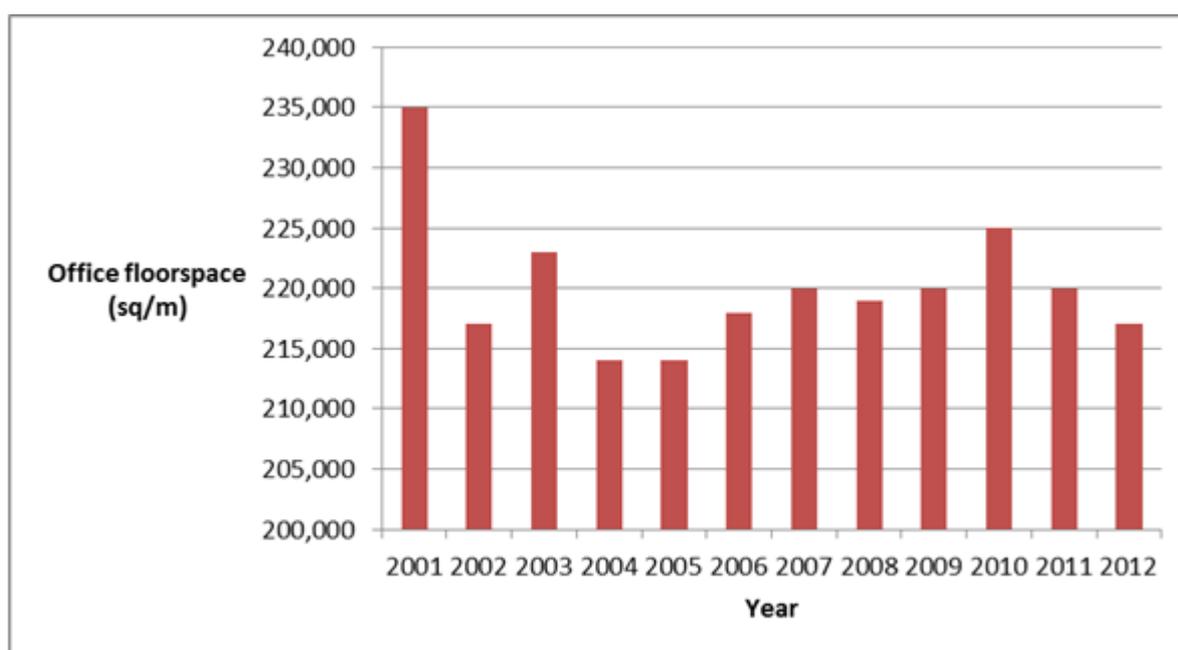
Source: AMR, drawing on VOA data

**Figure 13 B Use Class Floor-Space Stock Change 2001 – 2012**

**Figure 13 (i) Industrial (Shed)**



**Figure 13 (ii) Office**



The most recent VOA data set is from 2012, hence the data ranges from 2001-2012 and not 2015.

Over the period 2001 to 2012 the level of B Use Class floor-space stock in the District has been relatively static, but with an overall trend of declining provision. There have been decreases, albeit relatively small, for both industrial (- 27,000 sq m; 6.5%) and office (- 18,000 sq m; 7.7%). Overall loss is minus 45 000 sq m (6.9%).

This position probably reflects four main influences that are considered in more detail elsewhere in this report:

- Land value and market pressures to convert commercial land and premises to higher value uses (residential and retail / leisure)
- Furthermore, planning policy at national level is increasingly driven towards encouraging residential development at the expense of employment land and premises (NPPF and office to residential permitted development rights - PDRs see below)
- despite overall job growth, there is a trend away from job types that require commercial business premises and a growth in home and mobile working
- Generally, there is low market demand for large scale speculative development and inward investment (especially for offices)
- Little opportunity has arisen for new provision because local economic development and planning policy has been restraint

based (Green Belt / built environment conservation). In particular, planning policy has not encouraged growth that requires new green-field land

The planning application monitoring in the 2015 AMR can be used to update stock change information, and also to provide more detail of the nature of recent changes (use class and premises types).

**Table 17 B Use Class Floor-space Stock Change to 2015 (Sq m)**

Year	Floor space	Use Class							Total
		B0	B1	B1a	B1b	B1c	B2	B8	
2004-05	Gain	9,359	0	3,492	24	0	0	540	13,415
	Loss	138	0	1,620	0	2,099	15,951	1,445	21,253
	Net	9,221	0	1,872	24	2,099	-15,951	-905	-7,838
2005-06	Gain	17,253	0	8,104	0	0	0	0	25,357
	Loss	70	0	1,384	7,911	525	221	4,484	14,595
	Net	17,183	0	6,720	7,911	-525	-221	-4,484	10,762
2006-07	Gain	0	250	5,501	1,640	0	0	6,224	13,615
	Loss	4,146	1,540	1,989	17,158	0	5,226	350	30,409
	Net	-4,146	-1,290	3,512	15,518	0	-5,226	5,874	-16,794
2007-08	Gain	0	585	0	1,361	0	147	0	2,093
	Loss	0	1,139	106	0	0	0	3,439	4,684
	Net	0	-554	-106	1,361	0	147	-3,439	-2,591
2008-09	Gain	7,944	0	1,222	1,650	594	0	298	11,708
	Loss	10,168	86	1,577	362	1,006	4,748	8,479	26,426
	Net	-2,224	-86	-355	1,288	-412	-4,748	-8,181	-14,718
2009-10	Gain	0	0	1,029	0	0	480	6,564	8,073
	Loss	0	132	8,970	0	97	480	1,990	11,669
	Net	0	-132	-7,941	0	-97	0	4,574	-3,596

<b>2010-11</b>	Gain	0	0	335	168	0	741	0	1,244
	Loss	544	811	2,124	0	579	2,968	412	7,438
	Net	-544	-811	-1,789	168	-579	-2,227	-412	-6,194
<b>2011-12</b>	Gain	0	0	708	0	0	198	307	1,213
	Loss	0	190	2,161	0	46	860	36	3,293
	Net	0	-190	-1,453	0	-46	-662	271	-2,080
<b>2012-13</b>	Gain	0	0	420	977	651	590	43	2,681
	Loss	0	0	6,697	1,153	1,342	758	1,648	11,598
	Net	0	0	-6,277	-176	-691	-168	-1,605	-8,917
<b>2013-14</b>	Gain	0	0	232	330	118	0	1,162	1,842
	Loss	0	0	3,581	0	0	7,500	1,070	12,151
	Net	0	0	-3,349	330	118	-7,500	92	-10,309
<b>2014-15</b>	Gain	0	1,019	1,661	2,720	2,061	2,342	4,119	13,922
	Loss	0	0	14,284	466	3,078	1,765	4,994	24,537
	Net	0	1,019	-12,623	2,254	1,017	577	-825	-10,615
<b>Total 2012-15</b>	Gain	0	1,019	2,313	4,027	2,830	2,932	5,324	18,445
	Loss	0	0	24,562	1,619	4,420	10,023	7,712	48,336
	Net	0	1,019	-22,249	2,408	1,590	-7,091	-2,388	-29,891
<b>Total 2004-15</b>	Gain	34,556	1,854	22,704	8,870	3,424	4,498	19,257	95,163
	Loss	15,066	3,898	44,493	27,050	8,772	40,477	28,297	168,053
	Net	19,490	-2,044	-21,789	18,180	-5,348	-35,979	-9,040	-72,890

Source: AMR 2015

Table 17 shows that more recently (period 2012 - 2015) there has been a further net loss of floor-space. The largest net loss of in this period was in B1a office use (-22,249), whilst there was a small net gain in B1b research and development use (2,408). Overall, there was a net loss of 29,891 in floor-space over this three year period.

The Table records nine consecutive years where a loss has been recorded through monitoring planning application data. Since 2004 there has been a loss of 72,890 sq m of employment floor-space in the District. These losses can again be attributed to the influences described previously.

These figures are not entirely compatible with the VOA data due to recording differences between sources, but the figures can generally be combined to give a current (April 2015) business floor-space stock estimate (using the broad shed / office split) as follows:

**Table 18 B Class Floor-space Change 2004 – 2015 and 2015 Stock Estimate (sq m)**

Source	VOA			AMR		
	Shed	Office	Total	Shed	Office	Total
1. 2004 base	426 000	214 000	640 000			
2. 2012 base	387 000	217 000	604 000			
3. (2004–2012 change)	(-39 000)	(+3000)	(-36 000)			
4. 2012/3 change from 2012 base				-2 640	-6 277	-8, 917
5. 2013/4 Change from 2012 base				-6 960	-3 349	-10, 309
6. 2014/15 change from				989	-11,604	-10,615

<b>2012 base</b>						
<b>7. Combined change 2012 – 2015 change (4+5+6)</b>				-8,611	-21,230	-29,841
<b>8. <u>Combined 2015 (April 1st) base-estimate of stock (2+7)</u></b>	378,389	195,770	574,159			

Source: VOA and AMR 2015

An additional source of B class premises stock information is available in the form of a combination of Valuation Office Agency data and market data published by Estates Gazette (Key Data Sources 4 / 5). This provides a very useful cross check on the accuracy of SACDC monitoring in the AMR. It also gives an estimate of overall stock vacancy levels.

A summary of the position for the District is provided in Table 19 below. The table follows the shed office split used previously.

**Table 19 Stock and Vacancy Estimates April 2015**

<b>Category</b>	<b>B2/B8/B1c (shed)</b>	<b>B1a/B1b (office)</b>	<b>Total (sq m)</b>
All active units paying business rates based on VOA data (sq m)	341,004	186,446	527,450
Advertised units on Estates Gazette (sq m)	32,652	14,378	47,010
Total (sq. m)	373,636	200,824	574,460
Total (%)	65%	35%	100%

Vacancy rate (%)	8.7%	7.1%	8.2%
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Source: SADC interrogation of VOA and EG data

Total stock of B class floor-space, recorded in this source, is 574,460 sq. m. General shed space (B2/B8/B1c) is 65% of the total. Office stock (B1a) is 35% share of the total.

Overall vacancy levels are at 8.2%, which could be taken as close to a normal, frictional, turnover level (say 5-10%). Looking at the two premises types separately, B1a/b vacancy levels are at 7.1%, perhaps reflecting the relative strength in the District of employment sectors that use office space (see Section 5 of the TR). For shed accommodation the vacancy rate is higher at 8.7%. This is still at frictional levels, but the relatively higher percentage may also reflect the trend to falling demand from the employment sectors using this type of space and possibly the varied age and quality of existing stock (see analysis later in the Section of the TR).

The VOA / EG information also provide some useful information on total numbers of premises units (active and advertised) and thus on average unit sizes, as set out in Table 20 below.

**Table 20 Average Size of Available Premises April 2015 (sq m)**

Category	B2/B8/B1c (shed)	B1a/B1b (office)	Total (Unit numbers / sq. m)
Total number of units (active)	131	120	251
Average size - Active units paying business rates based on VOA data (sq m)	1,015	187	1,202
Total number of units (advertised)	38	51	89
Average size - Advertised units on Estates Gazette (sq m)	1,743	282	2,025
Total Average Size (active and advertised) Shed (sq m)			1,379
Total Average Size (active and advertised)			235

Office (sq m)			
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Source: SADC interrogation of VOA and EG data

In the case of both sheds and offices, the average size was larger in advertised premises than in active premises. Average shed advertised premises size was 1,743 sq m, compared to active premises which were 1,015 sq m. The average size of active office units was 187 sq m, compared to the average size of advertised office space which is 282 sq m. This could be attributed to the size of the companies who are attracted to the District, in terms of the office space they need. The total average size of active and advertised shed space was 1,379 sq m whilst for office space is was 235 sq m.

This gives some indication of the premises opportunities available and the sizes of businesses that might be able to locate or expand in the District. Unsurprisingly in view of the factors discussed above, current availability tends to be in general turnover of small to medium sized units, reflecting a lack of large scale development or reuse opportunities.

#### 4.2 Overview of Premises Stock

Overall the VOA / EGI sources of current stock information fit well other historical sources and confirm understanding of the existing B class land and premises resource in the District.

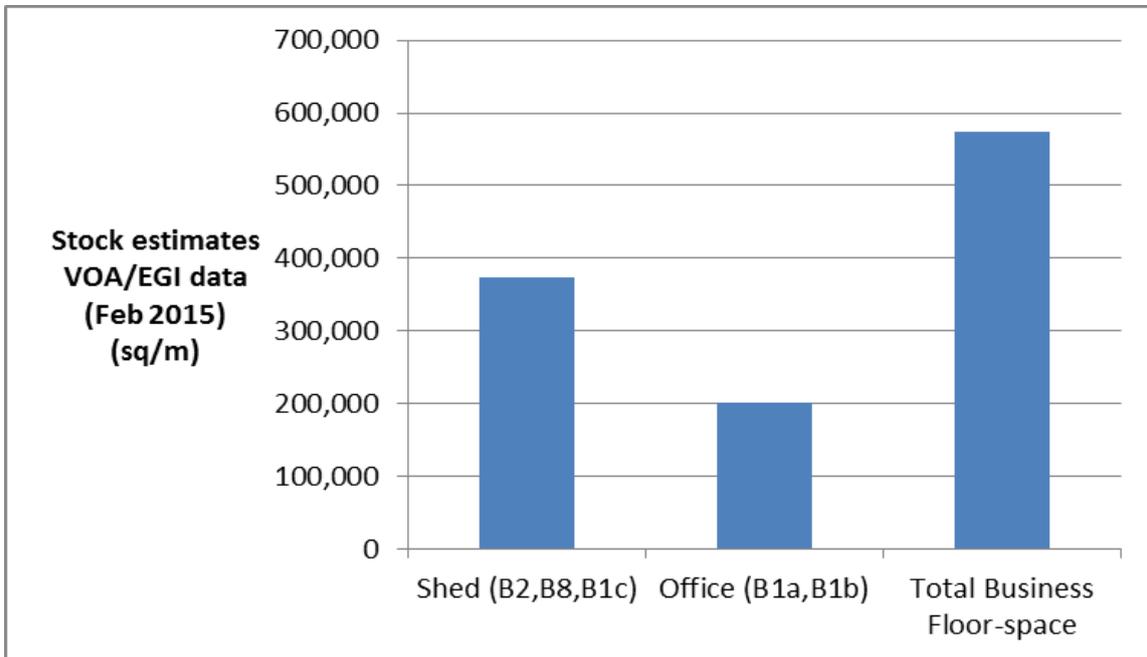
There is a close correlation between VOA/EG data for 2015 and combined historical VOA/AMR data. This is summarised in Table 21 below.

**Table 21 Comparison of Stock Estimates VOA / EG data (Feb 2015) and AMR 2015 (sq m)**

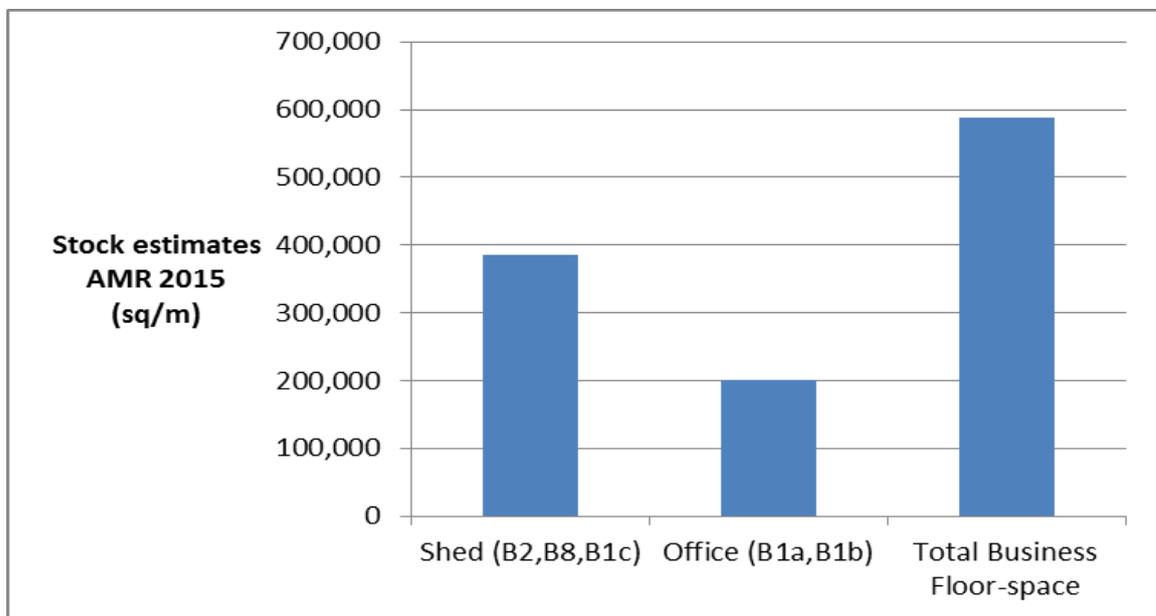
Source	Shed (B2 / B8/B1c)	Office (B1a/B1b)	Total business floor-space
VOA / EGI	373,636	200,824	574,460
AMR 2015	378,389	195,770	574,159

**Figure 14 Stock Estimates 2015**

**Figure 14 (i) VOA/EG**



**Figure 14 (ii) AMR**



Stock estimates by VOA/EGI data and stock estimates by AMR data in 2015 are almost identical. The majority of this floor-space is made up of shed space, whilst office space makes up an estimated 200,000 sq m.

AMR data records commitments for new B class floor-space. Totals are summarised in Table 22. Both shed and office space would increase if all

unimplemented planning permissions were successfully applied. In the case of office space, this increase would be more significant than shed space. However as the Table notes the opportunities identified are in reality limited and the significant commitments are now unlikely to be implemented.

**Table 22 Future Opportunities Under DLPR Planning Policy – B Use Class Land and Premises April 2015 (sq m)**

Category	B2/B8/B1c (shed)	B1a/B1b (office)	Total (sq. m)	Notes
With permission (unimplemented)	1,843	9,955	11,798	The land currently with permission is largely in the form of office space, generally reflecting the current theme of employment growth in the District. There is a small amount of shed space with permission available. Most of the opportunities are relatively small scale extensions / redevelopments within existing B use areas and sites.
Allocated in District Local Plan Review (DLPR) (1994)	14,800	3,300	18,100	<p>This figure is made up of two areas: at Punchbowl Lane/Cherry Tree Lane (edge of Hemel Hempstead) for sheds* and Ridgmont Road, St Albans for offices.</p> <p>These sites are unlikely to be developed in the foreseeable future. The shed site is constrained by the Buncefield Oil Depot (see Section 6 of TR) and the office site is constrained by railway / car parking uses / residential pressures.</p> <p>* DLPR EMP 7 area only. Additional land allocated under DLPR Policy 26 has now been converted to a residential plan as a result of changes in the Dacorum Local plan. This is</p>

			explained further elsewhere in the TR.
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Source: AMR 2015

The figures in Table 22 are for floor-space permitted, not net gains taking account of previous land uses. Thus the actual stock gain is less than the figures given and capacity available should be seen as an estimate. Net gains will be recorded in the AMR (Key Data Source 3) as they are implemented.

Table 22 shows that there is currently little capacity for new development. There are very few opportunities for new development within allocated employment areas other than by redevelopment or extensions and no vacant / unused land realistically available. The potential role of redevelopment and intensification should not however be underestimated, particularly in respect of the theoretical need for more office space. This type of capacity is very dependent on property market conditions and individual user initiatives. Current market conditions and national planning policies do not encourage this type of development, particularly on a speculative basis (as discussed elsewhere in the TR).

It is important to note that the above table does not take into account the recently permitted Strategic Rail Freight Interchange (SRFI – see Section 6 of the TR). If this development was included in the figures for this table, the shed space with permission would increase dramatically by 331,665 sq m, effectively a doubling of stock, with a clear bias to large scale users and inward investment.

#### **4.3 Main Employment (B Use Classes) Locations**

Below is a descriptive and qualitative assessment listing (with area maps) covering all the main employment (B Use Class) areas as set out for purposes of Policies 20 - 23 in the DLPR (Key Data Source 8). These areas are protected for employment use and have offered the main B Use Class development options in the DLPR.

In addition the list and maps include the following significant central area office clusters:

- St Albans City Station (Office 1)
- St Albans City Centre (Office 2)
- St Albans Abbey Station/Griffiths Way (Office 3)

These office locations are not specifically identified or defined in the DLPR because central area offices are by nature part of mixed use areas. DLPR policies reflect this.

There is a Key Map at Figure 15.

The Key map includes the Draft SLP Special Employment Locations (Regional and National significance). These are not assessed as they are unique and dealt with separately in Draft SLP policy.

Full details of the areas identified in the DLPR and Publication Draft SLP (the Special Employment Locations) and policies applicable in all the areas listed and mapped are available in the Plan documents.

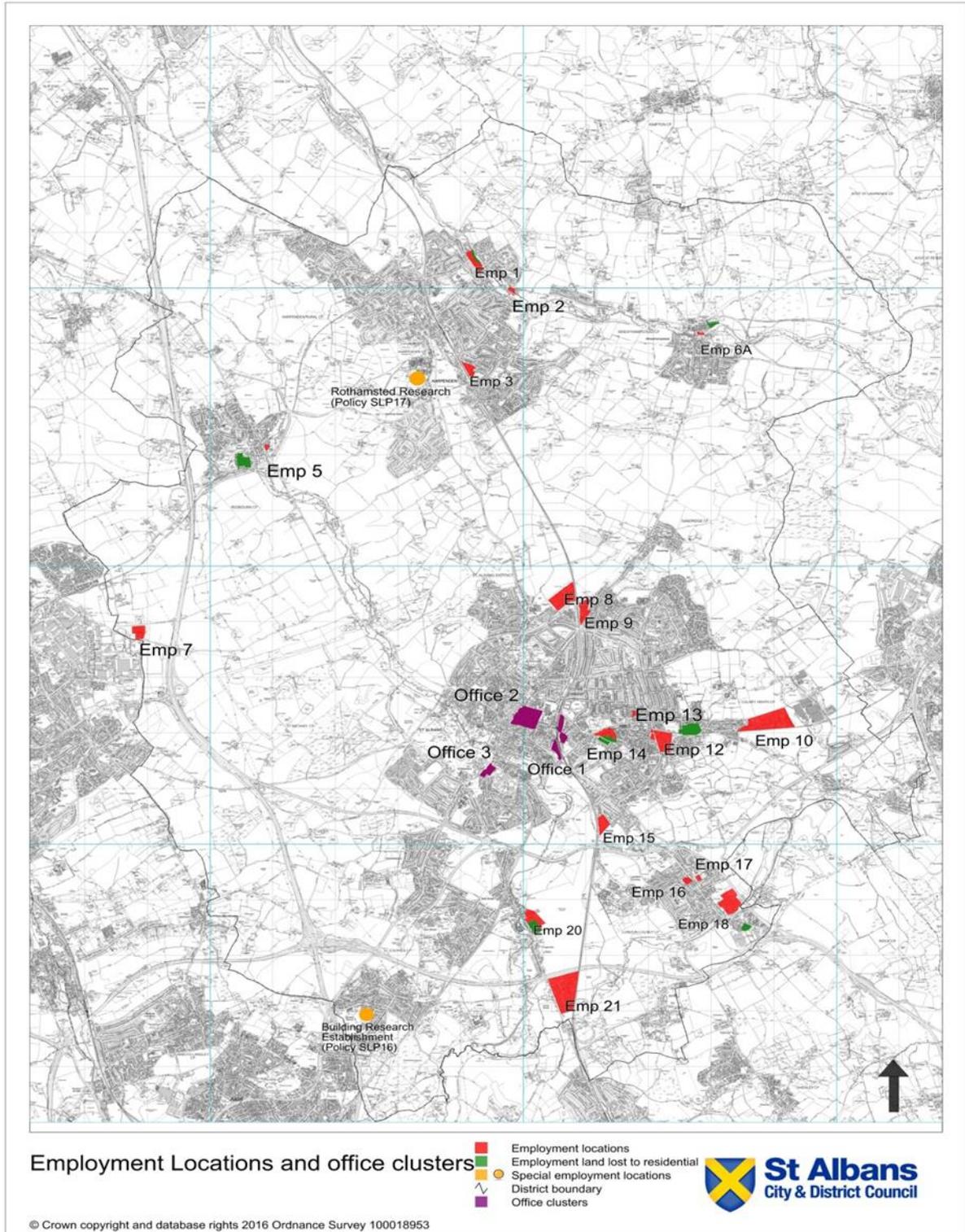
LAELS undertook a review of employment land provision, including a qualitative assessment of all the employment areas designated in the DLPR. This did not cover the central area office cluster locations identified above.

The qualitative assessment has been revised and updated (base survey date is April 2015).

The LAELS qualitative assessment framework has been used with some minor adjustments. Again the office clusters have not been included as they cannot be assessed in the same framework. Their role is considered separately and more generally in the notes.

The detailed assessment framework and results from LAELS plus the ratings behind the update conclusions are set out in detail at Appendix 1.

**Figure 15 Main Employment (B Use Classes) Locations and Office Clusters**



## **4.4 Main Employment Location Assessments**



<b>Reference</b>	<u>EMP 1- Coldharbour Lane, Harpenden</u>
<b>Size of area</b>	3.57 ha (remaining – green area lost to residential redevelopment) 40 Units (approximate)
<b>Area assessment</b>	Major employment site to the east of Harpenden. A significant part of the original DLPR area has been lost to residential redevelopment. Outline permission was granted for demolition of existing and erection of 67 dwellings and two class B1 offices at Lea Industrial Estate to the east of the site (5/2013/3078) – shown green on map). This work is currently under construction. On the northern boundary of the area, permission was granted at 48 Coldharbour Lane to Stanley Handling for demolition of existing mainly B1/B1c/B2 use classes and erection of 3 office units (5/2013/2183) in 2013. This is yet to be

	<p>implemented.</p> <p>The internal environment of the area is generally good. It contains a mixture of older industrial and storage/distribution units as well as high quality offices on the in the southern corner of the area. The external environment varies. The majority of the area is split into separate business park style sites. On the whole these sites have an average quality external environment, with reasonable parking provision. The high quality office site to the south of the employment area has modern parking facilities and a good quality external environment.</p> <p>The area is bounded on all sides by residential development. Additionally, the River Lea slices through the centre, splitting off the Lea Industrial Estate from the remainder of the area. Road access is therefore average, with the majority of the site served by a narrow, residential type street. To compensate, road access to each individual site within the area is good and suitable for the range of vehicles using the employment area. Furthermore, access to the area by public transport is good. The area is served well by various bus routes and Harpenden Train Station is within walking distance.</p> <p>Local market conditions are good for the size and location of the area. Vacancy rates are low/frictional for the size and location of the area (2.5%). The area is mainly made up of premises' which are occupied by local/regional wide companies. Some of the high quality office space is occupied by more nationwide companies. However the occupants also include local companies who serve the District's community. The details of these companies are explained more below.</p> <p>Combining all these factors, the area is of a "good" quality.</p>
<p><b>Main occupiers</b></p>	<p><b>Jarvis Ltd</b> - construction related services;  <b>Churchills</b> - nationwide service solutions company;  <b>JMS</b> - nationwide company that offer specialised hire equipment to the mechanical, electrical and heating/ventilation industries. <b>PHA Comms-</b></p>

	locally based professional and consultancy services, with special focus on the telecommunications and renewable energy Industries.
<b>Remaining developable area</b>	No remaining developable area other than redevelopment of existing facilities.  Redevelopment of Lea Industrial Estate is on-going and will provide new opportunities. 48 Coldharbour Lane, Stanley Handling has the potential to be re-developed for a mix of office and residential accommodation in the future - see application 5/2013/2183
<b>Area constraints</b>	The area is constrained to the north and the east by residential land, to the south it is constrained by residential land and allotment gardens. To the west the site is constrained by the Lea Valley Walk.
<b>Vacant Units</b>	1 unit (2.5%)



These two images (points 1 and 2 on the map) highlight the range of uses and quality of premises' in EMP 1. They also show the business park style of each individual site. The image below identifies an example of the slightly poorer quality buildings which can be found in this area (point 3 on map).



Floorspace estimates based on VOA and EG data (Sq M)

Reference	Location	Floorspace (B1)	Floorspace (B2)	Floorspace (B8)	Overall floorspace	Plot ratio (%)
EMP 1	Coldharbour Lane, Harpenden	1,200	11,000	100	12,300	34%

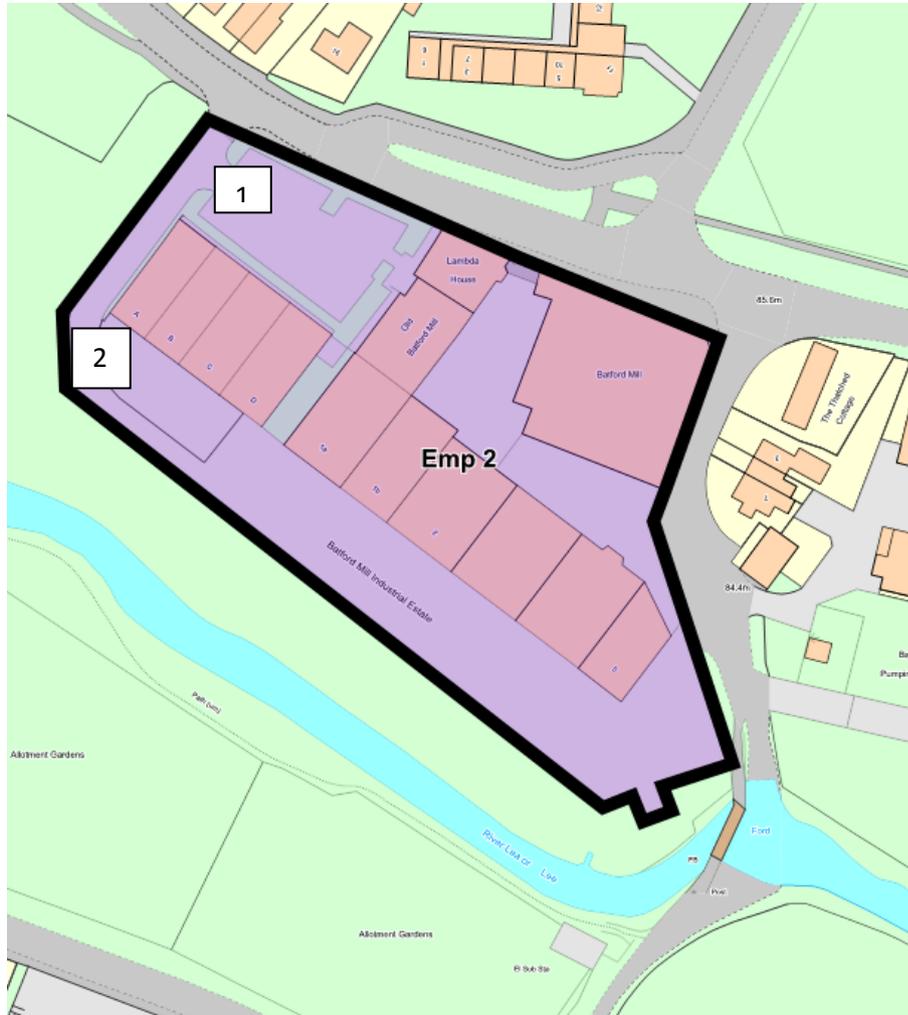
\* figures rounded to nearest whole number

### Future role of employment area

EMP1 provides well located modern and well maintained B1/B8 facilities premises for local businesses.

The remaining area of EMP 1 has been assessed as “Good” on the overall quality of the area. This is evident in the quality of the newest buildings. The area rated good in the accessibility of the site by road and by public transport. The site has good levels of parking provision.

The site is big enough to provide a viable business community / cluster. The area can clearly continue to provide a valuable local business and services role for the Town.



<b>Reference</b>	<u>EMP 2- Batford Mill Industrial Estate, Harpenden</u>
<b>Size of area</b>	0.91 ha 13 units
<b>Area assessment</b>	Small employment area located near EMP 1. Mixed properties in the area but mainly sheds with linked ancillary office accommodation. Mainly manufacturing B2 uses with associated administration and

	<p>storage.</p> <p>The internal environment is generally poor. However, the presentation and maintenance of the predominantly shed accommodation are appropriate to users. The buildings are not of the highest quality, but appear appropriate and valuable for the current users. They are likely to be a practical and economical form of accommodation.</p> <p>The external environment is better on the whole, but still average in comparison with other employment areas in the District. Parking provision is average.</p> <p>The area is relatively accessible within the town for employee and customer access, but does not have main "A" road access, nor the best vehicular servicing facilities and parking. Access by public transport is good, with the area well served by bus routes.</p> <p>Local market conditions are average. There are no vacant units in this area, which indicates the value of the premises to the local economy is normal for a site of this size.</p>
<b>Main occupiers</b>	<p><b>Superfine Tapes Co Ltd</b> - local company specialising in adhesive tapes in many forms; <b>RB Plastic Fabrication</b> - local company that serves as a plastic products fabricator ; <b>Lambda Photometrics</b> - provides hardware, software and integrated solutions throughout the UK and Ireland.</p>
<b>Remaining developable area</b>	<p>No remaining developable area other than redevelopment of existing facilities.</p>
<b>Area constraints</b>	<p>The area is constrained by the Lower Luton road, residential land and part</p>

	landscape conservation area plus the Lea Valley including Green Belt, Batford Spring Open Space, allotments and the River Lea.
<b>Vacant units</b>	0 vacant units (0%)



These two images were taken at points 1 and 2 on the map. They highlight the general internal and external environment of this employment area. The buildings within this area are mostly old or were renovated some time ago. The B1 facilities are of a better quality than the B2/B8 facilities in the right hand image.

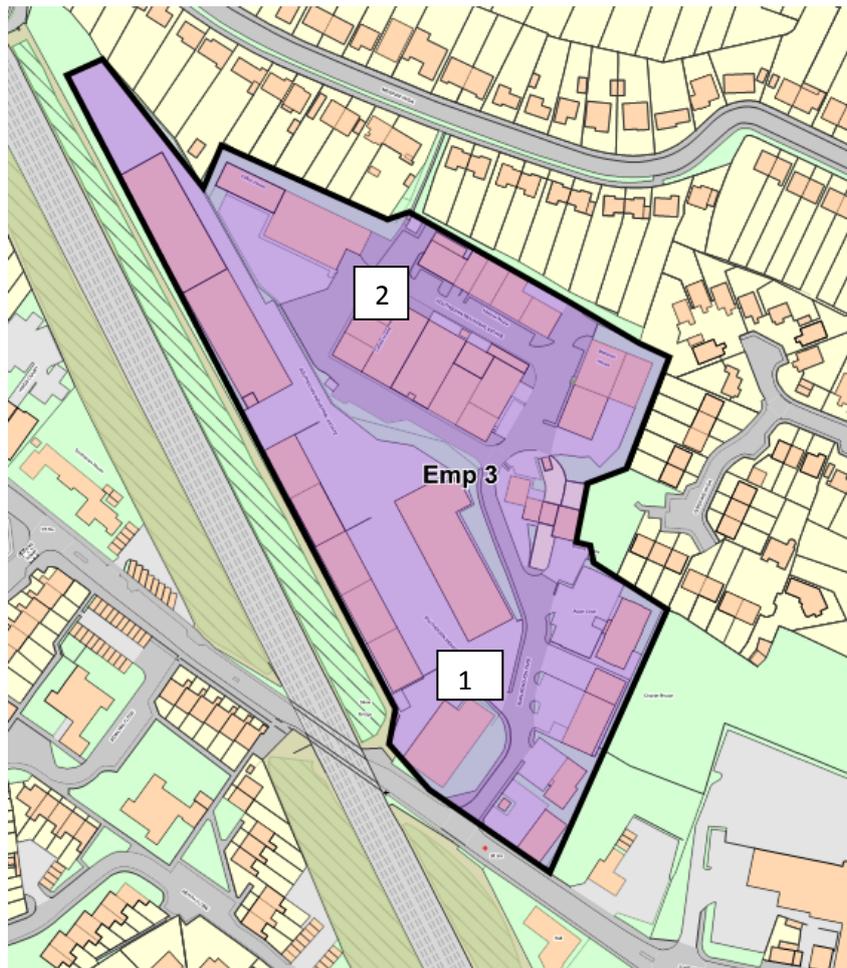
Floorspace estimates based on VOA and EG data (Sq M)

\* figures rounded to nearest whole number

Reference	Location	Floorspace (B1)	Floorspace (B2)	Floorspace (B8)	Overall floorspace	Plot ratio (%)
EMP 2	Batford Mill Industrial Estate, Harpenden	600	3,000	0	3,600	40%

### Future role of employment area

EMP 2 is one of the smallest employment areas in the District. It performs a valuable local economic and service role, supporting small business through providing flexible B use class space. The employment area is set in a high quality surrounding environment and the buildings and uses do not complement the character of the surroundings. The site is intensively used and there is no remaining developable area. The area received an “average” rating in the overall quality of the area.



<b>Reference</b>	<u>EMP 3 - Southdown Industrial Estate and Former Gas Works (part), Southdown Road, Harpenden</u>
<b>Size of area</b>	2.96 ha 36 units
<b>Area assessment</b>	Medium sized employment area located in central Harpenden. The internal environment of the area is generally good. Majority of the area is made up of average quality light industrial / storage shed space with ancillary offices. There are good quality B1 offices located at the south-east corner of the area.

	<p>The external environment of the area is average, with roads in a reasonable state of repair. Parking provision (though limited) and immediate site access is well designed and convenient.</p> <p>The location of the area makes it easily accessible by road and public transport. The site is very conveniently located for local employee access and customer access. The area is easily walkable from Harpenden Train Station which provides regular links into London. The access road to the site is constrained by a low rail bridge making the area less convenient for large scale delivery. This may influence the type of company occupancy.</p> <p>Local market conditions are good and vacancy rates are low for the size and location of the area. The area not only provides employment space for local companies, but also good quality office space for larger, nationwide / regional companies.</p> <p>Permission granted for change of use of Collingham House from C3 residential to B1a offices and extensions. This has been successfully implemented. (5/2013/1389).</p>
<b>Main occupiers</b>	<p><b>Mainrock</b>- regional company with offices in London and Milton Keynes as well as Harpenden. Provide office furniture, workspace design services and office interiors; <b>Citronics</b> - local company specialising in car servicing and repairs;</p> <p><b>Access Group</b> - author of integrated business management software which has clients throughout the UK. HQ is in London.</p>
<b>Remaining developable area</b>	No remaining developable area other

	than redevelopment of existing facilities. There is considerable scope for redevelopment to improve existing premises and intensify uses.
<b>Area constraints</b>	The north of the area is constrained by residential land. The east of the area is constrained by residential and partly allotments. The west of the area is constrained by railway lines and a conservation area. South of the area is constrained by railway lines, a conservation area, Southdown Road and residential land.
<b>Vacant units</b>	1 vacant unit (2.7%)



The images above show the general quality and size of the buildings within this employment area. The majority of the buildings are sheds, although some ancillary office accommodation is provided within the shed type buildings. The images were taken at points 1 and 2 on the map.

Floorspace estimates based on VOA and EG data (Sq M)

Reference	Location	Floorspace (B1)	Floorspace (B2)	Floorspace (B8)	Overall floorspace	Plot ratio (%)
EMP 3	Southdown Industrial Estate and former Gas Works (part), Southdown Road	1,800	9,200	0	11,000	37%

\*figures rounded to nearest whole number

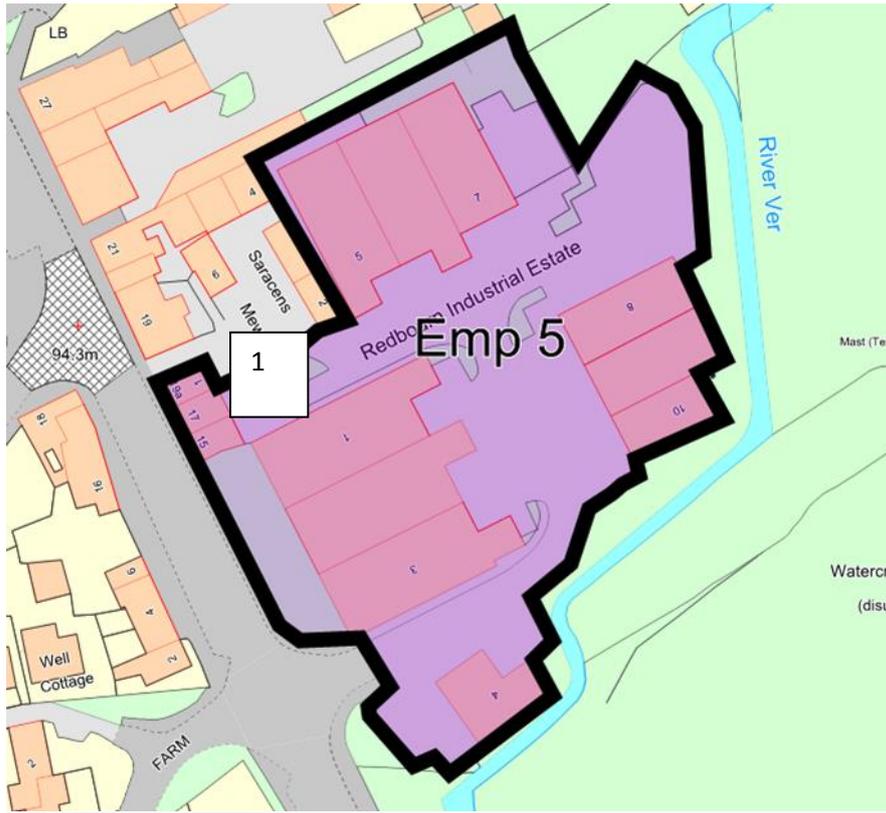
\*\* VOA floorspace figure adjusted through GIS mapping

### Future role of employment area

EMP 3 is a medium sized employment area located in the centre of Harpenden. It is primarily a mixed use employment area, providing B1a/B1c/B8 facilities.

Vacancy levels are good for the size of the area and the majority of the buildings are in a good state of repair. There would be scope for modernisation of premises through redevelopment, refurbishment and intensification. The site is big enough to provide a viable business community / cluster.

Overall, the area received a rating of “good” and the area contributes positively to the local economy of Harpenden. The area can clearly continue to provide a valuable local business and services role for the Town.



<b>Reference</b>	<u>EMP 5 - Redbourn Industrial Park, Redbourn</u>
<b>Size of area</b>	0.58 ha 10 units
<b>Area assessment</b>	<p>Small employment area located on Redbourn High Street. The internal environment is average with medium to good quality shed space providing B1/B2 uses to small firms. The buildings are relatively modern and in a good state of repair. The external environment is average for the size of the area, road quality within the area is average and car parking provision is normal for the amount of active businesses within the area.</p> <p>Immediate site access is well designed, but constrained by the location within the village.</p> <p>Accessibility by road is good. The area is located adjacent to the</p>

	<p>Redbourn Bypass and has good strategic road system access, being close to a major M1 Junction. However, accessibility by public transport is poor and relies upon the limited bus routes travelling through Redbourn Village.</p> <p>Local market conditions are average and vacancy rates are normal for the size and location of the area. The facilities provided are occupied by companies who are local to the area or are providing local services.</p>
<b>Main occupiers</b>	<p><b>Printforce.com Ltd</b> - local company providing various printing products from signs to banners; <b>Art Marketing</b> - a local based company considered to be a market leader in the home furnishing industry; <b>Redbourn Auto Solutions</b> - serving a purely local function, this company acts as an independent garage as well as making car sales.</p>
<b>Remaining developable area</b>	<p>Potential small area for development on north-eastern edge of the site. This space is currently being used for car parking.</p>
<b>Area constraints</b>	<p>Site constrained by residential area / conservation area to the north. Constrained by High Street and residential area to the west. To the south and the east, the area is bounded by the River Ver and Green Belt land.</p>
<b>Vacant units</b>	<p>1 unit (10%)</p>

Floorspace estimates based on VOA and EG data (Sq M)

Reference	Location	Floorspace (B1)	Floorspace (B2)	Floorspace (B8)	Overall floorspace	Plot ratio (%)
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EMP 5	Redbourn Industrial Park, Redbourn	2,000	2,000	0	4,000	69%
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\*figures rounded to nearest whole number

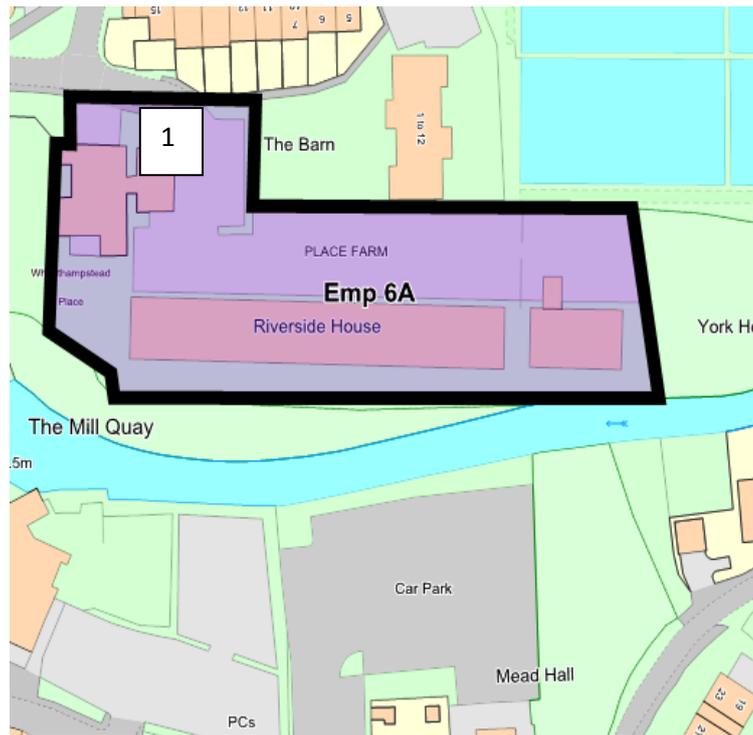


The image above was taken at point 1 on the map. It provides a good overview of the area, highlighting the type of buildings that are located within it. It also shows the potential area of redevelopment (outlined).

#### Future role of employment area

EMP 5 is a small employment area providing a mix of B1a/B1c/B2 facilities. There may be some limited scope for development in the future due to the amount of land currently being used for car parking on the north-eastern edge of the area.

Overall, the area scored “Average” on the Qualitative Assessment and maintains a local business and service function for Redbourn and the surrounding area.



<b>Reference</b>	<u>EMP 6A Station Road, Wheathampstead</u>
<b>Size of area</b>	0.47 ha 6 units
<b>Area assessment</b>	<p>Small employment area located on the northern edge of the village of Wheathampstead. Good to excellent quality B1a offices.</p> <p>Wheathampstead Place, an attractive historic building located at the entrance of the area, was subject to a part change of use in 2013 from class B1a office to C3 residential (5/2013/1921). The building still retains some office space, currently occupied by Lesmar.</p> <p>The area provides semi-rural office accommodation for companies operating regionally and nationally. The immediate local environment and setting is exceptional. All buildings within the area are of a good state of repair.</p>

	<p>The external environment is average, with quality of the roads being normal for the size of the area. However, immediate access to the area and levels of parking are not ideal due to the constrained site and village street environment.</p> <p>Accessibility by road and public transport is average to poor. This is due to the rural/village location of the area and proximity to strategic roads.</p> <p>Local market conditions are poor due to the location of the site and the occupier limited market and access to employees / customers. The location would not suit many occupiers.</p> <p>There is little or no local service activity in this area which is unusual for sites of a similar size in the District. There is no vacancy indicating the location is attractive to some types of company.</p>
<p><b>Main occupiers</b></p>	<p><b>ODM</b> - award winning sales and field marketing agency with its only office in Wheathampstead. Clients include Santander and American Express;  <b>Lesmar</b> - provide promotional products and corporate merchandise programmes. The company has its HQ in Wheathampstead; <b>Webstract</b> - local company that designs and installs advanced and proven web solutions. Focussed on electrical services and telecommunications.</p>
<p><b>Remaining developable area</b></p>	<p>No remaining developable area available, other than redevelopment of existing facilities.</p>
<p><b>Area constraints</b></p>	<p>The area is constrained by a Conservation Area covering all but 1 unit. Wheathampstead Place is also a Grade II listed building. To the north the area is constrained by residential dwellings. To the south the area is constrained by the River Lea. To the</p>

	west the site is constrained by Station Road. To the east, the site is constrained by wetlands/reeds and the River Lea.
<b>Vacant units</b>	0 vacant units (0%)



The image above was taken from point 1 on the map. It provides a view of the B1 accommodation which is based within the area and the good quality of these buildings. It also provides a perspective on the constrained nature of the area and the limited car parking facilities.

Floorspace estimates based on VOA and EG data (Sq M)

Reference	Location	Floorspace (B1)	Floorspace (B2)	Floorspace (B8)	Overall floorspace	Plot ratio (%)
EMP 6A	Station Road, Wheathampstead	3,200	-	-	3,200	68%

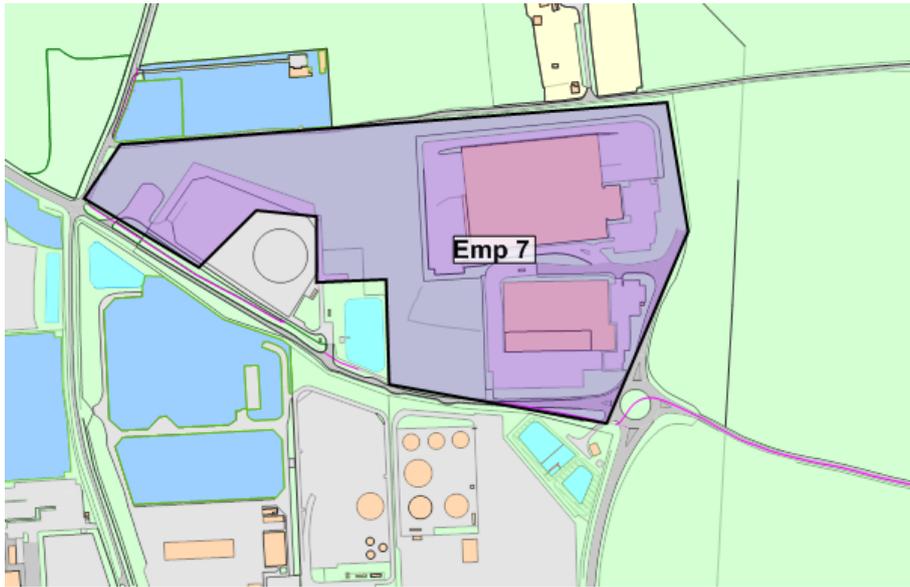
\* figures rounded to nearest whole number

\*\* VOA floorspace figure adjusted through GIS mapping

### Future role of employment area

EMP 6A is one the smallest employment area in the District. Due to the quality of the B1 space at this location, the area provides appropriate, convenient and good value offices for small to medium sized companies that serve markets unconnected to the location.

The area is constrained on all sides by a mixture of residential and wetlands, restricting any further development. This is an unusual office location that contributes to the local economy. However companies at this location may well be footloose, as the premises do not provide local services. The combination of buildings and location suggests an overall rating of “average”.



<b>Reference</b>	EMP 7- North of Buncefield, Hemel Hempstead
<b>Size of area</b>	4.16 ha 2 units
<b>Area assessment</b>	<p>Medium sized employment area, but effectively part of Maylands Hemel Hempstead - located at the District boundary with Dacorum Borough Council.</p> <p>The internal environment of the area is good and all are modern shed B8 warehousing uses. Current buildings in area are modern (last 15 years) of a good to excellent quality.</p> <p>The external environment of the area is average for its size and location. However, there is ample parking provision including for lorries and the roads within the area are well designed to cope with the large and wide vehicles which regularly using the area.</p>

	<p>Access by road is good with connections to main roads and the strategic road system (M1 junction). Access via public transport is poorer. However there are bus routes who regularly serve the nearby / wider Maylands Business Park.</p> <p>Local market conditions are normal for the area and there are no vacant units.</p>
<b>Main occupiers</b>	<b>Wickes</b> - building and DIY retail; <b>DHL</b> - parcels
<b>Remaining developable area</b>	<p>The site has limited opportunity for development. West of this site, approximately 1 hectare, has development potential for further shed facilities.</p> <p>Due to the proximity of Buncefield Oil Depot, health and safety restrictions mean the site is only likely to be appropriate for low employment B8 usage.</p>
<b>Area constraints</b>	<p>The area is constrained to the north by Punchbowl Lane, to the west by Cherry Tree Lane and the south by Three Cherry Trees Lane. To the east the area is constrained by Metropolitan Green Belt (subject to Draft SLP proposals for further employment development. The site is also constrained by its relationship to the Oil Depot (see above).</p>
<b>Vacant units</b>	0 vacant units (0%)



The image above does not have a point on the map as it is an aerial view. However, the view highlights some of the remaining developable area to the east of the area (looking at this view, to the right of the buildings). It also identifies the clear routes in and out of the area and the modern external environment, which includes ample parking provision.

Floorspace estimates based on VOA and EG data (Sq M)

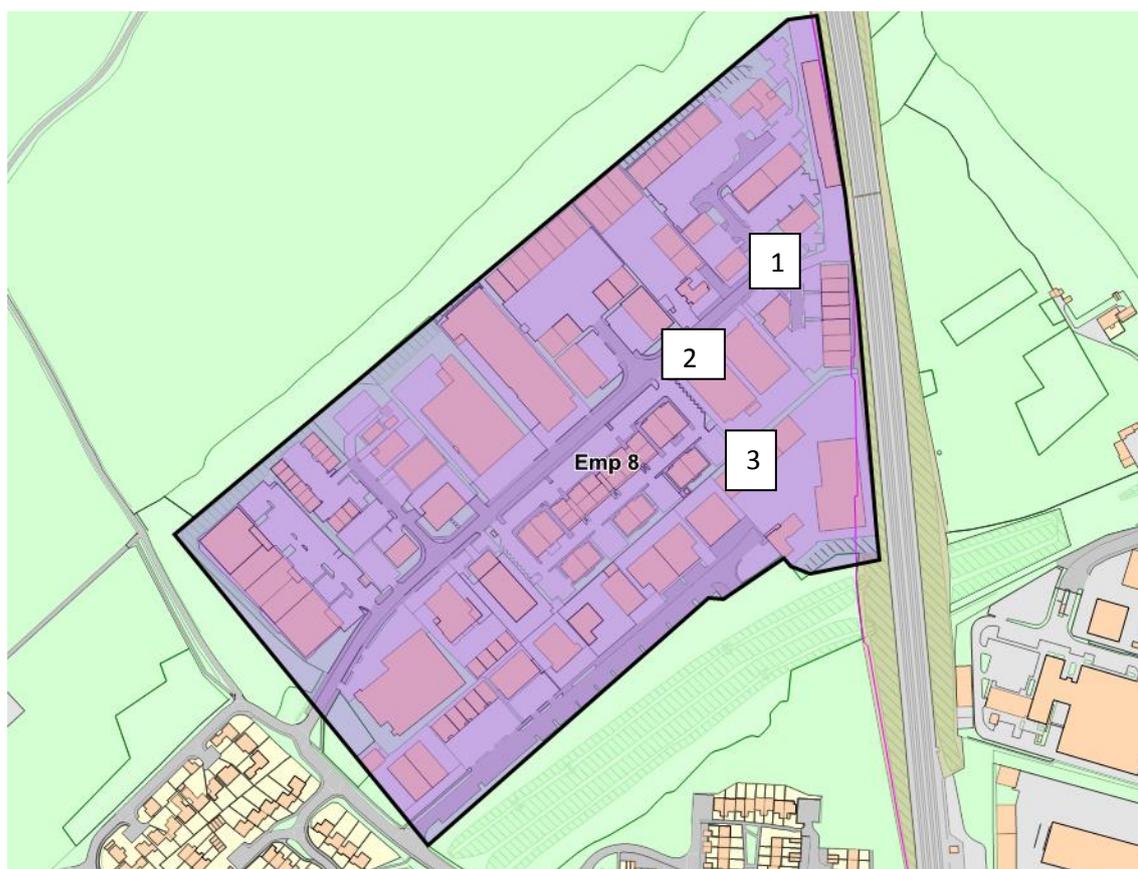
Reference	Location	Floorspace (B1)	Floorspace (B2)	Floorspace (B8)	Overall floorspace	Plot ratio (%)
EMP 7	North of Buncefield, Hemel Hempstead	-	-	19,000	19,000	46%

\* figures rounded to nearest whole number

Future role of employment area

EMP 7 is an average quality employment area, providing large size, modern, sheds in warehousing and retail use. The area is bounded by the Draft SLP proposed East Hemel Hempstead Broad Location employment development area (EZ) and is extremely well connected to the motorway network. This makes the area a suitable location for warehousing and distribution.

The area forms part of a much larger employment area with varied opportunities for B class uses, but is specifically constrained by its relatively poor surrounding environment and health and safety issues. In that context and in view of its effective availability for sheds with low employment density alone it is rated “average”.



<b>Reference</b>	EMP 8 - Porters Wood/Soothouse Spring, St Albans
<b>Size of area</b>	11.25 ha 127 units
<b>Area assessment</b>	<p>EMP 8 is a major employment area for St Albans, incorporating a wide variety of B1/B2/B8 and quasi retail accommodation mixed across the site.</p> <p>The internal environment of the area is good considering buildings are of different ages and standards of maintenance. They are all generally fit for purpose. Some provide a high quality office / business environment. The B1 units are small to medium sized and include some starter units managed by the local enterprise agency. Additionally, shed buildings in the area often provide some retail space for local businesses e.g. BC Ceramics. Building quality is generally good. However, there are examples of older premises which are of a poorer</p>

condition. This is particularly apparent in the B2/B8 areas. However these units often provide valued and intensively used basic distribution and general industrial buildings, with some open storage. External environmental quality and thus the overall image of the area is very mixed. This reflects the wide range of use classes / types present. Some areas are laid out in business park style with attractive landscaping and parking areas. Others retain a more basic street frontage environment with a functional appearance. Road quality and parking arrangements are generally good, as is immediate site access.

The location of the area within the City makes it reasonably accessible for employees and customers, including by public transport. The area is less accessible in terms of access to strategic roads and access is via busy and constrained junctions within the main urban area of the City. The site is some distance from strategic roads. In relation to the size of the site and the types and mix of uses, road access is relatively poor, as it routes through residential areas and busy junctions on the City's internal road network. Within the area, road access to individual sites is good on the whole. Congestion within Soothouse Spring is an issue due to overspill parking on this road at peak times.

Local market conditions are good and vacancy rates in this employment area are low / frictional given the size of the site (9.4%).

The area has been particularly prone to office to residential planning applications since the onset of PDR legislation. The fact that the area has retained low/frictional vacancy rates during this period, highlights its continued importance in providing B1/B2/B8 facilities to the District. The area of higher quality B1 units in the NW corner of the site, with their better quality environment, is, in particular, becoming mixed business and residential. The north eastern edge of the area has already lost office space to residential and there are other applications which have yet to be implemented for change of use (B1a to C3) in this area. The Oak Court Business Centre (Prior approval (PA)11 – see Table 25) is an example of this. Soothouse Spring is also an area where change of use could be implemented. The Woodland Court (PA10) application is an example of this. Despite PDR changes the area remains predominantly a business / employment area.

This employment area is also a designated ELAS site in the Hertfordshire Waste Local Plan (ELAS 2013) and

	appears suitable for a range of waste uses.
<b>Main occupiers</b>	<b>Kane Haulage</b> - HQ - Kane Group offer specialist services to the construction industry; <b>Buttles</b> - independent timber and builders merchant with branches in London, Enfield, St Albans and Leighton Buzzard. The HQ office is in St Albans; <b>Alan Electrical</b> - Local company who specialise in the manufacturing of electrical switchgear and control systems <b>STANTA</b> - St Albans Enterprise Agency - provides business advice to people in the local district. The purpose built offices in Soothouse Spring provide a home to a number of expanding small businesses; <b>Extra Staff</b> - head office facilities for a region-wide recruitment company. Focuses on the supply and management of temporary driving and industrial personnel.
<b>Remaining developable area</b>	No remaining developable area, other than redevelopment of existing premises.
<b>Area constraints</b>	The area is constrained to the east by a railway line, to the south by Beech Bottom Entrenchment Scheduled Monument, public open space and residential development and constrained to the west by residential development, Valley Road and school playing fields. The site is constrained to the north by Green Belt.
<b>Vacant units</b>	12 vacant units (9.4%)



An example of the variety of employment space within this area. These images also highlight the good external environment of the area. These images were taken in locations 1 and 2 (as identified on map) respectively.



Soothouse Spring is predominantly made up of B1c and B2 facilities. Building quality varies as many buildings are of an older condition. This image is taken from location 3 on the map.

Floorspace estimates based on VOA and EG data (Sq M)

Reference	Location	Floorspace (B1)	Floorspace (B2)	Floorspace (B8)	Overall floorspace	Plot ratio (%)
EMP 8	Porters Wood/Soothouse Spring	14,000	23,000	2,000	39,000	35%

figures rounded to nearest whole number

Future role of employment area

EMP 8 is one of the largest employment areas in St Albans and holds significant importance for both local services and regional / national businesses. The area offers a complete range of premises type including open storage areas and scope for dirty and waste uses.

Overall, the area rates “Good” on the Qualitative Assessment, however as part of the assessment the area scored relatively weakly on accessibility to the strategic road network. The area contributes positively to the local economy of St Albans. It can clearly continue to provide a valuable local business and services role for the City.



<b>Reference</b>	EMP 9 - Council depot and adjoining land, St Albans Road, Sandridge, St Albans
<b>Size of area</b>	5.23 ha 26 units
<b>Area assessment</b>	<p>EMP 9 is split into two separate sites. The majority of both sites are made up of B1/B2 shed space. The sheds are of medium size and in an average to poor condition.</p> <p>The internal environment of the area is generally poor. Most of the facilities are in a poor to average state of repair.</p> <p>The images show that the external environment of the area is average and the area provides an average amount of parking provision in relation to the size of the area.</p> <p>Accessibility by road is average. The area has poor immediate access off a</p>

	<p>busy junction and urban distributor roads. As an in town site it is some distance from the strategic road network.</p> <p>However, access by public transport is good and the area is well served by bus routes.</p> <p>Local market conditions are normal or average. The area provides facilities for locally based companies as well as providing some quasi-retail space for the companies which are based here.</p> <p>AMEY almost fully occupies Sandridge Gate Business Centre as SACDC's environmental and waste services provider. Consequently, EMP 9 is also ELAS204 as identified in the Hertfordshire Waste Local Plan.</p>
<b>Main occupiers</b>	<p><b>AMEY SACDC Depot;</b>  <b>Public Waste disposal site</b>  <b>Arnold James</b> - building service engineers based in St Albans;  <b>Enterprise Rent A Car</b>  <b>Secure BT network centre</b></p>
<b>Remaining developable area</b>	<p>No remaining developable area available, other than redevelopment of existing facilities.</p>
<b>Area constraints</b>	<p>The area is constrained to the north by Area of Archaeological significance, and Beech Bottom entrenchment Scheduled Monument. To the west the area is constrained by a railway line. To the east and south the area is constrained by St Albans Road and also residential development.</p>
<b>Vacant units</b>	<p>1 unit (3.8%)</p>



The images above were captured at points 1 and 2 on the map. Both show the quality of the B1/B2 shed facilities within this area. The images also show the general quality of the external environment of the area, including parking provision. The second image identifies Sandridge Gate Business Centre, which is largely occupied by AMEY.

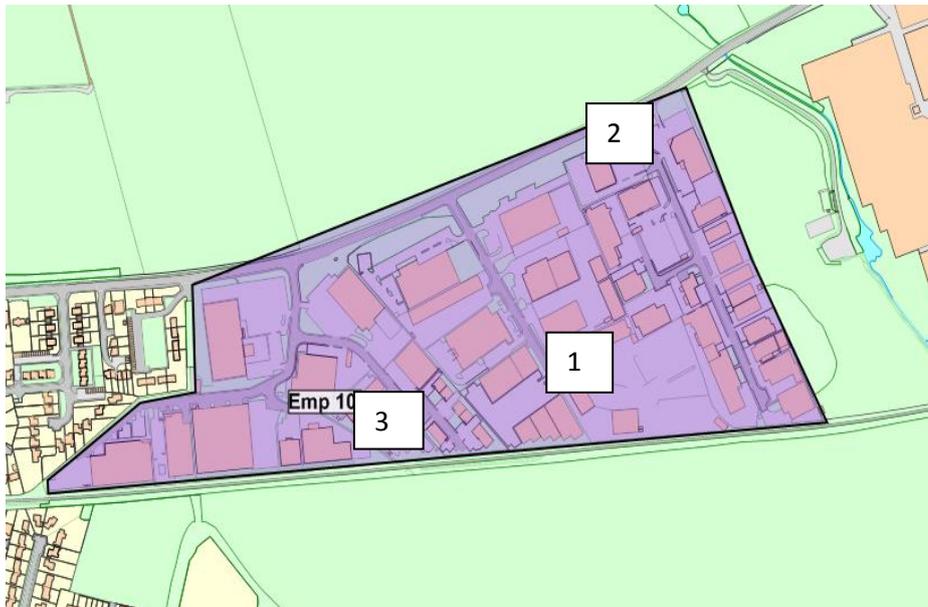
Floorspace estimates based on VOA and EG data (Sq M)

Reference	Location	Floorspace (B1)	Floorspace (B2)	Floorspace (B8)	Overall floorspace	Plot ratio (%)
EMP 9	Council Depot and adjoining land, St Albans Road, Sandridge, St Albans	4,000	11,000	2,000	17,000	33%

\* figures rounded to nearest whole number

### Future role of employment area

EMP 9 can be split into a northern and southern site. Overall, the employment space is a mix of B1/B1c/B2 facilities. There is also a major environmental and waste services site within the area. The area provides important space for local companies and is mainly occupied by AMEY, the District's refuse collection provider and a secure BT network centre. Vacancy rates are normal given the size of the area. The area rates as average overall because of general building / environmental quality and relatively poor access.



<b>Reference</b>	<u>EMP 10 - Alban Park/Acrewood Way/Lyon Way, Hatfield Road, St Albans</u>
<b>Size of area</b>	13.38 ha (excludes estimated retail area) 62 units
<b>Area assessment</b>	<p>This area can be divided into three sub areas.</p> <p>Alban Park - a modern business park which includes major retailers Dunelm, Homebase and a VW dealer. It also contains a mix of high quality B1 office space and good quality shed space. Permission was granted for change of use B1/B2 to D2 (Trampoline Park) at Unit 1, Alban Park. This was following appeal. The change of use is in the process of being implemented - 5/2015/0121.</p> <p>Acrewood Way - a primarily industrial / warehousing shed area with some vacant units. Major retailers such as Wickes and Halfords are located at the entrance of the site. A significant proportion of the site is taken up by Pearce Group recycling. Parking provision is poor and the access road is in a state of disrepair.</p>

	<p>Acrewood Way is identified in the Hertfordshire Waste Local Plan (ELAS122).</p> <p>Lyon Way – a mixed retail, office and shed area. Car showrooms are located at the entrance to this site. There is very low density development in parts of this area. The buildings are of mixed quality.</p> <p>As a whole, the internal environment of the area is average. Buildings are of different ages and standards of maintenance, but are generally fit for purpose. Some provide a high quality business environment.</p> <p>The external environment is also average on the whole. The overall environment of the area is of average to good quality and is enhanced by the semi-rural surrounds and part landscaped road frontages. The quality of the roads is good in places but also poor in the areas which are more prone to industrial activities. Parking provision is average, with a significant amount of the parking in the area being dedicated to customers using retail stores.</p> <p>Accessibility is good by road and public transport. Immediate site access is generally good. The area has good access to the strategic road network and the urban area. The location of the area within the City makes it very accessible for employees and customers including by public transport.</p> <p>Local market conditions are also good. The area provides a broad mix of B1 and B2 facilities for a range of local companies including those providing essential services in a convenient location.</p>
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<b>Main occupiers</b>	Retailers noted above. <b>FSC Global</b> - a company based in St Albans who are specialist cable suppliers worldwide; <b>Pearce Group</b> - Recycling services firm with its head office in St Albans; <b>Air Business Ltd</b> - a global mail, distribution, fulfilment and integrated subscriptions management bureau based in southern England.
<b>Remaining developable area</b>	No remaining developable area other than redevelopment of existing facilities
<b>Area constraints</b>	The area is constrained to the east by residential land, and Green Belt is located to the north and east of the site. The south of the area is constrained by the Alban Way cycle and footpath route and further Green Belt.
<b>Vacant Units</b>	3 vacant units (4.8%)





The images above were taken at points 1, 2 and 3 on the map. They show the variety of uses within this employment area. One of the images also highlight some of the retail space in this area, which often front on to the main road running along the northern edge of the area

Floorspace estimates based on VOA and EG data (Sq M)

Reference	Location	Floorspace (B1)	Floorspace (B2)	Floorspace (B8)	Overall floorspace	Plot ratio (%)
EMP 10	Alban Park/Acrewood Way/Lyon Way, Hatfield Road, St Albans	1,000	36,000	-	37,000	29%

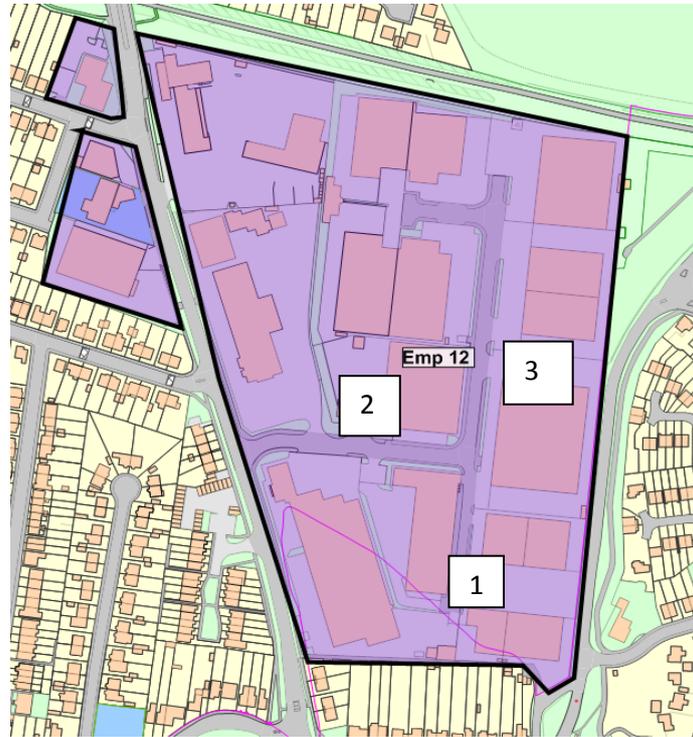
\* figures rounded to nearest whole number

\*\* VOA floorspace figure adjusted through GIS mapping (as a result of large retail element)

### Future role of employment area

EMP 10 is a large employment area located on the outskirts of St Albans. It is one of the largest employment areas in St Albans and holds significant importance for both local services and regional / national businesses. The area has a high retail content and some high quality B1a/b space is provided in Alban Park. Acrewood Way and Lyon Way mainly provide shed space which is of an average quality but well used. Vacancy rates for the area are low. There is limited remaining developable area. The area offers a complete range of premises type including open storage areas and scope for dirty and waste uses.

Overall the area is rated “good” on the Qualitative Assessment. However the Alban Park sub area is of higher quality and in isolation would have achieved a higher rating. The area will continue to provide valuable facilities and services in the District for the foreseeable future.



<b>Reference</b>	<u>EMP 12 - Brick Knoll Park, Ashley Road, St Albans</u>
<b>Size of area</b>	6.29 ha (excludes estimated retail area) 24 units
<b>Area assessment</b>	<p>A large employment area located within the urban area. Significant parts are devoted to car sales and distribution / quasi-retail activities, including the post sorting office.</p> <p>The internal environment of the area is average, with a mixture of good quality and average quality buildings in use. These are medium to large shed buildings primarily, although some offices in the two sub areas to the west of the main road.</p> <p>The external environment of the area is again average. The immediate site access is adequate. Parking provision is average with some evidence of pressure for on street parking. Road quality is poor in some places.</p> <p>As the area is centrally located within St Albans, accessibility by road and</p>

	<p>public transport is good. The area is located quite near to the main train station in the town and also conveniently located close to the strategic road network.</p> <p>Vacancy rates are low and local market conditions are good. The area is similar to EMP 10 in terms of the facilities provided but both manage to thrive as important business areas in relative close proximity to one another.</p> <p>Part of the north west edge of the area (Bennetts Car Parts) has been subject to planning applications for change of use to residential (5/2015/3661 and 5/2016/0577).</p> <p>The area is identified in the Hertfordshire Waste Local Plan (ELAS205).</p>
<b>Main occupiers</b>	<b>Royal Mail</b> - local distribution office; <b>Evans Halshaw</b> - nationwide car dealership; <b>Focus International</b> - market leader in design, sourcing, marketing and distribution of footwear and apparel.
<b>Remaining developable area</b>	No remaining developable area, apart from redevelopment of existing facilities
<b>Area constraints</b>	The area is constrained by the Alban Way cycle route to the north. To the east, the area is constrained by residential land and a cemetery. To the south, the area is constrained by Camp Road and residential areas. To the west the area is constrained by Ashley Road and residential areas.
<b>Vacant units</b>	2 vacant units (8.3%)



The images above were taken at points 1, 2 and 3 on the map. They highlight the internal and external environment of the area. The middle image, taken at point 2, shows a space being used for showroom car parking. This is a significant feature of this employment area. The bottom image identifies the Post Office sorting depot, which is the major employer in this area.

Floorspace estimates based on VOA and EG data (Sq M)

Reference	Location	Floorspace (B1)	Floorspace (B2)	Floorspace (B8)	Overall floorspace	Plot ratio (%)
EMP 12	Brick Knoll Park, Ashley Road, St Albans	1,700	35,000	100	36,800	59%

\* figures rounded to nearest whole number

\*\* VOA floorspace figure adjusted through GIS mapping (as a result of large retail element)

Future role of employment area

EMP 12 is a large employment area within the urban area of St Albans City centre.

It serves an important local services and business role and houses the main Royal Mail distribution office for the District and many car related uses. The area rated “Good” in the Qualitative Assessment and will continue to serve an important employment role in the District for the foreseeable future.



<b>Reference</b>	<u>EMP 13 - Executive Park and adjoining land, Hatfield Road, St Albans</u>
<b>Size of area</b>	0.85 ha 19 units
<b>Area assessment</b>	<p>A small area mostly made up of industrial shed space with incorporated retail functions.</p> <p>The internal environment is average and the buildings are all in a normal state of repair. The external environment of the area is very poor however. Parking provision is average and the immediate site access is poor given the narrow entrance to the Industrial Estate off a busy road in the vicinity of a local centre. The quality of the external environment is also poor given that most of the environment is used for parking.</p> <p>Factors explained above also</p>

	<p>contribute to a poor rating on accessibility by road. However, by public transport, accessibility is generally good. Proximity to bus routes and the railway station is the main reason behind this rating.</p> <p>Local market conditions are normal for the size of the area and the site is well used with no current vacancies.</p> <p>A planning application for 223a Hatfield Road for part change of use to residential with the retention of some ground floor employment space is pending (5/2015/2871).</p>
<b>Main occupiers</b>	<p><b>Slam Signs</b> - signage and printing company based in St Albans; <b>Amthal</b> - independent fire and security company who operate locally, regionally and nationally; <b>St Albans Boilers</b> - specialist, local company who focus on the installation, repair and servicing of boilers and central heating systems.</p>
<b>Remaining developable area</b>	<p>No remaining developable area apart from redevelopment of existing facilities.</p>
<b>Area constraints</b>	<p>The area is constrained on all but one side by residential development. To the south the area is constrained by Hatfield Road.</p>
<b>Vacant units</b>	<p>0 vacant units (0%)</p>



The images above were taken at point 1 and 2 on the map. They highlight the cramped nature of this employment area, particularly the poor parking provision and subsequent access to the area. They also show the type of buildings within this area and the quality of these buildings. The image at point 3 shows the poor and narrow access to the area from Hatfield Road.



Floorspace estimates based on VOA and EG data (Sq M)

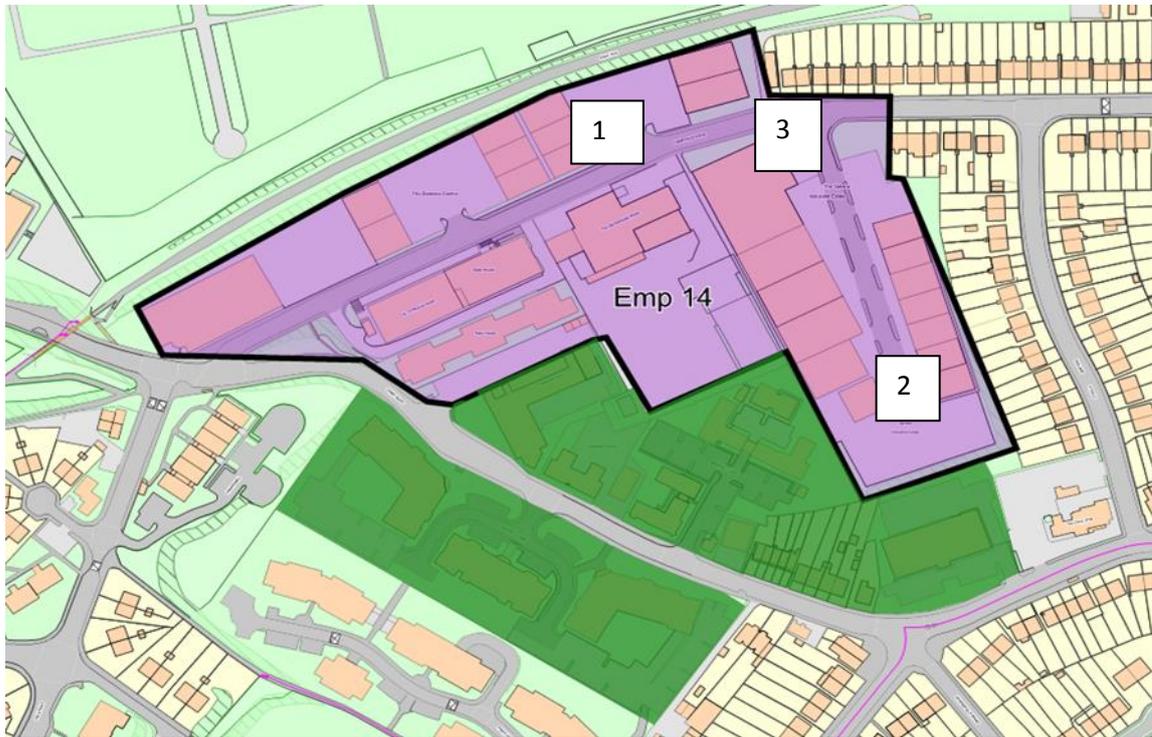
Reference	Location	Floorspace (B1)	Floorspace (B2)	Floorspace (B8)	Overall floorspace	Plot ratio (%)
EMP 13	Executive Park and adjoining land, Hatfield Road, St Albans	3,000	2,000	400	5,400	63%

\* figures rounded to nearest whole number

Future role of employment area

EMP 13 is a small employment area with some good quality small unit modern shed space. It includes older mixed use buildings of poor quality. The area is important in providing accommodation for small companies.

The area received a rating of “poor” on the Qualitative Assessment, primarily this was due to the external environment and difficult immediate site access and parking.



<b>Reference</b>	<u>EMP 14 - Camp Road / Campfield Road, St Albans</u>
<b>Size of area</b>	3.89 ha 29 units
<b>Area assessment</b>	<p>The area is made up of a mix of medium / small office and shed units. There is a significant retail / quasi retail function.</p> <p>There are a number of vacant units in the Dencora Centre. Sphere Industrial Estate is fully occupied and provides good quality shed space. This area considered in isolation would be rated higher than the area as a whole. Parking provision is good overall.</p> <p>The original employment area included the land to the south of the current area. This has since been redeveloped for housing.</p> <p>As a whole, the internal environment of the area is average. There is some</p>

	<p>average quality office space located on the corner of Campfield Road and Camp Road. The external environment of the area is also average. Being in a residential area, road access is generally good, but not suitable for heavy goods vehicles. Parking provision is average on the whole, however the proximity to residential dwellings means on-street parking narrows the road access to some sites. Access by road is therefore generally average.</p> <p>Access by public transport is good, mainly due to the proximity of the area to St Albans City Station. The area is also well served by bus routes in the Camp area.</p> <p>Local market conditions are poor, with a high number of vacant units in relation to the size of the area. Most of these units are located in the Dencora Centre. Some office space is also vacant. Similar sized areas in similar residential locations have much lower vacancy rates.</p>
<p><b>Main occupiers</b></p>	<p><b>Edmundson Electrical</b> - national wide electrical services provider and branded product provider; <b>Travis Perkins</b> - national wide timber and builders merchants; <b>Plumb Centre</b> - national wide company that specialises in plumbing supplies</p>
<p><b>Remaining developable area</b></p>	<p>Limited remaining developable area other than redevelopment of existing facilities. Area located to the rear of the Old Electricity Works has been earmarked for potential redevelopment for further small shed units in the past (5/2009/1205).</p>
<p><b>Area constraints</b></p>	<p>The area is constrained by residential area to the east, to the north the area is constrained by the Hatfield Road, Alban Way route and cemetery. To</p>

	the south and west the area is constrained by residential area and partly by the Alban Way.
<b>Vacant units</b>	7 vacant units (24.1%)

The images below were taken at points 1, 2 and 3 on the map. They show two of the major business parks/industrial estates within this area; the Dencora Centre and Sphere Industrial Estate. The image taken at point 3 shows the general layout of EMP14 looking back down Campfield Road towards Camp Road. This shows the mixture of building ages and quality within the area.



Floorspace estimates based on VOA and EG data (Sq M)

Reference	Location	Floorspace (B1)	Floorspace (B2)	Floorspace (B8)	Overall floorspace	Plot ratio (%)
EMP 14	Camp Road/Campfield Road	5,000	12,000	300	17,300	45%

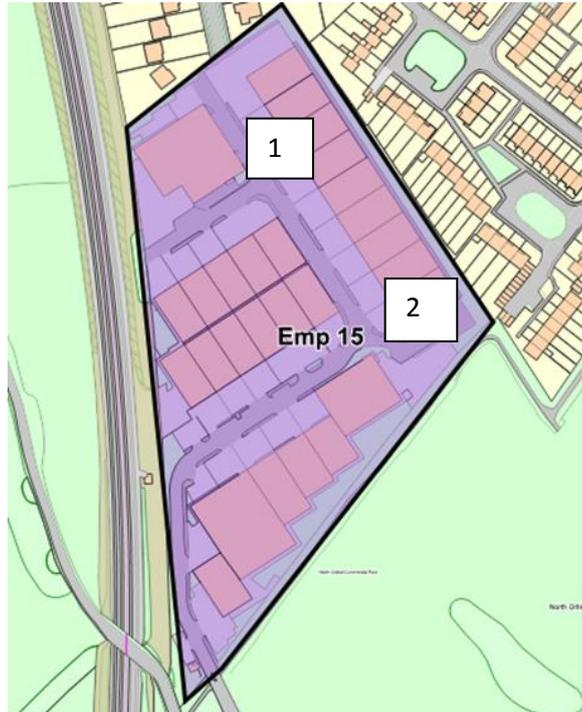
\* figures rounded to nearest whole number

Future role of employment area

EMP 14 is a medium sized employment area which has been reduced in size through past residential re-development. It accommodates a range of local service companies and has a high retail content.

The main parts of area have good immediate access and parking facilities. The area is accessible to customers and employees including by public transport. It is however distant from strategic roads. General environment and building quality is mixed and rated average. Vacancy rates are high in proportion to the size of the area.

Overall, the area received an “average” rating on the Qualitative Assessment. The area will continue to provide important employment facilities to local businesses, particularly in the Sphere Industrial Estate which would individually achieve a higher rating.



<b>Reference</b>	<u>EMP 15 - North Orbital Trading Estate, Napsbury Lane, St Albans</u>
<b>Size of area</b>	4.14 ha 28 units
<b>Area assessment</b>	<p>A high quality, medium sized employment area.</p> <p>The area is made up of good to excellent modern B2/B8 shed space. Ancillary office facilities are also provided within the buildings. The internal environment of the area is excellent, with all facilities being of a modern and high quality.</p> <p>The external environment is good, with all roads within the area being clearly marked and of a good quality. Immediate site access and parking provision is also good. The site is edge of urban area and less accessible to employees / customers including by public transport. Therefore, the area received a poor</p>

	<p>assessment for access by public transport.</p> <p>General accessibility by road is excellent given the nearby connections with the motorway network.</p> <p>Local market conditions are normal for the size and location of the area.</p> <p>The area is identified in the Hertfordshire Waste Local Plan (ELAS207)</p>
<b>Main occupiers</b>	<p><b>Bunzl Cleaning &amp; Hygiene</b> - national wide supplier of janitorial, cleaning and hygiene products; <b>Citygate Automotive</b> - car dealership who specialise in the retailing of new and used cars;</p> <p><b>Motorman</b> - local company specialising in car parts and engineering</p>
<b>Remaining developable area</b>	<p>No remaining developable area other than redevelopment of existing facilities.</p>
<b>Site constraints</b>	<p>The area is constrained to the west by a railway line. To the north, the area is constrained by residential areas. To the east, the site is partly constrained by residential area, Herons Way Path and also metropolitan green belt land. To the south of the site is Green Belt.</p>
<b>Vacant units</b>	<p>4 vacant units (14.3%)</p>





The images above highlight the high quality internal and external environment of this employment area. The facilities are similar to that of EMP 21 in terms of age and size. This employment area received one of the highest ratings in the District.

Floorspace estimates based on VOA and EG data (Sq M)

Reference	Location	Floorspace (B1)	Floorspace (B2)	Floorspace (B8)	Overall floorspace	Plot ratio (%)
EMP 15	North Orbital Trading Estate, Napsbury Lane	0	21,000	400	21,400	52%

\* figures rounded to nearest whole number

Future role of employment area

EMP 15 is a modern high quality employment area performing an important local service and business role. Both buildings and environment are of good quality.

It rates “Good” on the overall Qualitative Assessment and “Excellent” on accessibility by road.

The area can continue to provide a valuable local service role for small businesses, as well as providing good quality employment space for nation-wide companies.



<b>Reference</b>	<u>EMP 16 - Wellington Road, London Colney</u>
<b>Size of area</b>	1.32 ha 9 units
<b>Area assessment</b>	<p>A small B1/B2 employment area located in central London Colney.</p> <p>The internal environment is poor. The area provides poor to average quality buildings with small medium size accommodation. Some reasonable quality office space is provided at the entrance of the area. This is the most modern business accommodation within EMP 16. The majority of the area is made up of light industrial/general industrial space which is in a relatively poor state of repair.</p> <p>The overall external environmental quality of the area is poor. This is</p>

	<p>primarily down to the age of the facilities currently within the area. Immediate site access and parking provision is average.</p> <p>Access by road is good due to the location of the area. The area is located near to the strategic road network. The site is also accessible to employees and customers by public transport. However, there is no train station in the proximity of this employment area. Therefore, access by public transport is average.</p> <p>Local market conditions are average for the size of the area and there are currently no vacancies.</p>
<b>Main occupiers</b>	<b>Premier Deep Hole Drilling</b> - locally based company, who are the UK's foremost specialist in the complete manufacture of complex machined and deep bore components; <b>Impex Russell</b> - locally based company who specialise in crystal chandelier lighting
<b>Remaining developable area</b>	No remaining developable area other than redevelopment of existing facilities
<b>Area constraints</b>	The area is constrained by surrounding residential development and the High Street.
<b>Vacant units</b>	0 vacant units (0%)





Both of the above images were taken at point 1 on the map. They highlight the poor quality of both the internal and external environment of this employment area. Additionally, the images show what the area is being used for in terms of land use. This area is mainly industrial space for small, local companies.

Floorspace estimates based on VOA and EG data (Sq M)

Reference	Location	Floorspace (B1)	Floorspace (B2)	Floorspace (B8)	Overall floorspace	Plot ratio (%)
EMP 16	Wellington Road, London Colney	0	5,000	100	5,100	39%

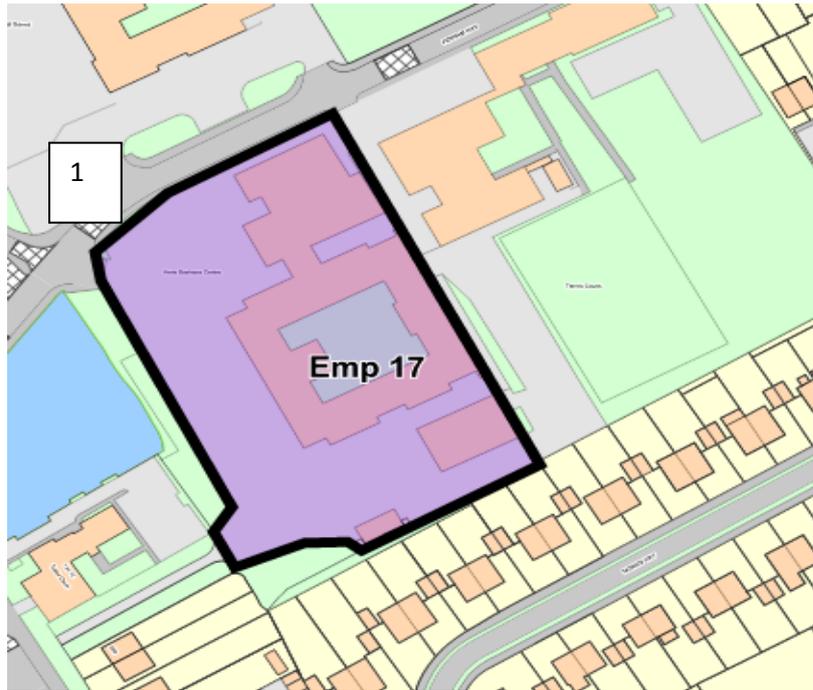
\* figures rounded to nearest whole number

Future role of employment area

EMP 16 is a small employment site providing useful accommodation for local business and companies with a wider than local function.

Both the internal environment and external environment rated poorly on the Qualitative Assessment. Immediate and strategic accessibility is average, which meant overall the area received a “poor”.

The area is fully occupied, indicating a continuing role in the local economy.



<b>Reference</b>	<u>EMP 17- The Hertfordshire Business Centre, Alexander Road, London Colney</u>
<b>Size of area</b>	0.70 ha 32 units
<b>Area assessment</b>	<p>EMP 17 is an important employment area for the District. One building makes up the area- a former school building converted into business start-up units.</p> <p>Internal environment quality is good, albeit not purpose designed for office start-up units. The building is of a good quality and in a good state of repair. External environment quality is average and the area provides good parking provision for its tenants. Area access is suitable for the vehicles that need to use the parking facilities available.</p> <p>Access by road and public transport is average. However, the surrounding roads are affected by congestion from the adjoining school at peak times. Accessibility to the strategic road network</p>

	<p>is average due to the area's residential location.</p> <p>Local market conditions are average for this type of office accommodation. The area provides excellent space for small, locally run businesses that need affordable facilities for start-up companies.</p>
<b>Main occupiers</b>	<p><b>Angle Consulting Ltd</b> - Hertfordshire based company that provides consultancy, design and manufacturing services to high performance sporting organisations;</p> <p><b>Capital Surveys Ltd</b> - local company who specialise in land and hydrographical surveys.</p>
<b>Remaining developable area</b>	Limited remaining developable area other than redevelopment of existing facilities.
<b>Area constraints</b>	Area is constrained by surrounding residential area and Perham Way
<b>Vacant units</b>	2 vacant units (6.3%)



The image above shows the entrance to EMP 17 from Alexander Road. The image also shows the primary building in this area which houses start-up facilities for small and local companies. It is clear to see from this image that the building was a former school building.

Floorspace estimates based on VOA and EG data (Sq M)

Reference	Location	Floorspace (B1)	Floorspace (B2)	Floorspace (B8)	Overall floorspace	Plot ratio (%)
EMP 17	The Hertfordshire Business Centre, Alexander Road, London Colney	1,600	0	0	1,600	23%

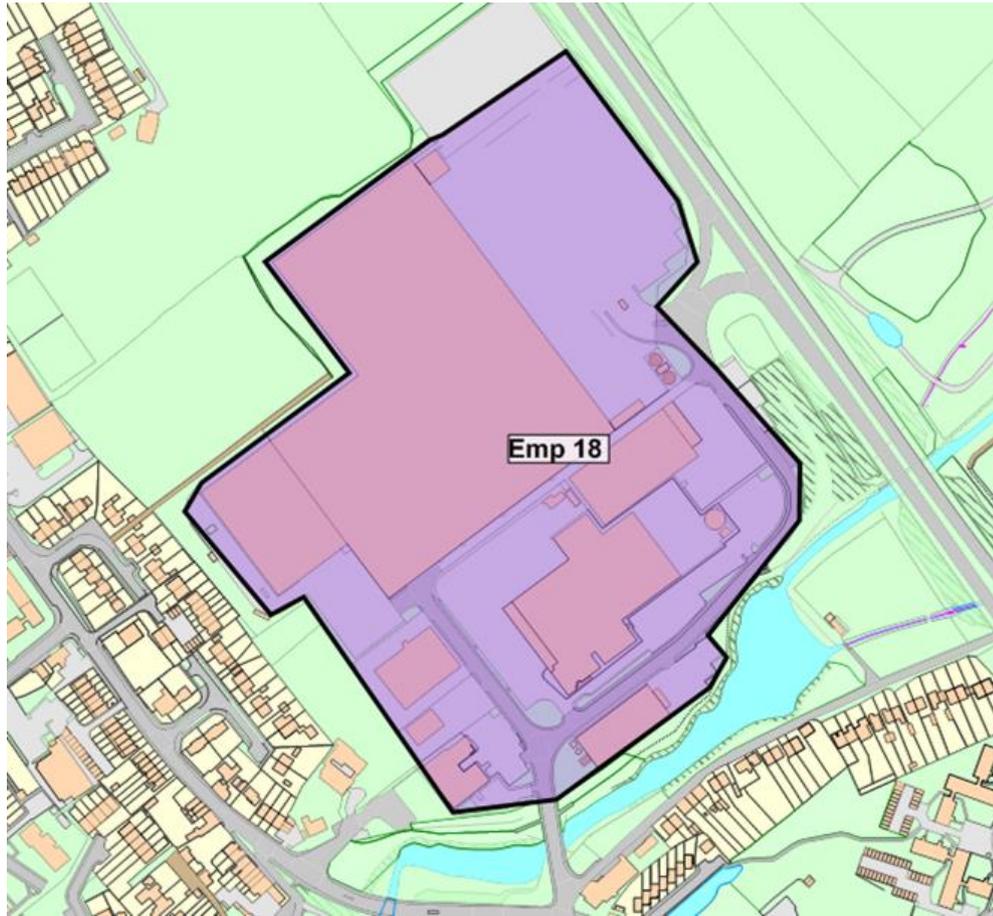
\* figures rounded to nearest whole number

\*\* EMP 17 is a former school building with substantial car parking facilities and associated outbuildings. This has ultimately resulted in a low plot ratio for EMP 17 despite the building being heavily occupied by business start-up units.

Future role of employment area

EMP 17 received a rating of “average” on the Qualitative Assessment. A former school, the buildings and environment are of a reasonable quality and in a good state of repair.

This area has a very specific role in providing good office facilities for start-up companies in the local area and continuing importance in providing start up accommodation.



<b>Reference</b>	<u>EMP 18 - Riverside Estate, London Colney</u>
<b>Size of area</b>	10.13 ha 8 units
<b>Area assessment</b>	<p>EMP 18 is a large, predominantly shed employment area. It mainly serves as a warehousing and distribution facility for Sainsburys and DHL.</p> <p>The internal environment is generally good. This is in spite of the facilities being well used on a daily basis. The facilities are in a good state of repair.</p> <p>Although mainly B8 facilities, there is also a small amount of office / B1 facilities. These are also in a good state of repair.</p> <p>The external environment is average for the size and use of the area. The</p>

	<p>roads are in a normal state of repair considering they are regularly used by heavy goods vehicles.</p> <p>Access by road is excellent. There are two entrances to the site. One on the London Colney edge of the area and the other by the dual carriageway. This is for the large distribution transport which needs to access the site from the M25. Access by public transport is average, with the area served by bus routes running through London Colney.</p> <p>Local market conditions are good and there are no vacant units.</p> <p>The area is in the Hertfordshire Waste Local Plan( ELAS208)</p>
<b>Main occupiers</b>	<p><b>Vokera</b> - leading heating manufacturer with bases across the UK and Ireland. Head office located in London Colney;</p> <p><b>Sainsburys Distribution Centre;</b></p> <p><b>DHL</b></p>
<b>Remaining developable area</b>	<p>Limited remaining developable area available other than redevelopment of existing facilities. There may be scope for small area extension to the north east of the site.</p>
<b>Area constraints</b>	<p>The area is constrained to the east by the A1081. It is also constrained to the south by Lowbell Lane and wetlands. To the west the area is constrained by residential development. To the north, there are allotment gardens and informal recreation ground.</p>
<b>Vacant units</b>	<p>0 vacant units (0%)</p>



This image shows a bird's eye view of this employment area. As the image shows, the area is primarily made up of B8 shed facilities. This image accurately shows the road access to the London Colney bypass and subsequently the strategic road network. This access makes the facilities within this area particularly attractive to national wide companies who need warehouse and distribution space.

Floorspace estimates based on VOA and EG data (Sq M)

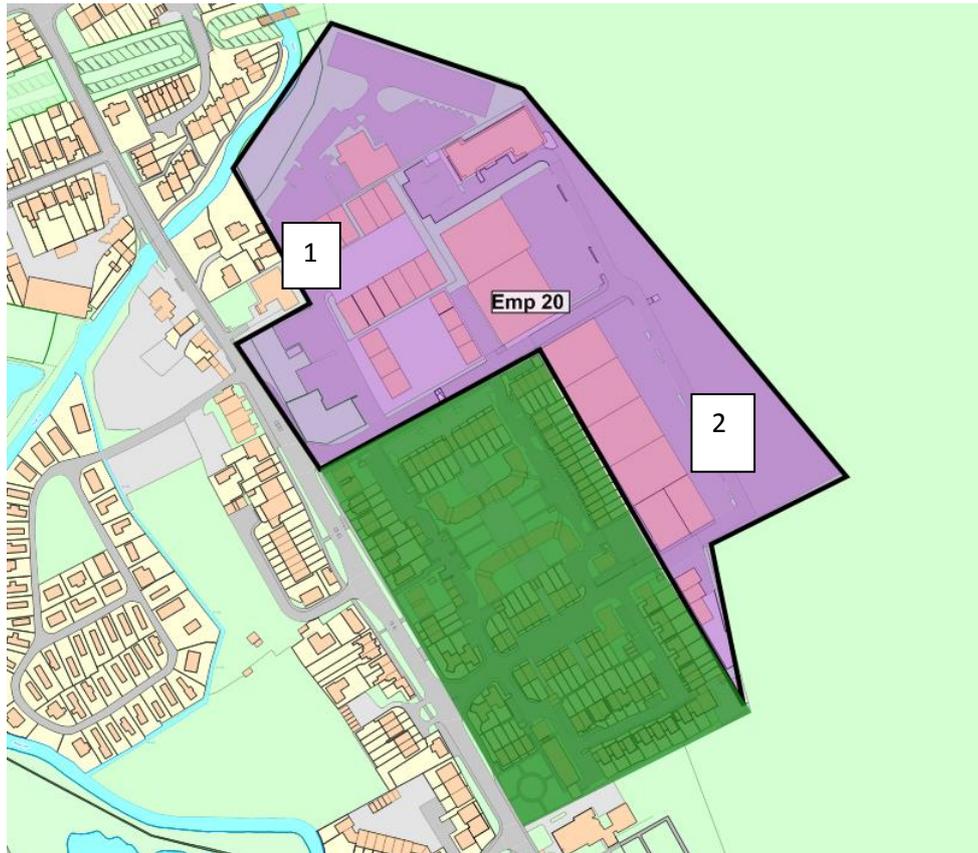
Reference	Location	Floorspace (B1)	Floorspace (B2)	Floorspace (B8)	Overall floorspace	Plot ratio (%)
EMP 18	Riverside Estate, London Colney	200	0	49,000	49,200	49%

\* figures rounded to nearest whole number

### Future role of employment area

This employment area plays an important role for warehousing and distribution activities that are sub regional / regional and rely on the proximity of the site to the strategic road network. Good quality shed space is provided, as well as some ancillary office accommodation. The area was rated overall as “Good” in the Qualitative Assessment.

The employment area is well located and serves an important function for medium / large companies requiring shed accommodation. This role can continue. There is no specific local business or service role.



<b>Reference</b>	EMP 20 - Watling Street, Frogmore
<b>Size of area</b>	5.06 ha (remaining – green hatched area lost to residential redevelopment) 29 units
<b>Area assessment</b>	EMP 20 is split into sub areas: Stroud Wood Business Centre, Park Industrial Estate and Curo Park. Stroud Wood Business Centre provides high quality B1 office space which is fully occupied. Park Industrial Estate provides good light industrial shed space facilities. Curo Park provides mainly B8 shed space which is modern and of an excellent quality.  Looking at the area as a whole, the

	<p>internal environment is generally good to excellent, with many of the facilities providing modern business accommodation to their tenants. All buildings are in a good state of repair.</p> <p>The external environment is also good; road quality within the area is average in some places. The immediate site access and parking facilities are good. However routing to the site relies on roads with residential frontages.</p> <p>Overall, the area has excellent access to the strategic road network with major motorway networks being located nearby. The area is conveniently located close to the M25, making the location good for warehousing and distribution facilities. Access by public transport is average for the size and nature of this employment area.</p> <p>Local market conditions are good, especially considering a significant part of the original DLPR area has been lost to residential redevelopment. This is highlighted on the above map in green.</p>
<b>Main occupiers</b>	<p><b>W&amp;H</b> - Global company with its UK head office in St Albans. Specialises in dental services; <b>Gautier UK</b> - Premier manufacturer of furniture for most environments within the home; <b>Kamco</b> - local company that specialise in central heating solutions</p>
<b>Remaining developable area</b>	<p>No scope other than redevelopment of existing facilities</p>
<b>Area constraints</b>	<p>The area is bounded by Green Belt to the east. This is the former Radlett Airfield now subject to permission for a strategic rail freight depot. The area is constrained to the north by residential land and a river. To the west, the area is constrained by a</p>

	main road with residential frontages and also residential development. The area is partly bounded to the west, north and south of the site by a conservation area.
<b>Vacant units</b>	1 vacant unit (3.4%)



The above images were taken at points 1 and 2 on the map. The image on the right hand side was taken in Curo Park, which is of a considerably higher quality than the remainder of this employment area. However, on the whole, the image shows the good quality internal and external environment of the area.

Floorspace estimates based on VOA and EG data (Sq M)

Reference	Location	Floorspace (B1)	Floorspace (B2)	Floorspace (B8)	Overall floorspace	Plot ratio (%)
EMP 20	Watling Street, Frogmore	3,800	-	9,000	12,800	25%

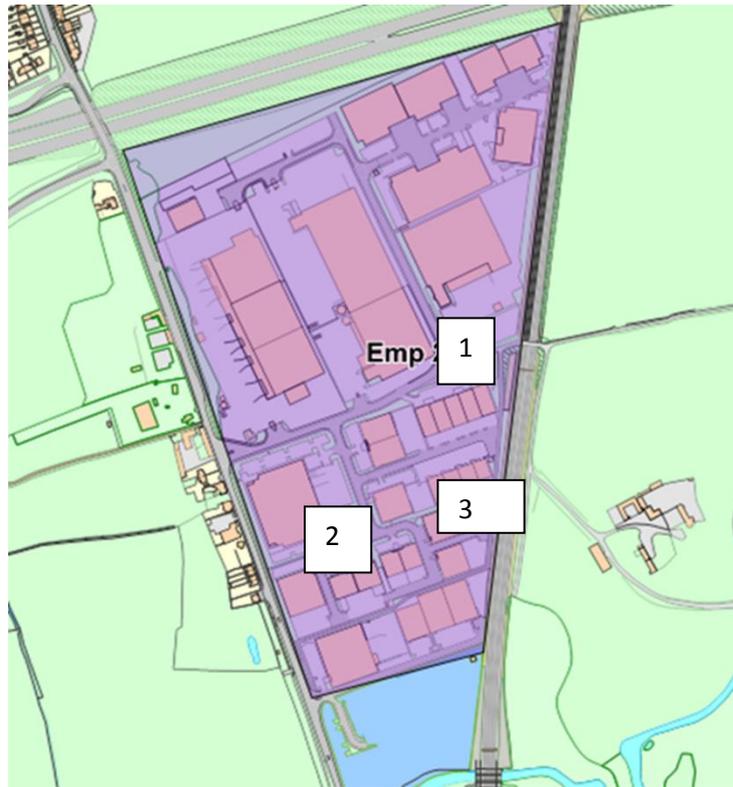
\* figures rounded to nearest whole number

Future role of employment area

EMP 20 offers a range of mainly shed accommodation for medium sized companies. The quality of the buildings, environment and immediate site access and parking is high. Though served by roads with a residential function the area is well located with ready access to the strategic road network.

The area is rated “Good” overall on the Qualitative Assessment. However if Curo Park is considered in isolation then this site is “Excellent”, providing quality buildings in a highly accessible location.

The employment area is well located and serves an important function for medium / large companies requiring varied types of accommodation. This role can continue. There is no specific local business or service role.



<b>Reference</b>	<u>EMP 21- Colney Street Industrial/Warehousing Estate, Colney Street</u>
<b>Size of area</b>	23.37 Ha 39 units
<b>Area assessment</b>	<p>EMP 21 is a high quality employment area providing B1/B2/B8 medium / large shed space with ancillary offices. This area serves as a desirable location for national and trans-national businesses that require high quality distribution space. Therefore, there is no specific local business or service role.</p> <p>The internal environment of this area is excellent with most of the buildings being of a modern and good quality. Those buildings located in Handley Page Way and Victor Way are of an excellent quality.</p> <p>The external environment of the area is also excellent, with the layout of the area being similar to that of a business park. Road</p>

	<p>quality is excellent and parking provision is also excellent. The area predominantly performs a warehousing and distribution function and site access is very suitable for large vehicles associated with distribution.</p> <p>Access by road is excellent due to the areas proximity to the strategic road network. Access by public transport however, is somewhat poorer. The area is not served by any nearby bus routes and there is no direct access to any railway station.</p> <p>The area is identified in the Hertfordshire Waste Local Plan (ELAS210).</p>
<b>Main occupiers</b>	<b>B&amp;Q distribution; T-Mobile; Viglen</b>
<b>Remaining developable area</b>	No scope other than redevelopment of existing facilities.
<b>Site constraints</b>	The area is bounded to the north by the M25, and surrounded by Green Belt. To the south is the River Colne. To the west, the area is constrained by Woodland TPOs and Radlett Road and metropolitan Green Belt.
<b>Vacant units</b>	0 vacant units (0%)



The images above were taken at points 1, 2 and 3 on the map. They particularly highlight the excellent internal and external environment of this area. The facilities shown in the images are some of the most modern in the District. The images also show the business park type layout of this employment area, which is similar to others in the District. Roads are purposely wider to accommodate the wider vehicles using the employment area.

Floorspace estimates based on VOA and EG data (Sq M)

Reference	Location	Floorspace (B1)	Floorspace (B2)	Floorspace (B8)	Overall floorspace	Site coverage (%)
EMP 21	Colney Street Industrial/Warehousing Estate, Colney Street	12,600	22,500	40,300	75,400	32%

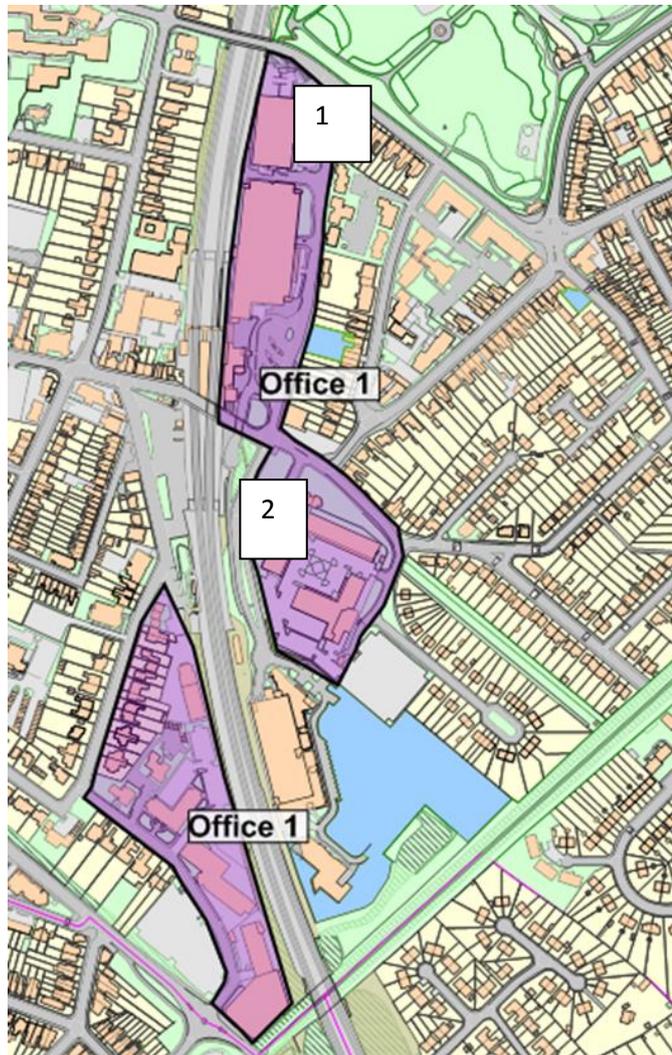
\*figures rounded to nearest whole number

Future role of employment area

EMP 21 is rated “Excellent” due to quality of buildings and environment and excellent immediate and strategic accessibility for shed accommodation.

The employment area is well located and serves an important function for medium / large companies requiring varied types of accommodation. This role can continue. There is no specific local business or service role.

## 4.5 Main Office Clusters



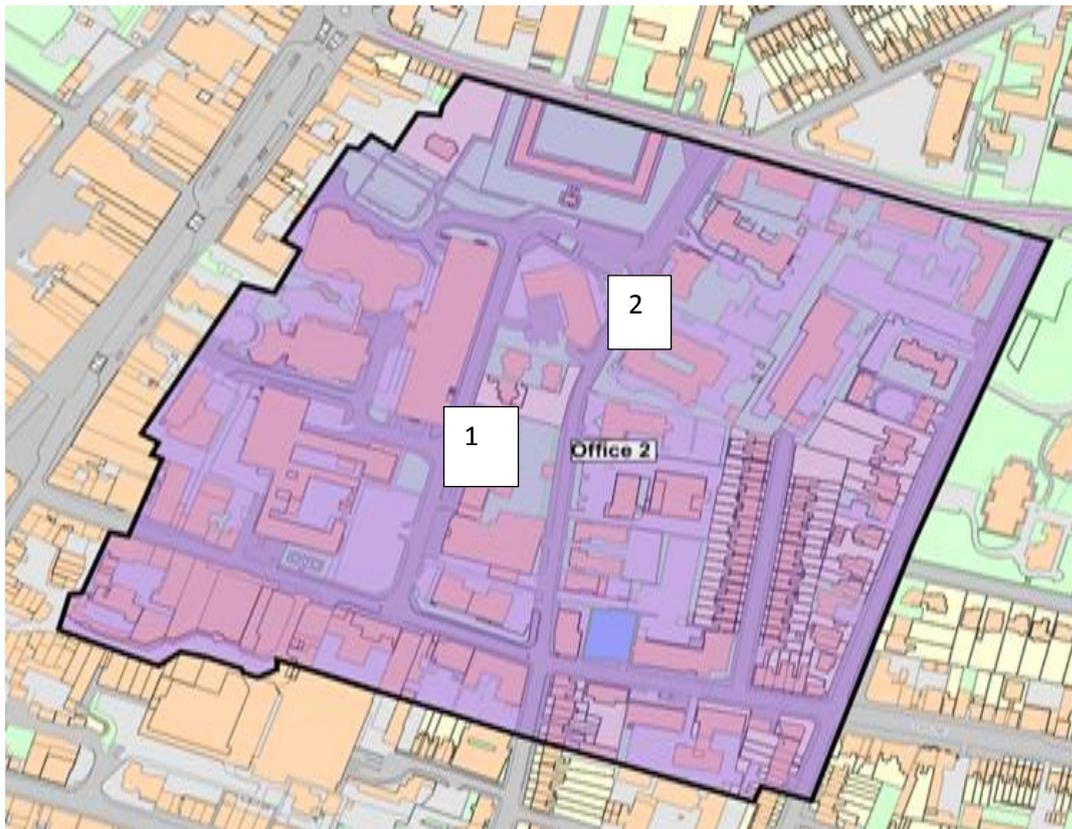
<b>Location / Reference</b>	Office 1 - St Albans City Station
<b>Size of area</b>	6.29 ha  Approximately 42,000 sq m estimated office floor-space (in 2012 ), but now significantly reduced by PDR changes to residential
<b>Area description</b>	Large office cluster based around St Albans City Station. Major station in the District providing excellent links to London. Quality B1 office facilities that are currently occupied by some major companies. This area has been particularly prone to office to residential conversions under permitted development rights. The iconic Ziggurat House for example, had prior approval granted in April 2015 for the change of use from B1 to C3. Due to the transport links into London, this location is also attractive to residential

	developers.
<b>Examples of occupiers</b>	<b>Deloitte; Scottish Pacific Tradeline; Lambert Smith Hampton</b>



These images show the type of offices within office cluster 1. This cluster is spread over a large area, with the City station at its core.





<b>Location / Reference</b>	Office 2 - St Albans City Centre
<b>Size of area</b>	14.47 ha  Approximately 60,000 sq M estimated office floor-space (in 2012)
<b>Area description</b>	<p>The St Albans City Centre office cluster provides high quality office space of varied size and in different ages of building. Some has parking space on site but there is also a reliance on public parking. It is attractive because of its historic city / conservation environment, access to City services and facilities (especially retail and food and drink) and proximity to convenient rail connections into London.</p> <p>There is a wide range of occupiers, but with a strong representation of professional services. This area is the main location for the “City of Expertise” group of companies .</p> <p>The cluster includes the Crown Court, Magistrates Court and Local Government offices. Government departments such as Inland</p>

	Revenue and the Valuation Office have offices within this cluster.
<b>Examples of occupiers</b>	<b>Price-waterhouse-coopers; AECOM; Barclays, Ministry of justice, National Pharmaceutical Association</b>



The two images above show St Albans Crown Court which is located within office cluster 2 and a typical, modern office building which can be also found within this cluster.



<b>Location / Reference</b>	Office 3 - St Albans Abbey Station
<b>Size of area</b>	2.94 ha  Approximately 22,000 sq m estimated office floor-space (in 2012 )
<b>Area description</b>	The St Albans Abbey Station cluster is based around St Albans' secondary station which provides a direct link to Watford. It is a complex of large, modern, purpose built offices with parking and is occupied by large companies.  The offices are located on the edge of a major retail park and have good access to City Centre

	facilities as well. They are also within easy reach of both railway stations and the motorway network.
<b>Examples of occupiers</b>	<b>Premier Foods; Ford Credit; Michael Page</b>

These two images show the main office buildings which can be found within office cluster 3. This cluster is the smallest out of the three, but is based alongside St Albans Abbey Station, the City's secondary station with direct routes to Watford.



## 4.6 Waste Management Uses

Since the DLPR, the Hertfordshire Waste Local Plan (Ref 30) has identified a need to safeguard certain employment areas to accommodate future waste management uses. This is an important consideration, but potentially it places greater future use pressure on limited areas of designated employment land.

Employment Land Areas of Search (ELAS) Policy 5 Safeguarding of Sites states:

*'Land and sites where there are existing waste management facilities; land and sites where planning permission exists but not yet implemented; or land and sites on which planning permission is subsequently granted for waste management facilities will be safeguarded to contribute to a strategic network of waste management provision within the county.'*

*The Waste Planning Authority will oppose development proposals which are likely to prevent or prejudice the use of land identified or safeguarded for waste management purposes unless alternative or enhanced provision is made for a facility dealing with the equivalent waste capacity or where it can be demonstrated that the need for those facilities can no longer be justified'.*

Within SADC seven existing employment sites are assessed /designated as suitable for waste uses. They are listed in Table 23 below.

**Table 24 Hertfordshire Waste Local Plan - ELAS Supplementary Planning Document for the Waste Site Allocations Development Plan Document**

Site	Size	Access	Groundwater
ELAS210 Colney Street Industrial/Warehousing Estate	Green 61.5 acres (24.92ha)	Green Via the A5183 (Radlett Road)	Red Situated in groundwater source protection zone 1
ELAS122 Acrewood Way	Green 48.5 acres (19.63ha)	Green Via the A1057 (Hatfield Road)	Amber Mostly situated in groundwater source protection zone 2
ELAS203 Porters Wood/Soothouse Spring	Green 29.5 acres (11.95ha)	Amber Via Valley Road	Green Situated in groundwater source protection zone 3
ELAS204 Council Depot and Adjoining Land	Amber 13.9 acres (5.64ha)	Amber Via the B651 (St Albans Road)	Green Situated in groundwater source protection

			zone 3
ELAS205 Brick Knoll Park	Amber 19.8 acres (8.05ha)	Red Via Ashley Road	Green Situating in groundwater source protection zone 3
ELAS207 North Orbital Trading Estate	Amber 9.9 acres (4.02ha)	Green Via the B5378 (Napsbury lane)	Green Situating in groundwater source protection zone 3
ELAS208 Riverside Estate	Amber 18.8 acres (7.61ha)	Green Via the A1081 (London Colney by Pass)	Green Partly situating in groundwater source protection zone 3

#### 4.7 Pressure for Loss of Employment Land

Since the adoption of the DLPR there have been significant losses of employment land and premises to other uses, including in the office clusters and employment areas. This has been the result of:

- A decline in employment sectors requiring conventional business premises and trends to more efficient use of stock (through combinations of mobile/ home working).
- In this context, higher quality requirements (e.g. modern buildings and ease of road access) making some existing locations and buildings obsolete or less attractive. (see Quality Assessment Table).
- Changing retail and leisure development needs; especially shortage of options for land intensive retail and leisure uses with surface car parking provision (e.g. supermarkets, indoor children's play or gymnasias).
- Market land value pressures and market led planning legislation changes, in particularly the now permanent office to residential PDRs. These will now include light industrial buildings and laundrettes.

#### 4.8 Office to Residential Permitted Development Rights (PDRs)

Temporary permitted development rights were introduced in 2013 and enabled vacant offices to be converted into new homes without having to apply for planning permission. A system of exemptions and a 'Prior Approval' system is in place. This is designed to provide some safeguards, but only on traffic and flood risk impacts. Originally, these rights were set to expire on 30

May 2016. However, an announcement on 13 October 2015 meant they are to be made permanent. Additionally, those already with prior approval will have 3 years in which to complete the change of use. Details of the permanent regime have been set out in Regulations. The system remains as under the temporary arrangement but with addition of a new noise related prior approval check (Ref 11). In Government consultation the possibility of a new requirement / safeguard for 'strategic' employment locations and uses had been floated. However this has not been included in the new system. The Government announcement (Ref 11) included proposing a new PDR for demolition and redevelopment of employment premises for residential. This is to be introduced through the Housing and Planning Bill (in process at the time of writing). It will increase the scope for schemes for conversion of employment land to residential, as it will be possible to replace buildings that were previously unattractive for housing.

Consequently, since 2013, there has been an accelerating trend towards loss of business premises to residential. This is likely to continue now the PDRs have become permanent and new extended rights are to be introduced.

The implications for the District are significant. The main office clusters and several main employment areas have been affected. Office to residential development conversions in these areas is often more attractive for developers in a strong residential market.

SADC monitoring has recorded grants of prior approval for the exercise of this PDR as set out in Table 24 and Figure 25 below.

**Table 25 Prior Approvals for Office to Residential PDR Conversions April 2015**

Application Reference and Map Reference	Address/location	Number of dwellings	Employment area /office cluster	Floor-space lost / to be lost (m <sup>2</sup> )	Implementation status
5/2014/3608 PA1	Unit C and C2 Houndwood Farm, Harper Lane, Shenley	2	Not part of a designate d employ ment area or office cluster	102	Completed
5/2013/2340 PA2	2, Sun Lane, Harpenden,	1	Not part of a designate	90	Prior approval granted but not yet

	AL5 4ET		d employ ment area or office cluster		implemented
5/2013/2354 PA3	Parkinson House, Vaughan Road, Harpenden, AL5 4EQ	4	Not part of a designate d employ ment area or office cluster	206	Prior approval granted but not yet implemented
5/2014/2978 PA4	Auriga and Star Cargo House, Thompsons Close, Harpenden, AL5 4ES	14	Not part of a designate d employ ment area or office cluster	900	Prior approval granted but not yet implemented
5/2014/3623 PA5	3 Waxhouse Gate, High Street, St Albans, AL3 4EW	1	Not part of a designate d employ ment area or office cluster	84	Prior approval granted but not yet implemented
5/2015/0408 PA6	Ziggurat House, Grosvenor Road, St Albans, AL1 3AW	125	Within office cluster 1	9,953	Prior approval granted but not yet implemented
5/2013/1382 PA7	Target House 257-263, High Street, London Colney, AL2	10	Located in EMP 16	1,022	Prior approval granted and under construction

	1HA				
5/2013/1930 PA8	Prosperity House, High Street, Redbourn, AL3 7LN	4	Not part of a designated employment area or office cluster	200	Prior approval granted but not yet implemented
5/2015/0001 PA9	35 High Street, Sandridge, AL4 9DD	10	Not part of a designated employment area or office cluster	N/A	Prior approval granted but not yet implemented
5/2013/2192 PA10	1 st Floor, Unit 5, Woodland Court, Soothouse Spring, St Albans	2	Located in EMP 8	82	Prior approval granted and under construction
5/2015/0667 PA10	1-4 Woodland Court, Soothouse Spring, St Albans, AL3 6NR	15	Located in EMP 8	780	Prior approval and under construction
5/2014/0063 PA11	Oak Court Business Centre, 14, Sandridge Park, Porters Wood, St Albans, AL3 6PH	14	Located in EMP 8	880	Prior approval granted but not yet implemented
5/2014/0751	1st Floor, 114, Ashley Road,	2	Located in EMP	175	Prior approval granted but not

PA12	Above Bennetts, St Albans, AL1 5JR		12		yet implemented
5/2014/1331 PA13	28, Alma Road, St Albans, AL1 3BW		1	Not part of a designated employment area or office cluster	48 Prior approval granted but not yet implemented
5/2014/1638 PA14	2b, Lower Dagnall Street, St Albans, AL3 4PA		3	Not part of a designated employment area or office cluster	132 Prior approval granted and under construction
5/2014/2207 PA15	Keystone Building 60, London Road, St Albans, AL1 1NG		18	Not part of a designated employment area or office cluster	792 Prior approval granted but not yet implemented
5/2014/2428 PA16	Hertfordshire House, Civic Close, St Albans, AL1 3JZ		18	Within office cluster 2	1,322 Prior approval granted but not yet implemented
5/2014/2521 PA17	11-13, Verulam Road, St Albans, AL3 4DA		4	Not part of a designated employment area or office	145 Prior approval granted but not yet implemented

			cluster		
5/2014/2718 PA18	4-6, Upper Marlborough Road, St Albans, AL1 3UR	11	Within office cluster 2	480	Prior approval granted but not yet implemented
5/2013/2463 PA19	Smug Oak Green Business Centre, Lye Lane, Bricket Wood, AL2 3UG	6	Not part of a designated employment area or office cluster	149	Prior approval granted but not yet implemented
5/2013/2931 PA19	1st Floor, Smug Oak Green Business Centre, Lye Lane, Bricket Wood, AL2 3UG	6	Not part of a designated employment area or office cluster	149	Prior approval granted but not yet implemented
5/2013/3356 PA20	Ridgmont Plaza 36, Ridgmont Road, St Albans	35	Within office cluster 1	149	Completed
5/2015/0111 PA20	Ground floor, Ridgmont Plaza 36, Ridgmont Road, St Albans	1	Within office cluster 1	34	Completed
5/2014/3018 PA21	41-45, London Road, St Albans	3	Not part of a designated employment area or office	200	Completed

			cluster		
<b>TOTAL</b>		<b>310 dwellings</b>		<b>18,074 sqm</b>	

At April 2015, 310 residential dwellings had been permitted. Out of the 310, 41 dwellings have already been constructed and 30 are under construction. Thus, 239 dwellings have prior approval granted but are yet to be implemented.

It is estimated that, at April 2015, 485 sq m of employment floor space had already been lost to office to residential PDRs in the District. This will increase by approximately 2,016 sq m when the PDR permissions in construction at that date are fully implemented. This takes the total floor space already lost to 2,501 sq m. If all the applications that are yet to begin construction at the same base date successfully implemented, this would result in a further loss of 15,573 sq m of office floor space.

The total floor space that will be lost when all applications in the above table are successfully implemented is approximately 18,074 sq m. This is equivalent to capacity for approximately 900 jobs at 20 sq m per job.

Using the VOA/ EG 2015 District office stock estimate of 200,824 sq m of office floor space (Table 21) as a proxy for the stock position at the start of implementation of the PDR prior approvals, the percentage of overall office floor space that is expected will be lost through implementation of all April 2015 PDR commitments is 8.99%. As a very general indication, this is equivalent to office buildings roughly 80% of the size of the Abbey Station Cluster (circa 22,000 sq m).

Aside for the office clusters, existing employment areas that will be particularly affected by the office to residential PDRs are the following:

- EMP 8: Porters Wood/Soothouse Spring
- EMP 13: Brick Knoll Park, Ashley Road (Bennetts Car Parts/St Albans Car Centre)

This introduces a mix of residential and business uses which could be problematic in terms of amenities for residential occupiers and freedom of business activity.

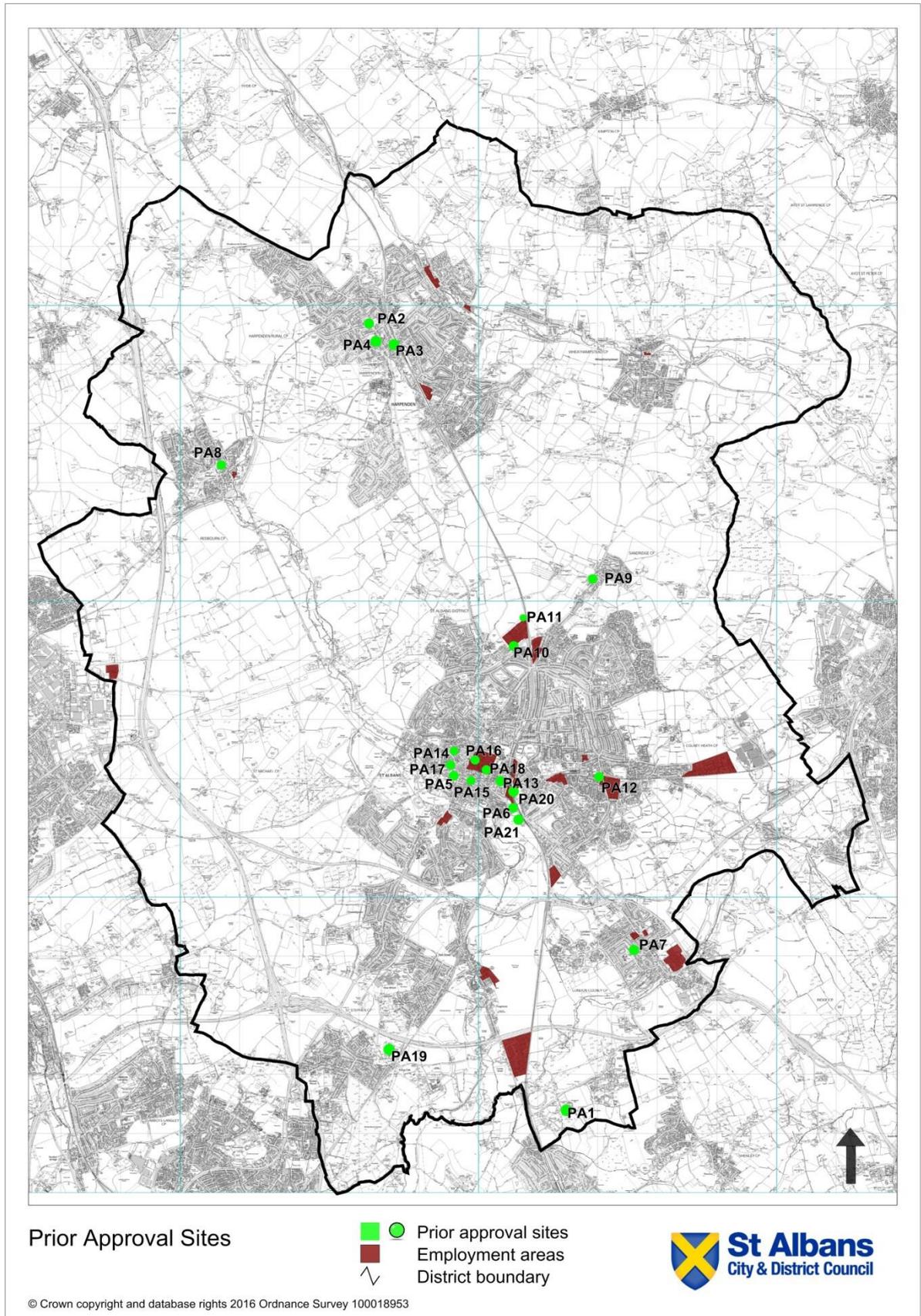
The majority of the offices to residential applications however, directly affect the City centre offices in the District. The St Albans City Station office cluster and St Albans City Centre cluster are experiencing a significant loss of floor space.

The permanence of the PDRs suggests continued losses of office space in the District. However, it must be acknowledged that the scale implementation is uncertain as some Prior Approvals could be a result of valuation and marketing exercises only. It is possible that if the demand for office accommodation strengthens then conversions will not proceed and office use will continue.

In order to prevent PDRs being exercised, Article 4 directions (Ref 11) can be implemented by local authorities. This is an issue that will need to be considered in the DLP, taking account of Government policy.

It is important to note that when the new PDR was introduced SACDC applied for an exemption. This was not granted. The primary reason for making the exemption application was to protect the role of St Albans City as a strategically important office location (as identified in CHELR / LAELS); and thus to safeguard the benefits this gave to the local economy generally. Full information on the exemption application and decision is at Appendix 2. The scoring of the application indicates that the case made was close to being accepted by Government.

**Figure 16 Location of Prior Approvals for Office to Residential Conversions**



## 4.9 Conclusions

The review of remaining key employment locations and the updated Quality Assessment (See Appendix 1 for background) shows that:

- The remaining employment areas are all intensively used. Generally premises vacancies are low and there is little or no spare land available for new development.
- The areas often accommodate important companies / employers, especially smaller and more local businesses
- The non-central area employment locations are also often serving as a home for companies performing a local service function. In many cases this includes retail / quasi-retail uses. These areas are essential to provide the services that keep any local area functioning (builder /DIY goods / car sales / repair / servicing/leisure)
- Road access to some of the sites is not ideal, especially for heavy goods vehicles. However it is important to note that often sites with more limited road access will be well placed for general employee and customer access within the urban areas.

The updated assessment results are summarised in Table 26 below.

Table 26 Update Qualitative Assessment

<u>Ref</u>	<u>Internal environment</u>	<u>External environment</u>	<u>Accessibility by road</u>	<u>Accessibility / including by public transport</u>	<u>Local market conditions</u>	<u>Overall quality of the area</u>
<b>EMP 1 - Coldharbour Lane, Harpenden (as redeveloped)</b>	Good	Average	Average	Good	Good	<b>Good</b>
<b>EMP 2 - Batford Mill Industrial Estate, Harpenden</b>	Poor	Average	Average	Good	Average	<b>Average</b>
<b>EMP 3 - Southdown Industrial Estate and Former Gas Works, Southdown Road, Harpenden</b>	Good	Average	Average	Good	Good	<b>Good</b>
<b>EMP 3A - Rothamsted Experimental Station, Harpenden</b>	<b>This employment area has not been assessed as it has been identified as a special employment location in draft SLP (SLP17)</b>					
<b>EMP 5 - Redbourn Industrial Park, Redbourn</b>	Average	Average	Good	Poor	Average	<b>Average</b>

<b>EMP 6A - Station Road, Wheathampstead</b>	Good	Average	Average	Very Poor	Poor	<b>Average</b>
<b>EMP 7- North of Buncefield, Hemel Hempstead</b>	Good	Average	Good	Average	Average	<b>Average</b>
<b>EMP 8 - Porters Wood/Soothouse Spring, St Albans</b>	Good	Good	Average	Good	Good	<b>Good</b>
<b>EMP 9 - Council depot and adjoining land, St Albans Road, Sandridge, St Albans</b>	Poor	Average	Average	Good	Average	<b>Average</b>
<b>EMP 10 - Alban Park/Acrewood Way/Lyon Way, Hatfield Road, St Albans</b>	Average	Average	Good	Good	Good	<b>Good</b>
<b>EMP 12 - Brick Knoll Park, Ashley Road, St Albans</b>	Average	Average	Good	Good	Good	<b>Good</b>
<b>EMP 13 - Executive Park and adjoining land, Hatfield Road, St</b>	Average	Very Poor	Poor	Good	Average	<b>Poor</b>

<b>Albans</b>						
<b>EMP 14 - Camp Road/Campfield Road, St Albans</b>	Average	Average	Average	Good	Poor	<b>Average</b>
<b>EMP 15 - North Orbital Trading Estate, Napsbury Lane, St Albans</b>	Excellent	Good	Excellent	Poor	Average	<b>Excellent</b>
<b>EMP 16 - Wellington Road, London Colney</b>	Poor	Poor	Good	Average	Average	<b>Poor</b>
<b>EMP 17- The Hertfordshire Business Centre, Alexander Road, London Colney</b>	Good	Average	Average	Average	Average	<b>Average</b>
<b>EMP 18 - Riverside Estate, London Colney</b>	Good	Average	Excellent	Average	Good	<b>Good</b>
<b>EMP 20 - Watling Street, Frogmore</b>	Good	Good	Excellent	Average	Good	<b>Good</b>
<b>EMP 21 - Colney Street Industrial/Warehousing Estate</b>	Excellent	Excellent	Excellent	Poor	Good	<b>Excellent</b>

An initial conclusion can be drawn that, (based on the excellent and good ratings and a general appreciation of the assessments), the following main employment locations continue to perform an essential role in the general life and economy of the District.

They do so either as:

- Strategically important places that *accommodate local businesses / services* that cannot easily locate in residential or central areas and need good value / economical local premises. These areas support the day to day service economy of the District and also give an opportunity for initial growth of small businesses that originate in the area and have their customers and business networks there. The identified areas now represent a minimum level of provision to ensure a healthy local economy and urban areas that function well
- Strategically important *high quality office locations* within the urban area. These office locations have wider than District significance and contribute greatly to the economic well-being of the wider area. They provide an attractive and prestigious home for national companies. The quality of the locations contributes to attracting the best staff for the occupiers. The success of these locations both depends on, and supports, the economic health of the central area of St Albans. They help sustain its historic fabric and diverse character.

## **Table 27 List of Strategically Important Employment Locations**

### Local Businesses and Services

Harpenden:

DLPR EMP 1 Coldharbour Lane (remaining)  
DLPR EMP 3 Southdown Industrial Estate

St Albans:

DLPR EMP 8 Porters Wood / Soothouse Spring  
DLPR EMP 10 Alban Park  
DLPR EMP 12 Brick Knoll Park (part east of Ashley Road)  
DLPR EMP 15 North Orbital Trading Estate

### High Quality Office Locations

St Albans City station  
St Albans City core  
St Albans Abbey station

The locations are as generally defined and mapped above, with minor modifications as indicated in the Table.

Potentially these are the key areas that should be considered as priorities for a high level of protection / safeguarding under DLP policies. Decisions on this will however necessitate further consideration of the impact of the recent Government decisions on policy and legislation for PDRs. It will now be necessary to consider use of Article 4 Directions - a legal tool to withdraw PDRs at local level - to achieve the desired policy outcome (Ref 11).

It should also be noted that it may be that this initial view of strategic importance may change as a result of consultation on the DLP; particularly in relation to the areas rated average, where the assessment often involves a difficult judgment. This is particularly the case as specific parts of these areas can be viewed as 'better than' average.

As context it is important to understand that SLP policy (SLP 15) gives general encouragement for all employment areas and premises to continue in employment use. In many cases this will in any case occur as a result of the historical property position and continued market demand. However in areas that are not specifically safeguarded it is now likely that further changes to residential will occur in line with the general direction of Government policy. Local planning policies will not be able to prevent this, other than through the Article 4 Direction approach. The degree to which Government will support Article 4 Directions on this topic is in doubt generally, but a blanket 'all employment areas' approach is unlikely to be well received. Some indication of the Planning Inspectorate's early approach to this issue is given in the comparative research at Appendix 5 (Hertsmere BC), albeit this does not take account of the final form of the PDR regulations.

**SECTION 5**

**FUTURE LAND AND PREMISES NEEDS**

## **5.1 Forecasting Employment Change and (B Use Classes) Land and Premises Needs**

Sector based employment forecasting can be used to gain a general understanding of future employment (business class) land use needs.

In outline the approach usually taken is as follows:

- Analyse the make-up of the local economy by sector and estimate numbers of jobs existing in each sector
- Forecast job growth by employment sector (a projection of past trends)
- Identify the key employment sectors that will require business use class premises and match sectors to premises type
- Identify job growth in relevant sectors
- Use assumptions about typical jobs to floor-space densities and floor-space to site / land ratios to estimate future needs to accommodate the expected job growth by premises type (growth or decline in land and premises requirements)

This method is relatively crude, but is the best available to underpin land use planning for business premises needs. It is essentially that set out in the Government's PPG (Reference ID: 2a-034-20140306) and in former guidance (Ref 17) - see Section 1 Para.....above).

The quantitative forecasting results should be considered alongside informed judgements about factors such as:

- likely operation of the commercial property market in the study area – including land / property values, and market constraints and demand for commercial property
- the potential influence of planning policies, especially on availability of particular types of land and premises

This update study employs the published SACD level forecasts from the East of England Forecasting Model (EEFM) (Key Data Source 2) to give a picture of possible future changes in employment in the District.

In past studies, other employment forecasts have been used, including some bespoke work for the CHELR and HLAS. However, at this point in SLP / DLP evidence work, the EEFM forecasts are more than sufficient to provide an update to the employment change information required to understand trends and estimate possible future land and premises needs.

## **5.2 EEFM Forecasts of Employment (B Use Classes) Land Use and Premises Needs**

The EEFM forecasts future needs for business use land and premises by providing floor-space need estimates to match sectoral employment growth. The floor-space estimates are provided in the categories; industrial, warehouse and office. These categories are also broken down in more detail, but the emphasis of analysis in this TR is on these main, broad, premises types.

Employment land use forecasts in the EEFM model 2014 are Oxford Economic calculations, with estimated floor-space required for industrial / warehousing/office activity based on forecast industrial / warehousing/office employment levels.

### Industrial and Warehousing (Shed)

The forecast suggests very little change in the need for industrial floor-space (123,200 sq m in 2011, to 120,500 sq m in 2031) and a slight increase in the need for warehousing space (297,700 sq m in 2011, to 332,000 sq m in 2031).

In practical property use and market terms these two uses are often interchangeable. Thus, for planning purposes, it is possible to think simply in terms of all 'shed' style accommodation opportunities. The uses generally require the same types of location, land quality and buildings. On this basis the two trends almost cancel each other out (420,900 sq m in 2011 / 452,500 sq m in 2031).

The absolute figures are less important here than the trends. The forecasts clearly suggest that overall there will be little change in the level of need for shed style accommodation. This interpretation confirms earlier evidence work. The consequences are reflected in other parts of this study.

### Offices

The position for office accommodation is very different, with a clear forecast of substantial and growing need. This reflects the type of accommodation needed for the main employment growth sectors represented in the District.

The forecasts suggest the need for office floor-space will increase from 422,400 sq m in 2011 to 630,000 sq m in 2031.

### General Trends

Overall the EEFM forecast indicates a dramatic levelling off of employment land use annual change (%) from 2011 to 2031. This appears to be because the model represents the expected end of a period of significant change in the market for commercial property market. The period of change has been

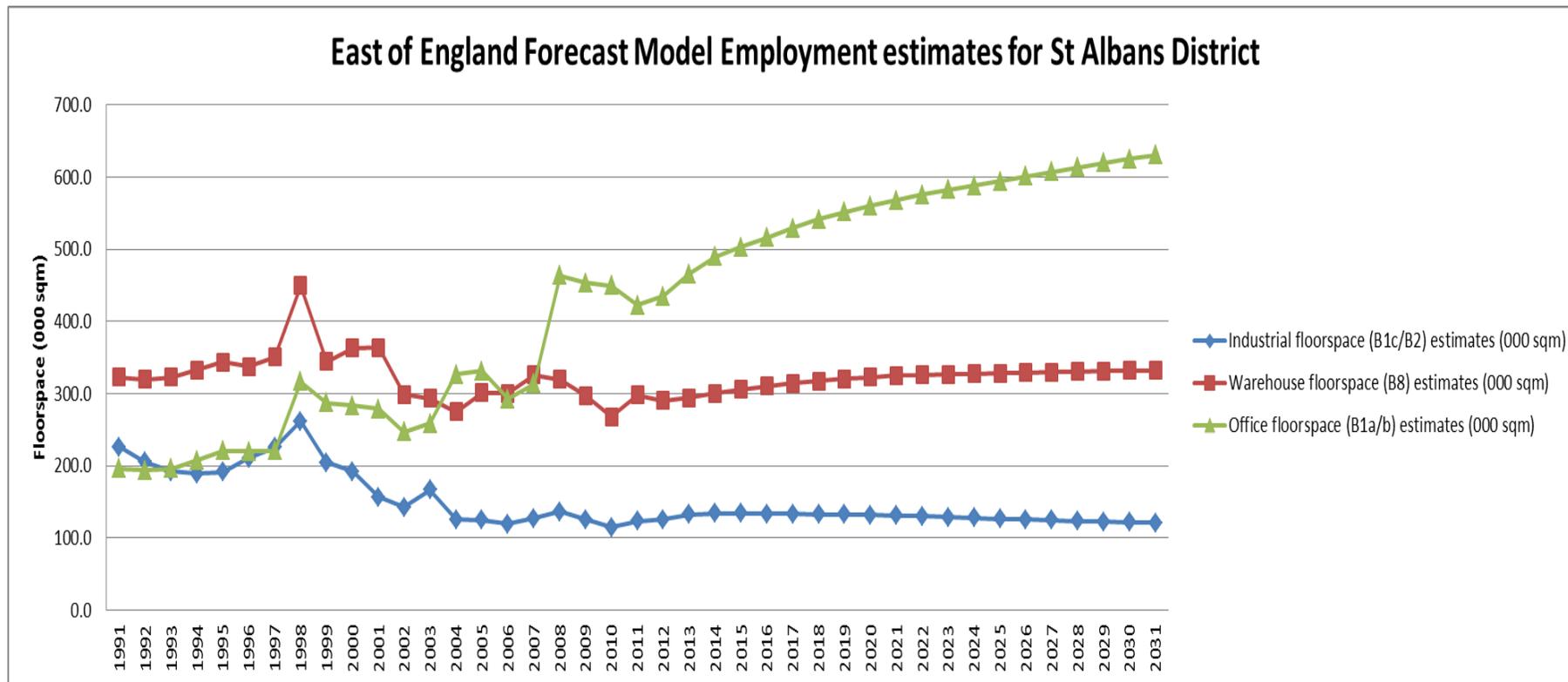
influenced by global and national factors, but these have been felt intensely at local level. The factors behind this probably include:

- Sector changes, particularly away from manufacturing and “dirty” and / or land and floor-space intensive activities
- land value impacts forcing changes of use away from employment uses to residential / leisure and retail, or to higher intensity commercial building forms
- technological change and related work style changes, with more multi- activity uses of space and mobile / home working

The model incorporates a theoretical relationship between sectoral employment change and land use / premises needs. It then works in a way that generalises (and thus smooths out) trends for the future. This provides important information in terms of understanding the likely future pattern of land use and premises demand. However it is important to recognise that, in reality, annual change would fluctuate more than the model suggests as individual areas or sites are developed.

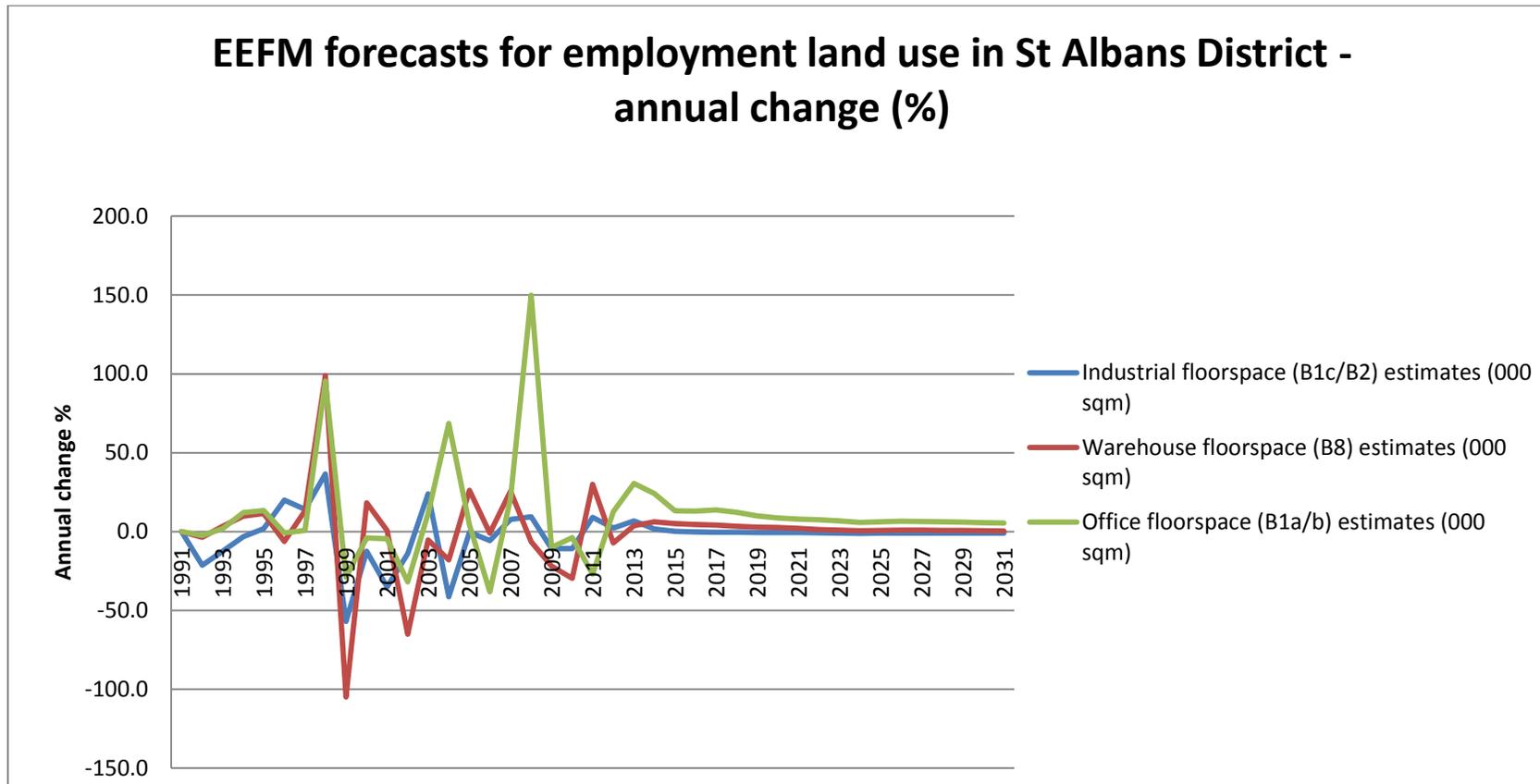
The model outputs are shown in graphical form below.

Figure 17 EEFM Employment Estimates for SADC



Source: East of England Forecasting Model: 2014 baseline results, Oxford Economics

Figure 18 EEFM Forecasts for Employment Land Use in SADC – Annual Change



Source: East of England Forecasting Model: 2014 baseline results, Oxford Economics

## Sector changes

The EEFM provides further detail on the performance of individual sectors over a long period (1991 – 2031), thus giving a combined view of historical and forecast changes that are affecting land and premises needs.

The model shows trends to decreasing employment in:

- Agriculture
- Mining and quarrying
- Manufacturing – food
- Manufacturing – general
- Manufacturing – chemicals
- Manufacturing – metals
- Manufacturing – transport equipment
- Manufacturing – electronics
- Wholesale
- Utilities
- Research & development
- Public administration
- Education

The top five highest decreases are in Manufacturing – general, Manufacturing – electronics, Manufacturing – metals and Manufacturing – chemicals, Public administration.

The model shows a consistent level of employment in:

- Manufacturing – pharmaceuticals
- Telecoms

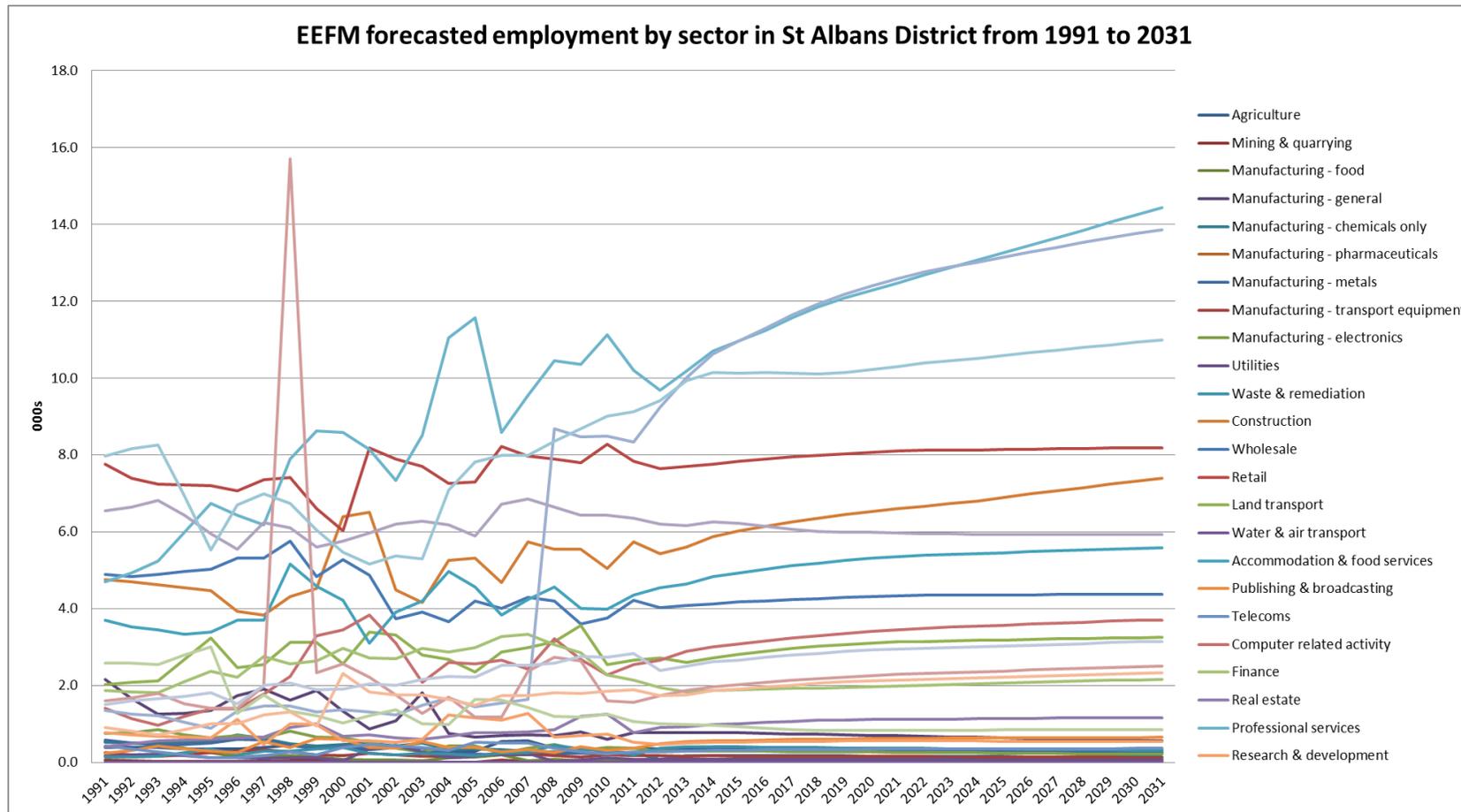
The model shows trends to increasing employment in:

- Waste & remediation
- Construction
- Retail
- Land / transport
- Accommodation & food services
- Publishing & broadcasting
- Computer related activity
- Finance
- Real Estate
- Professional services
- Business services
- Employment services
- Health & care
- Arts & entertainment
- Other services

The top five highest increases are in Professional Services, Business Services, Construction, Arts & Entertainment and Other Services. As noted above these are primarily office based uses.

These trends are shown graphically below.

**Figure 19 EEFM Forecasted Employment by Sector in SADC**



Source: East of England Forecasting Model: 2014 baseline results, Oxford Economics

### Model limitations

Any employment led model is dependent on available data on employment by sector. Data limitations mean that output for individual district level information, as presented above, should be treated with caution. Employment sector forecasts are less robust at smaller geographic areas. Reality is more complex than any model, and the model therefore offers no guarantee of accuracy.

The amount of employees in employment in the calculations is defined by the number of employee jobs (sum of full time and part time jobs) in an area based on annual business inquiry data (ABI / BRES). The EEFM employment forecasts are based on a measure of jobs, not people. Some people will have more than one job and this could affect the EEFM 2014 findings by increasing the numbers of employees in employment, and potentially increase the employment land use forecasts accordingly depending on the amount of people having multiple jobs and the work styles that prevail.

It should also be stressed that EEFM forecasts are based on past trends and are unconstrained by the future availability of land (either for employment or housing). The model cannot therefore reflect future planning policy for SACD.

EEFM technical reports explain that past trends reflect past infrastructure and policy environments and indicate that, even where major new investments or policy changes are known or have actually started, they can only affect EEFM forecasts to the extent that they are reflected in the currently available sectoral employment data. If they have not yet impacted on the available data, they will not be reflected in the forecasts, so there is an inevitable time lag.

The model also has data limitations in respect of historical and current information on commercial floor-space stock and change. This affects the accuracy of floor-space need forecasts and further emphasises that the value of the model is in showing trends, rather than providing precise numerical predictions. This issue is considered further below. The general messages that employment sector modelling can give are nevertheless important and valuable for planning.

### Implications

The forecasts suggest continuing prosperity and strong employment growth in the District, but this does not automatically lead to growing land and premises needs.

There will be strong and steady growth in the service sector particularly in knowledge based and professional services, with steady consequent increases in demand for office space.

These growth sectors do offer considerable potential for mobile and home working which cannot easily be modelled. This point should be set against the increased need for office floor-space shown in the model.

### **5.3 Comparing Stock Estimates and Forecasts of (B Use Classes) Floor-space Need**

It is important to examine new EEFM evidence in the context of information about past and current employment floor-space stock and also earlier SLP employment forecasting work in CHELR and LAELS. The earlier work remains relevant and important. As can be seen from the previous sections, the general EEFM outputs for SACD effectively confirm the conclusions about employment trends and future premises needs that informed the drafting of the SLP (albeit they were then taken at a sub-region level).

To assist in considering the various forecasts it is useful to examine and compare the available estimates of past and present business floor-space stock. These estimates have varied in the past and it is important to try to understand the reasons for this, as there can be implications for interpretation of the forecasts.

Overall this provides a useful check on the consistency of modelling / forecasting. It also offers a degree of scenario and sensitivity testing and can assist in drawing more robust conclusions.

Table 28 below compares the recent EEFM forecasts for commercial floor-space need with the earlier CHELR and LAELS forecasts and includes a cross check against the different floor-space stock information sources now available (see Section 4 above).

The Table includes notes summarising the conclusions that can be drawn from comparing the various sources.

**Table 28 B Use Classes Premises Floor-space Stock Estimates and Need Forecasts – Interrelationships and Comparisons  
(all figures sq m)**

N/A = Not available

<u>Source (date)</u>	<u>Stock 1991</u>	<u>Stock 2001</u>	<u>Stock 2006</u>	<u>Stock 2011-13 (approx. across this period) (SLP / DLP Plan period base date)</u>	<u>Stock 2014/15 (See Table 21</u>	<u>Need forecast 2021</u>	<u>Need forecast 2026</u>	<u>Need forecast 2031 (SLP/ DLP plan period end date)</u>	<u>Expected rate of change for forecast period +/- No (% rounded)</u>
<b>SCADC Monitoring (AMR) (Annual)</b>	<u>Notes</u> <ul style="list-style-type: none"> <li>In the period 2001 – 2013 SADC monitoring has recorded losses of both shed and office floor-space (-27 000 sq m and -18 000 sq m respectively – approx.)</li> <li>2011 – 13 stock estimate is treated as approximating to stock position at SLP / DLP base date and the base position at time of the EEFM forecasts published in 2014 (see below)</li> </ul>								
Shed	N/A	414,000	417,000	387,000	378,389	-	-	-	-
Office	N/A	235,000	218,000	217,000	195,770	-	-	-	-
Total	N/A	649,000	635,000	604,000	574,159	-	-	-	-
<b><u>Valuation Office Agency (VOA) / Estates Gazette</u></b>	<u>Notes</u> <ul style="list-style-type: none"> <li>Stock estimates from this source are compatible with and confirm SADC monitoring stock levels for SLP / DLP base date</li> </ul>								

<b>Index (EGI)</b>									
Shed					373,636	-	-	-	-
Office					200,824	-	-	-	-
Total					574,460	-	-	-	-
<b><u>Central Herts Emp. Land Review (CHELR) (2006/07)</u></b>	<b>Notes</b> <ul style="list-style-type: none"> <li>• Forecast period is 2001 based and projects to 2021 (20 years). Figures are for SADC breakdown drawn from final update Report 2007 with some adjustments for all stock totals for internal compatibility</li> <li>• Base stock estimates compatible with SCADC monitoring</li> <li>• Forecasts a significant reduction in shed need, but a growing deficiency of office stock against forecast need. This general picture is compatible with all other forecasts</li> </ul>								
Shed		436,000				388,503			- 47,497 (-11%)
Office		267,000				327,657			+ 60,657 (+23%)
Total		703,000				716,160			+ 13,160 (+2%)
<b><u>London Arc Emp. Land Study (LAELS) (2009/10)</u></b>	<b>Notes</b> <ul style="list-style-type: none"> <li>• Forecast period is 2006 based and projects to 2026 (20 years). Figures are for SADC breakdown with some adjustments for all stock totals for internal compatibility</li> <li>• Base stock estimates not included in report but taken as compatible with SADC monitoring (Table 16)</li> <li>• Shed provision is forecast as roughly in balance across the sub-region. Site safeguarding is required to protect the special local role of this market against higher value uses. Market growth is for large scale warehousing and values could force out other smaller and multi-purpose shed premises. A policy limitation to a maximum development size of 9,000 sq m is recommended</li> <li>• Office forecast is seen as likely to be “a considerable over estimate” due to interpretation of changing market conditions. Local planning and market factors (“local knowledge and policy objectives / priorities”) need to be taken into account in deciding any Plan targets. Possible need for new business park site drawing on strength of St Albans location / market; but future role of Maylands Hemel Hempstead in office market needs consideration in this respect as well. Central (especially St Albans City) area offices sites remain important.</li> </ul>								

	Safeguarding is recommended and losses should be replaced.								
Shed			417,000				410,336		- 6664 (-2%)
Office			218,000				296,158		+78,158 (+37%)
Total			635,000				706,494		+71,494 (+11%)
<b><u>East of England Forecasting Model (EEFM) (2014)</u></b>	<b><u>Notes</u></b> <ul style="list-style-type: none"> <li>• Census based forecast period 2011 – 31 considered (20 years)</li> <li>• Base stock estimate for sheds compatible with SADC monitoring. Base stock estimate for offices is incompatible with other sources. The EEFM historical series for office stock / need for SADC over estimates levels of provision substantially. This means forecast figures cannot be relied on as absolutes, but must be seen as representing trend only. Total floor-space figures adjusted for compatibility</li> <li>• Shed forecast indicates a continuing balance of provision and need confirming conclusions of CHELR / LAELS</li> <li>• Office forecast indicates a continuing and growing need, though the conclusions of the LAELS (above) remain important in interpretation</li> </ul>								
Shed	226,200			426,200				452,500	+26,300 (+6%)
Office	322,900			465,000				630,200	+165,200 (+35%)  Adjusted growth rate based – due to problems with EEFM historic stock data
Total	549,100			891,200				1,082,700	Not applicable due to problems with base stock estimate

From this comparison of business floor-space stock estimates and need forecasts, some general trends (as determined by the sector job growth methodology) can be readily discerned.

All the sources and forecasts show that:

- there has been a decline in shed type premises provision, but forecasts indicate that current provision and future need will be in rough balance ;
- for offices there has been a trend to losses in provision in recent years, but forecasts indicate a continuing and growing need.

Two additional points in relation to this are important:

- Forecast rates of change in need differ considerably due to changing base dates and forecast periods and different sources for employment change modelling. This suggests that forecasting the overall trends is useful, but precise application of specific forecast need figures is not appropriate
- Historical monitoring of changes in business floor-space stock suggests that the forecast need for additional office premises has not been matched by market provision. This is probably explained by two factors discussed in more detail elsewhere in this report; the changing nature of employment in sectors that use office space (reduced need for a fixed office base), and the planning constraints / property market pressures that exist in the District

On forecast rates of change in business floor-space need it is useful to look at a combination of figures for rates of change between current / actual and forecast levels of provision. For the EEFM this is a reasonable approach as it effectively discounts the problem (noted in the table) of inclusion of some incorrect / anomalous office stock baseline figures.

The combined overall rates of change for 20 year forecasting periods are:

Shed rate +7% (positive growth only rate rounded up to give a buffer element - from Table 28)

Office rate of change +31% (average of growth rates of 23% / 37% / 35% - from Table 28)

These rates can be used as a useful cross check / predictor for future need estimates. Applying these average rates to stock levels at the start of the Plan period results in the following alternative (combined source) projections of future premises need (in 2031).

**Table 29 Estimated Need for (B Use Classes) Floor-space 2031 Based on Average Growth Rates from Forecasts (sq m)**

Premises type	2011/12 stock (SADC estimate – see Table 16)	Notional Rate of growth over plan period	Additional requirement	Predicted total need (stock) 2031
Shed	387,000	7%	+27,090	414,090
Office	217,000	31%	+67,270	284,270

The office growth prediction amounts to almost a one third addition to existing stock. As a measure of scale the office need estimate equates in approximate terms to either:

- three St Albans Abbey Station office areas (the whole office complex around the Abbey Station is approximately 22 000 sq m)
- the whole of the original, unimplemented, People-building planning permission at Maylands Gateway in Hemel Hempstead and a little more (approximately 60 000 sq m) (See Section 6 below)

On the face of it does not seem likely that this level of office development could occur. The experience of recent years is that there have been very few new offices permitted or built and certainly there has been no market interest in significant speculative development. Instead, the focus has been on companies rationalising their use of offices through new ways of working (home / mobile). The effect of this has been to concentrate use and demand on two segments of the market – the higher quality larger offices and smaller offices valuable to local businesses – of varied quality. Poorer quality office stock has been increasingly seen as in low demand and this has fuelled loss to residential use (considered in section 4 above). There is certainly no evidence that occupier demand will grow significantly in the immediate future, or that developer confidence is sufficient to kick start a trend to new speculative office development.

It is interesting to note the comparison between these figures and the forecasts from the SW Herts LPAs employment land study (which is not an SADC commissioned study, but includes SADC in its research - Ref 35). Its conclusions on business use class land growth needs in the District are set out in Table 30 below:

**Table 30 Comparison with SW Herts Authorities Floor-space Growth Estimates to 2031**

SW Herts employment research (SADC element)	Upper estimate of need (sq m)	Lower estimate of need (sq m)  (Land requirement in brackets – Ha to 2036 all estimates combined)  (discounting past trends scenario which suggest negative need)	SADC comparator from Table 29	Difference (higher estimate)
1. B1 and B1b (office)	+111,500	+ 80,500 (10.7)	+67,270	-44,230
2. B2 and B1 c	-13,400	-11,300 (-3.6)		
3. B8	+36,100	+27,600 (+7.8)		
4. 2 + 3 (sheds)	+22,700	+16,300 (4.2)	+27,090	+4,390

Source: Emerging SW Herts Authorities ELS (Ref 35)

It should be noted that the overall SW Herts forecasts look to 2036 and the land requirements set out above are for that period. In that respect the comparison with the SLP period to 2031 is not therefore direct.

The forecasts suggest that office floor-space need might be higher, but the overall message from forecasting is the same; that this is the main expected area of need. Shed needs are very limited, with similar estimates from both sources. It should be noted that the SW Herts Study also considers a 'past trends scenario' which predicts a negative need for both office and shed accommodation. This may not be seen as the most appropriate basis for planning, but it does strongly support the point considered elsewhere in this TR; that office development demand has not been apparent for many years and that new ways of working are reducing need for office space.

The SW Herts ELS also estimates land requirements to meet the floor space need estimates (to 2036). Even on these high end estimates the overall land suggested as needed for SADC, of approximately 15 Ha, is very small in comparison to the land likely to be available in the SLP. Indeed the land estimate for the whole of the SW Herts area (51.5 Ha - Ref 35 Table 6.4) is lower than the area at East Hemel Hempstead suggested for business use class land allocation in the SLP (55Ha). The potential for development of the east Hemel Hempstead land is affected by the Buncefield safety issues. However there is scope to meet both the growth needs identified – additional office space and large scale sheds (see Appendix 3).

This shows that the SLP creates a more than sufficient opportunity for local and sub-regional employment land / premises provision to accommodate forecast need. This is despite real uncertainties about the scale and form of future market demand. The approach is driven by the agreed HLEP SEP view of economic development; that regardless of the uncertainties, an opportunity should be provided to meet local business needs and also provide scope for inward investment. Because planning lead times are long the opportunity must be created by planning now. This imperative has to be balanced against inevitable scale of Green Belt loss that arises (as an “exceptional circumstance” in terms of the NPPF).

#### **5.4 Conclusions**

The review of the sectoral forecasting approaches set out above provides a good general indication of employment sectors that are expected to grow and the land use demands likely to arise.

However it would be wrong to take forecasting model outputs in any way precise or prescriptive of a specific policy response. This is discussed further in following sections of the TR.

The forecasting confirms a view evident from the other sources and research noted throughout the TR; that the likelihood is that there will be a strong local emphasis in growth in jobs that require office space and a decline in activities that use shed style accommodation.

However there are two crucial caveats to place on this understanding. First, because of changing work patterns (including home and mobile working and ‘hot-desking’ of office space linked to this, increasing numbers of part time jobs; use of multi user managed office and meeting space; virtual reception services; all supported by Information and communications technology improvements) (Ref 36), the expected growth in this type of job does not necessarily feed through to a significant increase in demand for additional conventional office floor-space. Second, the operation of the market reflects and reinforces these new work styles. Office floor-space is expensive and organisational strategies evolve to minimise demand and maximise occupancy. Also alternative land use values – especially for residential development – create further incentives in that direction. Market demand, office stock level changes and developer rental / yield incentives for new office

space all therefore tend to manifest at lower levels than the forecasts might suggest (Refs 35 / 36).

Certainly, past forecasts of need have not been fulfilled by the market and in recent years local office stock has been in significant decline. Analysis of the market position (Ref 35 / 36) suggests there are some office vacancies particularly for secondary quality / location stock, a continuing and accelerating loss of stock and, as already noted, no current market interest in speculative office development. The market preference now appears to be for conventional central locations with public transport, service and cultural links (such as St Albans City), rather than business park locations.

An additional consideration to bear in mind about translating sector forecasts into expected land use requirements is that job decline may not necessarily result in a reduction in land and premises needs. This is because there may be a substitution of land and machinery for labour. Sometimes this will require more and different types of space. The sectors expected to shed jobs are typically those affected by these factors and they can generate land intensive demands. Wholesale and warehousing is trending to large automated premises with significant lorry parking and access circulation requirements, waste and remediation requires special mechanised facilities and open or covered specialist storage (e.g. for materials recycling and composting / digestion). Some forms of manufacturing / quasi manufacturing (e.g. specialist electronics; construction and landscaping products) are linked to service and retail space needs that support their business model. Market analysis, including local experience of business development enquiries, suggests that these factors will mean that, despite forecasts and trends for a general decline in shed floor-space need, there will be a range of special shed / non office premises needs that could result in additional demand for employment land.

**SECTION 6**

**EMERGING STRATEGIC LOCAL PLAN (SLP) APPROACH**

## 6.1 Draft SLP Policies

This Section refers to the SLP at Publication Draft stage.

The SLP (Para 7.2) states two main economic aims:

*“To foster a healthy, diverse and strong local economy, with a focus on knowledge industries, financial and business services, the rural economy, the green technology sector, creative industries and visitor economy.*

*To offer employers a highly skilled and flexible workforce and individuals the very best opportunities to learn, train, start businesses, develop entrepreneurial opportunities and improve their employability.”*

The Plan also stresses that “the unique and exceptional quality of the built and natural environment is very important in supporting the prosperous local economy and providing a range of jobs for all (Para 7.1)”.

This highlights that any strategy for economic growth should not unduly compromise the local environment because, in the long term, that would damage the attributes that make the local economy prosperous. This would be counter-productive to securing economic well-being and further growth.

Despite this caveat, the Plan demonstrates the positive strategic response to the NPPF (at paragraph 21 “Building a strong, competitive economy”). It strongly supports the NPPF imperative for economic growth. This is clearly evident in:

- *“a clear economic vision and strategy ..... which positively and proactively encourages sustainable economic growth”* – the SLP implements HLEP SEP and positively provides for sustainable growth in the District, in the context of the Green Belt;
- identification of *“strategic sites for local and inward investment.....to meet anticipated needs over the Plan period”* – the SLP East Hemel Hempstead 55 Ha land allocation;
- positive plans for key *“sectors”* and *“clusters”* – the SLP special employment sites at BRE and Rothamsted as part of the Green Triangle and ‘grow-on’ space at East Hemel Hempstead;
- and identification of *“priority areas for economic regeneration”* – SEP / SLP expansion of Hemel Hempstead to support its wider regeneration.

The role of existing business areas is covered in Policies SLP 15-17 and the implications for the DLP are considered further in Section 7 below.

In line with the HLEP SEP, Policy SLP 13 b) includes a new, very sizable (approximately 55 Ha), business land allocation in the East Hemel Hempstead (South) Broad Location. This area can accommodate large scale shed development within the part of the Broad Location that is impacted by the Buncefield Oil Depot Consultation Zone (which limits other forms of development significantly). In addition, part of the area near M1 Junction 8 and immediately to the north of the A414 can function as a highly accessible, and potentially prestigious, business park / office location. The northern part of the SLP 13 b area also provides opportunities for other forms of employment development in a location beyond the Buncefield Consultation Zone. Policy SLP 13 b also specifically sets out a requirement for provision of “starter units / incubation space” in the first phase of development. Appendix 3 provides some further information about potential scenarios for use and capacity of the employment land allocation.

Policies SLP 16 and 17 facilitate the continued success and development of the District’s key research and development assets; the Building Research Establishment and Rothamsted Research.

The SRFI is addressed in Policy SLP 14 and details are at Section 6.4 below. This policy acknowledges the very significant scale and impact of this proposal on the District and sub-region, but also the high level of uncertainty involved at this point (i.e. will it proceed and in what form / to what timescale).

Thus the overall strategic direction of the SLP directly addresses the key business land and premises needs arising in or affecting the District. It does this on an opportunity led basis; rather than as a result of land use need forecasts. Forecasts inform the strategy, they do not dictate it.

As a result the scale of the provision is sufficient to make a major contribution to addressing wider issues for Hertfordshire, as identified in this TR and called for by the HLEP SEP.

The SLP strategy in respect of economic development and employment issues is however also based on an understanding of the ‘open’ economy of the Luton TTWA / London Arc and the relative health of the SACD economy throughout the post war period. Within this context available evidence suggests that, over the Plan period, there is likely to be

- i. a surplus of employment opportunities available to the population of the District
- ii. a demand for District residents to work in London based businesses

However, in such an area there will always be considerable levels of uncertainty about how the local employment market will operate and actual job creation / employment location outcomes. In particular the employee commuting responses to work opportunities provide flexibility over a wide area.

As a result the SLP:

- Responds to the NPPF (Para 21) / related PPG in providing “a clear economic vision and strategy...which positively and proactively encourages sustainable economic growth” (*Implements HLEP SEP in the District in context of Green Belt restraint*), identifies “sites for local and inward investment.....to meet anticipated needs over the Plan period (*East Hemel Hempstead - 55 Ha land allocation*), plans for “key sectors / clusters” (*special employment sites as part of Green Triangle*) and identifies “priority areas for economic regeneration” (*expansion of Hemel Hempstead to support its wider regeneration*);
- is, however, housing led (this means it is a Plan that is based on only making housing provision for local population change with an allowance for in migration to accommodate external population growth pressures). It is not employment growth led (a Plan that projects local job growth and then tries to accommodate a population that provides a sufficient labour supply to take up those jobs). The Plan does not assume, depend on, or set out to achieve a particular level of local employment growth;
- does not attempt to directly encourage further economic growth that necessitates significant job growth or a localised relationship between home and work. This does not mean that there are no local economic development objectives, but that such objectives are independent of any view of specific job growth or home / work commuting relationships. The relevant local economic development objectives are summarised in the first bullet above and explained further elsewhere in this report (See Section 1 above).
- does not seek to achieve specific local job targets. This approach is justifiable because it can reasonably be assumed that there will be more than sufficient job opportunities locally and within a convenient commute, to sustain the future population economically;
- assumes that because of the complexity of economic interactions and commuting patterns in the Luton TTWA and London Arc, there is no realistic prospect, or indeed value in defining a local FEMA and trying to plan for a balance of housing and job growth within such an area;

It follows that requirements / targets for housing growth should not be matched directly to forecasts of employment growth potential. This is because the land use planning response would require very significant additional housing provision, in direct contradiction of important national and sub-regional planning policy objectives (Green Belt protection and acceptance / maintenance of the role of dormitory housing and existing radial rail commuting centred on London employment).

Aside from these issues the profile of the local economy suggests that land use planning will not have a major influence on the homes / work relationship.

Generally the local B Use Class land uses that can be influenced represent only a limited part of the local economy and employment market. Work for the earlier SLP evidence studies, EEFM and SW Herts Employment Study suggests that business floor space based employment is in the order of 50% of total employment, mainly in offices (Ref 35). In these circumstances the only influence from the SLP is likely to be in respect of the strategic office role of, and substantial employment in, the St Albans City centre office market and through the new major office growth location (east Hemel Hempstead).

A wider issue about meeting qualitative needs to update employment land provision is important to consideration of the full implications of the SLP strategy. The Government decision to permit the SRFI in the District results in urbanisation of at least 65 Ha of Green Belt land. This site, plus the 55 Ha of EZ employment land allocated at east Hemel Hempstead could free up to 120 Ha of less well located / outdated employment land in London (or elsewhere in the sub –region). This would be capable of redevelopment accommodating up to 12,000 dwellings (at a gross density of 100dph – a normal assumption in the metropolitan area, with its high density urban context and with high quality public transport access). This 12,000 dwellings equivalent capacity amounts to an increase in the total average rate of housing delivery arising from the SLP to 21,000 dwellings in the 20 years 2011 – 2013, at 1,050 pa (12,000 in 20 years at 600pa plus SLP 9000 in 20 years at 450pa). This dwarfs all the “worst case” (high migration and household formation) based calculations of need that have been suggested for the District.

Even if it assumed that only a proportion of the use of this new employment land will equate directly to relocation of companies from London, the impact, in terms of freeing up residential development opportunities, is substantial. A simple / modest assumption / estimation of 25%-35% of just the 55 Ha SLP site – taken as the amount occupied by current employers in London – gives 14-19 Ha of London land freed up. This could accommodate 1,400-1,900 dwellings at 100 dwellings per Ha.

This opportunity based contribution to the reshaping of the wider metropolitan area economy and its pattern of land use (in the context of an overall decline in the need for dedicated B Use Class land) is worthy of note, particularly when cross border strategic issues are considered.

Overall the understanding of the scope for planning influence and the resultant approach to land use planning for economic development presented here continues the long standing policy theme for the area – ‘Smart Growth’ (See Section 1).

## **6.2 Role of East Hemel Hempstead Urban Expansion**

The SLP proposal for new business development at east Hemel Hempstead is of particular significance and scale.

The SLP seeks to implement an opportunity led and DtC based economic development strategy, prepared jointly with the Hertfordshire LEP and

Dacorum Borough Council (DBC). It addresses the particular role and potential of Hemel Hempstead in sub regional economic growth and also the need for regeneration of the Town itself (See section 1 above). Employment land policies follow from specific economic development and regeneration objectives, rather than being justified from any quantitative assessment of business land and floor-space uses needs.

The result is that the SLP offers a scale of business land allocation that is more than sufficient to meet long term needs for the western part of Hertfordshire. The proposals will ensure there is no Green Belt constraint obstacle to locally generated economic growth. It will also satisfy the LEP aspiration to have land and premises opportunities capable of attracting some high quality business inward investment (research and development / technology / science sectors).

The estimated capacity of the new, Draft SLP, business land allocation (SLP Policy 13b) is approximately 8,000 jobs (this is detailed at Appendix 3). The overall site is 55Ha. If this were to be entirely developed for sheds it could accommodate at least 200,000 sq m, with a low end estimate of 2,600 jobs present on the site. If some office development were to be included, (as planned - office development would need to be in the locations around the M1 junction and Breakspear Way frontage well away from the oil depot and its health and safety consultation zone), then the area would accommodate many more jobs. The 8,000 represents modest assumptions about mixed shed and office development. Appendix 4 gives some useful comparators, (based on development proposals for the established part the east Hemel Hempstead business area), for the substantial scale of office floor space that might be accommodated. For example just one Maylands Gateway site – Site 2 is 6.5 Ha and has permission for 50 800 sq m of offices.

It is therefore clear that, in the general understanding that has to be applied to future business land and premises needs forecasting, the capacity in this area exceeds the various need estimates for the District at Tables 28 / 29 in Section 5 above (plus 26 300 sq m of shed space / plus 164 800 sq m of office space).

Development on this scale would make up a very substantial part of any conceivable need for the wider sub-region in the foreseeable future. This was the picture in original evidence work and it is confirmed by the latest forecasting (including that undertaken by the SW Herts LPAs)

For the whole area considered in LAELS (Ref 2) the need estimated to 2026 was for only 205 000 sq m of office floor-space and no shed space.

The emerging SW Herts Economic Study (Ref 35) which looks at the period to 2036 suggests needs levels (of approximately 450 000 sq m of office space and 130 000 sq m of warehousing – assuming no further shed loss - on 52 ha). These figures could be regarded as theoretical, high end, estimates and they estimate land requirements set at low / medium out of centre density. This level of provision, in that form, would probably not reflect recent or anticipated market demand. However, even on such assumptions, need

could theoretically still be accommodated in land available at Maylands and in the proposed east Hemel Hempstead expansion (say approximately 27 ha in the Maylands Gateway and 25 ha in the parts of the expansion area around Breakspear Way).

This conclusion should of course be set in the context of the likelihood of continued, and a possible acceleration of, loss of business floor-space in other parts of the District / sub region. In that sense the SLP proposal can be seen as part of the Plan response to current market / land value pressures and the need to modernise stock.

Also, this conclusion takes no account of additional shed stock growth from a proposed Strategic Rail Freight Interchange (SRFI) at Radlett Airfield (see below). This has not been included in these estimates due to uncertainty about its implementation and role (albeit in practice, if it did proceed, the dramatic modern shed stock boost arising would contribute to meeting local growth needs – as well as accommodating footloose investment).

To provide a proper context for assessment of the role and nature of this major new supply of business land, it is important to fully understand the evolution and policy history of the east Hemel Hempstead expansion and its relationship to the existing Maylands employment area.

### Maylands

East Hemel Hempstead already accommodates a very important, large, area of business land known as Maylands. Maylands is approximately 200 Ha in extent and accommodates many local businesses and some national name companies. Examples of the biggest occupiers are:

ASOS, BAM, Boston Scientific, Bourne Leisure, Britvic, Bull, Dixons, Epson, K Com, Kodak, Northgate, Parker Hannifin, Sir Robert McAlpine, Steria.(Office);

Amazon, BOC/Gist, FFEI, Keystone, Next, Wickes  
(Industrial/Warehouse).

Maylands was first developed as part of the plan for Hemel Hempstead New Town, exploiting close proximity, and a new access, to the M1. Over the years Maylands has experienced mixed fortunes. A peak of prosperity was reached in the 1980s, consolidated by the advent of improved strategic motorway links around London when the M25 was completed. The area was expanding at this time and accommodated both a strong base of manufacturing / warehousing with new town origins and a growing number of off centre, business park style, offices accommodating expanding sectors such as ICT and energy. However, by the mid 2000s the attractions of the area for office development were in decline. Less accessible out of centre offices were falling out of favour and ICT had begun to change working practices significantly, thus reducing overall office demand. A particular symbol of change was the departure of BP from their flagship Headquarters Office on

Breakspear Way. Substantial new major office permissions were granted around this time, but remained largely unimplemented.

The relative decline of Maylands was also influenced by the Buncefield accident. In 2005 a massive explosion at the Buncefield Oil Depot at Maylands caused significant damage to surrounding property, incurred estimated costs of £1 billion, and injured 43 people. The Buncefield Major Incident Inquiry Board (BMIIB) (referred to in Ref 40) recommendations on land use planning around the site suggested that better account should be taken of the risk of accidents from sites of this kind. The incident inevitably changed property market perceptions of the area and this coincided with a period of economic recession. The image and business role of Maylands suffered badly and since that time the nature and pace of development in Maylands has changed.

This recent history has been a trigger for a series of promotional and planning initiatives for the area.

Dacorum Borough Council (DBC) has promoted Maylands extensively as a key business growth location for the sub – region (see Maylands Partnership, Maylands Masterplan, Maylands Gateway Development Brief, Heart of Maylands Development Brief, (Refs 39-41).

The Maylands Partnership headline is:

*The Maylands Business Park is being developed as a sustainable, well connected green business park, where a diverse range of businesses grow and prosper.*

*The vision for Maylands includes improving the appearance of the business area, together with providing a high standard of commercial accommodation, shops and amenities, as well as delivering renewable energy, developing the Maylands Gateway, and regenerating the Heart of Maylands.*

Success to date has been limited. Most of recent development that has taken place has been for automated warehousing and bulky goods / quasi retail uses, with the main scheme being for an Amazon distribution centre. There is still significant potential for development and redevelopment in the area, particularly in the 'Gateway' character area and in the 'Heart of Maylands' project area. In the Gateway, outstanding major office development permissions have not been implemented, despite the recent upturn in the market (see below and Maylands Gateway Development Brief (Ref 39). There are now growing property market pressures for large scale retail development within the Gateway. This appears to threaten the intent of the regeneration planning and promotion to date.

Some more information on outstanding development opportunities and permissions in Maylands as a whole are detailed at Appendix 4.

The Gateway area is particularly important in its links to the SLP strategy for east Hemel Hempstead, further detail is provided below.

A new long term planning strategy for the area, designed to work alongside immediate promotional efforts, was initiated in 2009 through DBC's 'East Hemel Hempstead Area Action Plan' (HHAAP) Issues and Options consultation document (Ref 40). This explained the intention to work with SADC on a joint Development Plan Document addressing long term growth and regeneration centred on Maylands. It said:

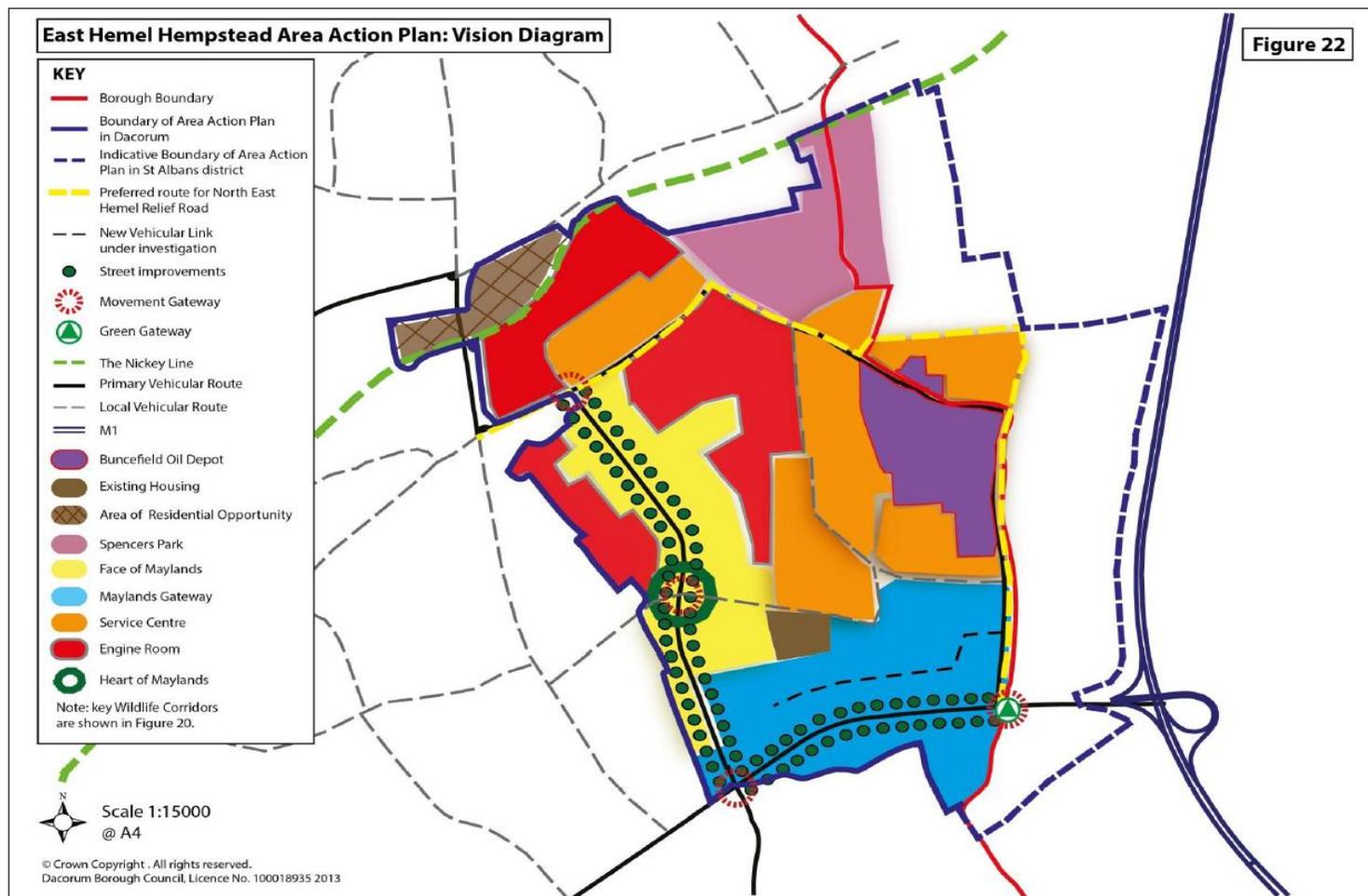
*The possible expansion of the employment area to the east is critical to the vision of Maylands as a prosperous and green business park.*

At the same time SADC consulted on a Core Strategy – Emerging Strategy Paper (See SLP documents – summary in Report of Consultation) floating the idea of possible expansion of Hemel Hempstead eastwards into SADC to provide housing and employment land. These consultations were closely associated with the then on-going review of the Regional Spatial Strategy (RSS) and then affected by the successful Herts. CC / SADC legal challenge in mid-2008 (See Section 1 above). Though housing development was envisaged in the RSS the main focus of local authority interest, and of the AAP as then envisaged, was economic regeneration of Hemel Hempstead and Maylands and future B use class land needs.

As an interesting part of the DBC planning strategy at this time, land then available for new employment development at NE Hemel Hempstead was identified for re-allocation to housing. This was land owned mainly by the Homes and Communities Agency as part of the former New Town Development Corporation holding and it had been reserved since the 1980s as a site for 'Specialised Technological Activities'. Also included was some Crown Estate owned land in SADC (see background in Section 1 above). This was proposed on the basis that land in the Maylands Gateway and in the possible eastward expansion into SADC would have better market prospects for business development. In addition there was seen to be a pressing need to find further housing development options. The re-allocation was finally embodied in the adopted Dacorum Core Strategy 2013 (Ref 44). That part of the east Hemel Hempstead area, now known as Spencers Park, has subsequently been subject to planning permissions / applications for housing, open space and social and community uses.

Figure 20 below shows the location of the areas referred to above.

Figure 20 DBC East Hemel Hempstead Area Action Plan: Vision Diagram (Extract from DBC Core strategy 2013)



Source: DBC Core Strategy 2013

The latest manifestation of the regeneration effort for east Hemel Hempstead is in the LEP led initiative to prioritise regeneration of Hemel Hempstead, including Maylands, in its SEP (see Section 1 above and Ref 12) and the related EZ application and designation (see below).

### Dacorum Core Strategy

The Dacorum Core Strategy (2006-2031) was adopted in September 2013 (Ref 44).

Following on from the various initiatives and strategies noted above East Hemel Hempstead is identified as an area for regeneration.

The Strategy sets out the extent of the proposed AAP in Dacorum. It also suggests the potential AAP area in SACD (see Figure 20 above), albeit this has no formal planning status and ultimately an AAP may not be the best, or chosen, way to steer development in SACD (see Para 4.19 of Publication Draft SLP).

The Strategy says (Page 3):

#### *East Hemel Hempstead (Maylands Business Park)*

*Maylands Business Park will be promoted as a sub-regional business centre. It will be the focus for high quality, energy efficient development, with improved access to open space and local services and facilities. Approximately 1,000 new homes, a primary school and a significant amount of new office floorspace will be developed. The delivery of some facilities, perhaps Park and Ride and a new sports ground, may require extending into St Albans District, on land between the town and the M1.*

and (Page 23 on):

#### *Challenge 2 - Strengthening the role of Maylands Business Park*

*Maylands Business Park is the largest in the borough and also of sub-regional importance. Its success is critical to the wider economic prosperity of the borough and beyond. The need for a strong regeneration focus was given added impetus by the Buncefield explosion in December 2005. The development of The Gateway as a green business park will assist with long-term recovery and provide skilled jobs. The area currently suffers from a lack of services and facilities accessible to its daytime population. Proposals for the Heart of Maylands will be critical in filling this gap and help improve the attractiveness of the areas to employers and employees alike.*

It should be noted that in the Examination of the DBC Core Strategy (Ref 45) attention became focused more on the potential role of east Hemel Hempstead in providing additional housing land. Major housing development at east Hemel Hempstead has subsequently become part of SADC's draft SLP and now provides an important context for the consideration of the area

as a focus for employment (B Use Class) development. However, the housing issue is not considered further here.

Policies in the Strategy (Page 38 on) say:

*POLICY CS1: Distribution of Development*

*..... maintaining a balanced distribution of employment growth, with growth and rejuvenation in the Maylands Business Park;*

*Strengthening Economic Prosperity - Strategic Objectives*

*to promote a vibrant and prosperous economy:*

*to strengthen confidence in Hemel Hempstead's role as a thriving sub-regional business centre and shopping hub;*

*to develop Maylands Business Park as a leader of "green enterprise" and focus of the low carbon economy;*

*The area will be managed so that between 2006 and 2031:*

*□ a target of around 131,000 sq m (net) additional office floorspace can be met: and*

*□ the stock of floorspace for industry, storage and distribution remains broadly unchanged.*

*.....*

The supporting text explains:

*Maylands Business Park plays a significant role in the Dacorum economy; it is home to around 5% of the borough's businesses and just over 17% of employees*

*The area will be enhanced through the planned regeneration, which aims to strengthen its role across the wider area. Successful regeneration will be delivered through environmental improvements, a new local centre and delivery of the Maylands Gateway and other projects within the East Hemel Hempstead Area Action Plan (AAP). Key objectives for the AAP are set out in the Hemel Hempstead Place Strategy. The role of the Maylands Business Park will remain complementary to that of the town centre, which will continue to have a strong economic function 72 (Para 11.6)*

*The majority of employment jobs growth will be directed to Maylands Business Park as part of the regeneration aim to strengthen its role. The East Hemel Hempstead AAP will guide the regeneration of Maylands Business Park according to the character areas identified in the Maylands Masterplan. The Maylands Gateway will provide the most*

*prominent location for new offices. The Face of Maylands will also be an important office location. (Para 12.9)*

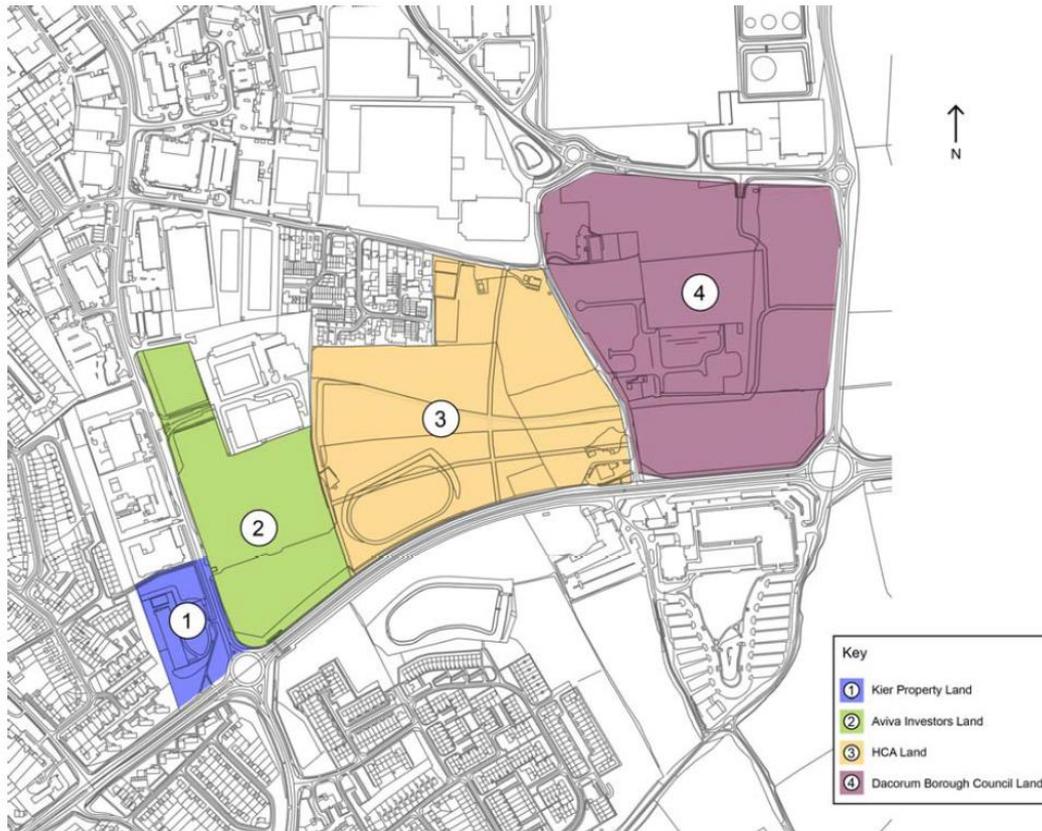
*Planning East Hemel Hempstead is complex because of the range of issues. These include the size and character of the Maylands Business Park, both now and in the future, and also the range of facilities, transport and additional housing and services that help to support this businesses neighbourhood and the wider town. The area's location on the edge of the town, bordering the countryside, adds to the complexity. Close liaison is required between Dacorum Borough Council and St Albans City and District Council to ensure that Maylands Business Park is allowed to grow and fulfil its potential as a premier business location in Hertfordshire and the wider region. For these reasons, East Hemel Hempstead will be the subject of a separate Area Action Plan (AAP), progressed jointly by the two Councils. The boundary of the Area Action Plan is shown on the Proposals Map for Dacorum. However, its easterly extent will be determined by St Albans Council through collaboration. It is indicated in Figure 22 as an area within which certain issues arising in Dacorum can be addressed (see below). (Para 20.16)*

Overall Maylands is occupied at various intensities for business and trade / trade retail uses. There are substantial areas that are planned to be, or could be, redeveloped and used more intensively. This provides considerable scope for regeneration and turnover of commercial building stock to meet local and sub-regional economic development needs. Appendix 4 provides more information about B use class development commitments and activity in the area, illustrating the scope for gradual redevelopment and modernisation of Maylands. This continuing regeneration opportunity is important and needs to be balanced with effective long term use of new green-field / Green Belt development opportunities at east Hemel Hempstead.

### Maylands Gateway

DBC's strategy for "flagship" economic development and regeneration (sitting within the LEP concept of the M1/M25 growth area) is focused on an particular area of semi green-field land, currently mainly in low intensity / open uses, titled the "Maylands Gateway" (See Figures 20 / 21). This approach is now incorporated in the recent Enterprise Zone (EZ) designation (see below).

**Figure 21 DBC Maylands Gateway**



Site number	Site known as	Freeholder	Approx. site area
1	Former Post Office site	Kier Property	2 ha
2	The Peoplebuilding estate	Aviva Investors	6.5 ha
3	Former Lucas sports ground, former caravan park and former Kodak sports ground	Homes and Communities Agency	13 ha
4	Woodwells Cemetery and caravan store	Dacorum Borough Council	15.5 ha

Source: Extract Maylands Gateway Development Brief (Ref 39)

This location includes substantial areas that are immediately available for employment / economic development related uses. The area is prominent with a key A road frontage and is at the main strategic entry point to Hemel Hempstead. It is well located for access to both the M1 and the facilities and amenities offered by the Town itself. The site is suitable for, and is thought to be capable of attracting out of centre business use / office development.

The former post office site (Site 1 in Figure 21) is now part developed for a hotel / restaurant. The other western part of the “Gateway”, (the previously developed part of the former Lucas Aerospace site – cleared in the early 2000’s – Site 2 in Figure 21) is owned by Aviva and has three planning permissions for a total of 60,000 sq m of offices floor-space in 6 blocks in a complex originally titled the “People-building” (See Appendix 4). The permissions were first granted in 2008, just at the time of financial crisis and subsequent recession. Only a small part of the scheme has been implemented (10,000 sq m). As a result of recession and poor market conditions in the period 2007 – 2013, to date, there has been little market interest in taking up this significant opportunity. This permission alone equates to approximately 40% of the 131 000 sq m office floor space target in the DBC Dacorum Core Strategy.

The remaining land suitable for B Use Class development is unused or underused land (former Lucas sports club / playing fields, structural open areas forming part of the New Town road entry, cemetery and caravan storage park). This land is in public ownership (part Homes and Communities Agency / part DBC – as part of the former New Town Development Corporation holding). This gives considerable scope to promote the area for further business development and use it well for economic development purposes.

The development capacity of the Gateway is clearly substantial. There is approximately 27 Ha of public sector land available for development. Taking a rough estimate of scale; if developed for offices in the same way as originally proposed for the Aviva land this could accommodate around 200,000 sq m of office floor- space ( $27 / 6 \text{ Ha} = 4.5 \times 50\,000 \text{ sq m}$ ). This represents an increase of over 50% on the 131,000 sq m office target set in the Dacorum Core Strategy.

It may well be that a different mix of development will ultimately be permitted, but the purpose of noting these figures is to give a sense of the scale of opportunity in this location, particularly in light of the SLP proposals for further employment land allocations nearby. This emphasises that:

- Current and foreseeable needs for Dacorum can readily be met within the areas for development already allocated within that District at East Hemel Hempstead.
- Additional green-field (Green Belt release) land proposed for development at East Hemel Hempstead in the SLP creates a much greater, sub – regional, resource and opportunity.
- The experience of the last 20 years suggests that likely levels of demand for business development will be limited and gradually emerging. This probably means that the availability of land at this location under the Dacorum Core strategy and SLP will be sufficient to meet sub-regional growth needs well beyond 2031. Need estimates put forward in the emerging SW Herts ELS (Ref 35) seem to support this view.

- The characteristics of the land available need to be taken into account in future master planning and development management decisions. Housing land allocations and the constraints created by proximity to the Buncefield Oil Depot mean that much of the land available in SACD for business development will be suitable for shed, rather than office, development. Thus it is important that land with greater office potential in Dacorum should be carefully husbanded if wider economic development and regeneration objectives are to be achieved. This is an important conclusion for Enterprise Zone planning, (see below).

At the time of writing there was active development interest in this area, albeit current applications / likely permissions include substantial retail proposals on the Aviva site that appear to conflict with prevailing planning policies and the thrust of DBC's regeneration strategy. Appendix 4 contains further information on key planning permissions and applications in East Hemel Hempstead / Maylands.

As the sub-regional employment studies referred to in this TR indicate, the Maylands Gateway is the type of site that is required to meet any office growth needs that emerge in the medium to long term. The area, together with additional areas now proposed for development through the SLP, can more than fill any theoretical quantitative need gap in provision resulting from losses of floor-space and opportunity in traditional town centre office markets, particularly St Albans City Centre (see Section 5 above).

The DBC / LEP strategy has been to attract inward investment and provide an opportunity for headquarters office development that can add a new dimension to the local economy. The expectation is that this approach could spread spin off benefits for local and sub-regional economic development. It follows that this cleared / green-field land is a precious resource and should not be wasted. It should be reserved for this purpose. This expectation underpins the LEP strategy for growth.

### **6.3 West Hertfordshire “Enviro-Tech” Enterprise Zone (EZ)**

The recent (2015) successful LEP / SACDC / Dacorum BC bid for an Enterprise Zone (EZ) for West Hertfordshire works to both support and implement the policy approach of the SLP on economic development and employment land (Key Data source 6). The EZ includes the existing opportunities noted above and provides additional resources for pump priming infrastructure investment. The SLP Policy 13 b business use allocation will be included in the EZ should the Plan proceed in its current form. This will allow for longer term expansion of the East Hemel Hempstead business area beyond the existing Gateway. Close to the Breakspear Way road frontage there will be scope for office development and beyond there are large areas suitable for sheds.

The forward funding mechanism of the EZ will create some good opportunities for infrastructure provision to facilitate major economic development. Another key role for EZ status (and the dedicated personnel resources that flow from it) is in promotion of available land and any existing vacant premises to

businesses and investors at local, regional, national and international scale. The specific economic development aims of the LEP and EZ can be targeted at this.

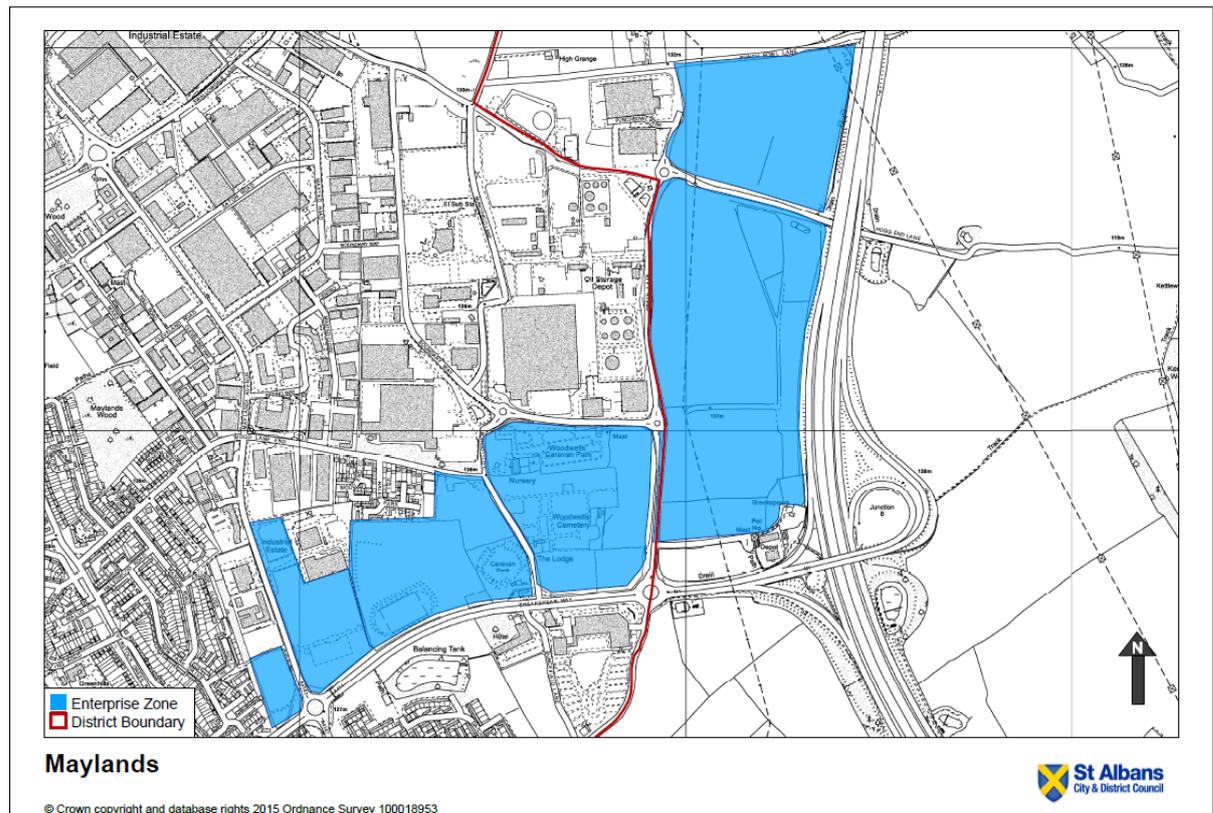
The EZ designation has an “enviro – tech” theme and strong links to the Council’s involvement in the Green Triangle partnership initiative (See Section 2 above)

In addition to the east Hemel Hempstead area the EZ will include detached land and premises at the two environmental research and development centres at BRE and Rothamsted (see above) and this is important to the intended promotion of the whole EZ as a centre for businesses of this type (See Publication Draft SLP Para 7.7). The SLP policies for Special Employment Locations (SLP16 Building Research Establishment and SLP 17 Rothamsted) are supportive of this.

The Map below shows the EZ designation areas.

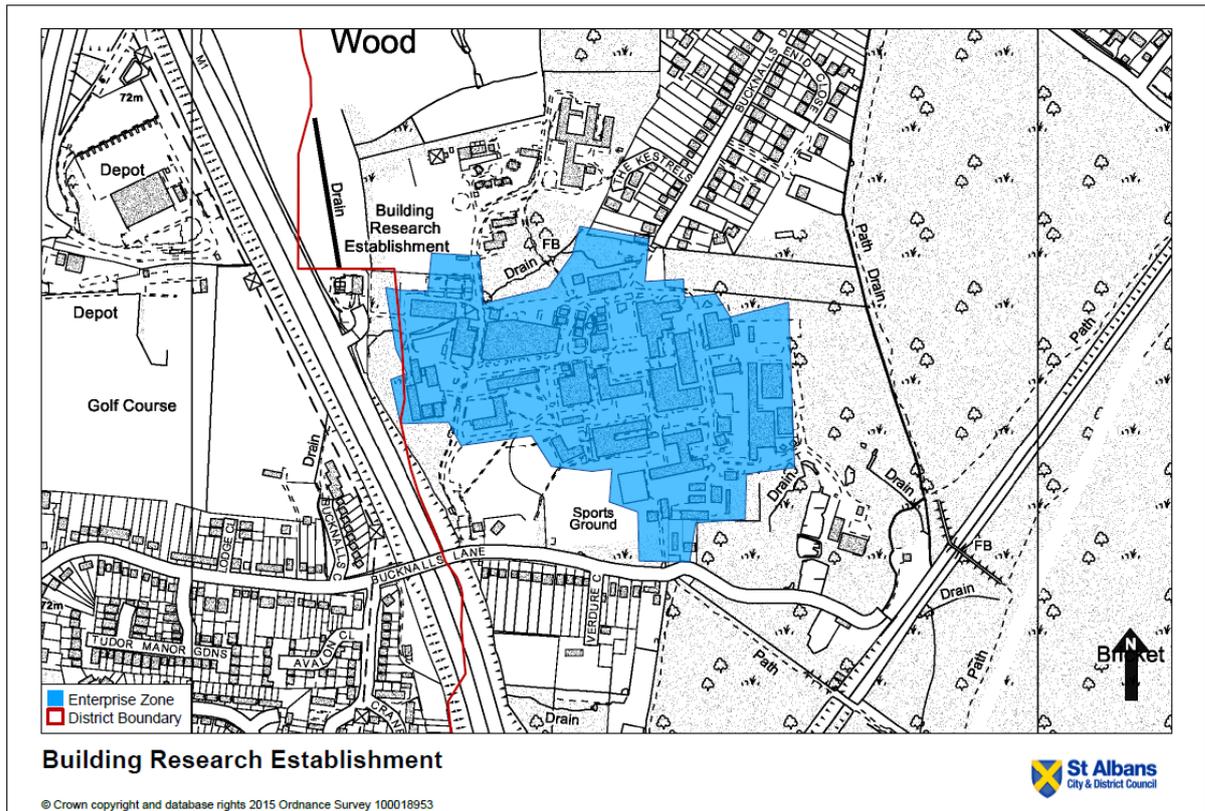
**Figure 22 EZ Locations**

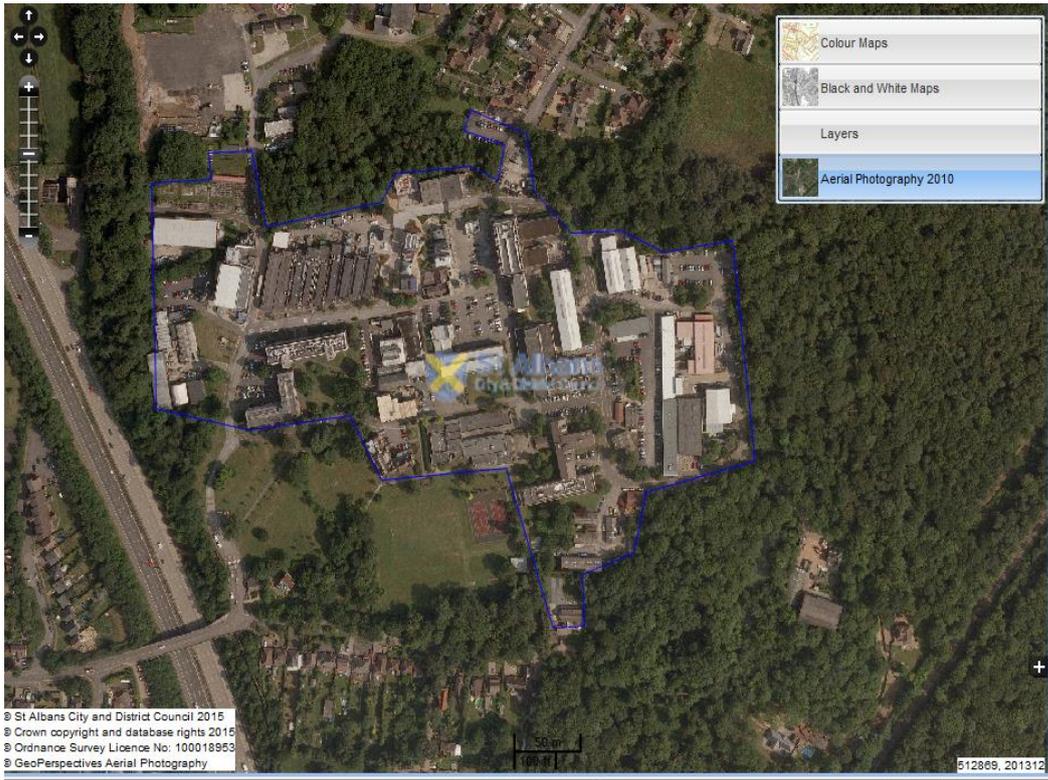
Main Location (Maylands and extension) subject to SLP



Special Employment Locations subject to SLP

BRE:





BRE – 10 Hectares

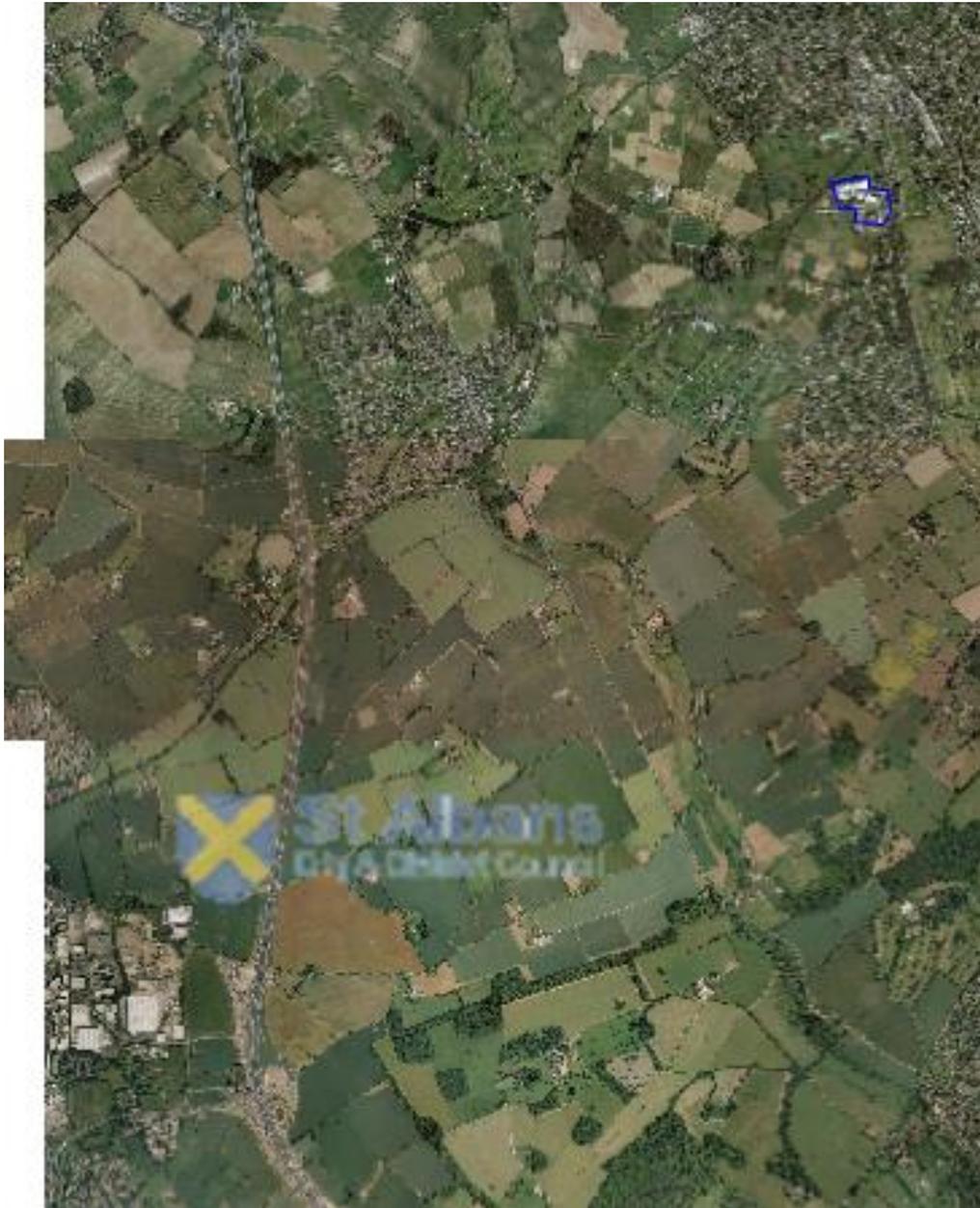
Wider Geography - BRE Shown bottom right – Maylands/EHH top left



# Rothamsted – 8 Hectares



Wider Geography – Rothamsted shown top right – Maylands / EHH bottom left



## 6.4 Strategic Rail Freight Interchange (SRFI)

In July 2014, (following lengthy appeal and legal processes), the Secretary of State granted permission for a South East England / London Region Strategic Rail Freight Interchange (SRFI) on the former Radlett Airfield Site south of St Albans, adjoining the Midland Mainline Railway.

The SRFI proposal comprises an intermodal terminal and rail and road served distribution units (331,665 sq m Use Class B8 including ancillary B1/B2 floor-space) with associated road, rail and other infrastructure facilities and works (including earth mounds and a Park Street / Frogmore relief road) in a landscaped setting. The overall site area is approximately 400 Ha; though this includes significant areas of open land to be used as a country park / and landscaped setting areas. The extent of the SRFI built development itself is approximately 65 ha (16% of the total site) There will be parking for 617 lorries and 1,602 cars.

A conservative estimate of employment generation from this development when fully developed is in the order of 3-4000 jobs (based on similar assumptions to those used in Appendix 3 – 1 job / 80 sq m).

Figure 23 below shows the proposals. More detail is available in the application papers that can be accessed through the SADC online planning register (Application Ref 5/09/0708 dated 9 April 2009) (Ref 46).

The applicant's own estimate of jobs on the site, when in full operation, is just under 3,400 full time equivalent jobs (from their application Sustainability / Environmental Statement). During the development phase of the SRFI it is estimated that a further 508 construction and set up jobs will be generated.

The applicant undertook a social and economic impact assessment and this includes an analysis of the likely home location of those working at the site. The assessment (reproduced below) anticipates a gross number of 3,385 on site employees taken from an area extending up to a 30 minute drive from the site. It illustrates that the SRFI facility will affect a wide range of local authorities with regards to providing employment in the sub-region. Workers living in Luton and north London are seen as particularly important potential labour sources.

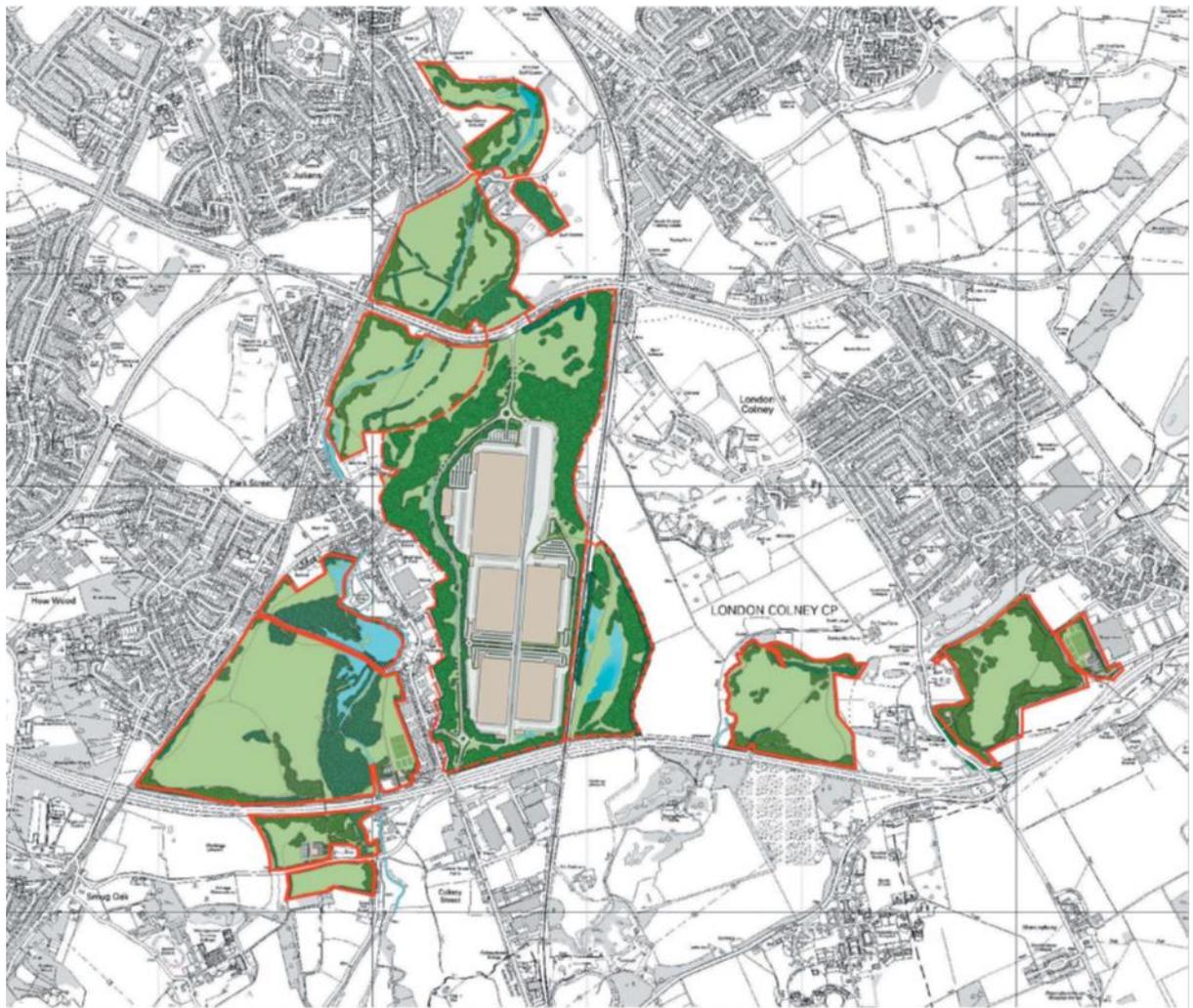
District	Full or part of local authority within drive time area	Drive Time	All unemployed people	% distribution of on-site employment	Employee numbers
Barnet	Full	21	7,750	10.85	367
Brent	Partial	25	8,919	9.12	309
Enfield	Partial	24	7,724	8.50	288
Harrow	Full	22	4,609	5.93	201
				<b>34.40</b>	<b>1,164</b>
Other London:					0
Hillingdon	Partial	23	2,885	3.43	116
Haringey	Partial	29	3,095	2.42	82
Camden	Partial	29	2,470	1.93	65
Westminster	Partial	31	1,738	1.21	41
Ealing	Partial	30	539	0.40	13
Waltham Forest	Partial	31	240	0.17	6
Islington	Partial	29	247	0.19	7
Hounslow	Partial	30	44	0.03	1
Redbridge	Partial	30	9	0.01	0
				<b>9.79</b>	<b>331</b>
<b>St Albans</b>	Full				
St Albans		6	841	11.22	380
Harpenden and north St Albans District		14	509	1.48	50
Park Street/Bricket Wood/Colney Street		6	142	2.10	71
London Colney		8	95	0.76	26
Dacorum	Partial	20	2,152	3.29	111
Three Rivers	Full	18	1,272	2.35	80
Hertsmere	Full	13	1,578	5.24	177
Welwyn Hatfield	Partial	16	1,421	3.24	110
Broxbourne	Partial	27	1,186	1.06	36
<b>Watford</b>	Full				
north		10	639	3.40	115
south		14	802	2.33	79
Luton	Full	17	5,055	10.35	350
Wycombe	Partial	27	178	0.16	5
				<b>46.96</b>	<b>1,590</b>
Other areas:					
Stevenage	Full	23	1,631	1.94	66
North Herts	Partial	28	1,242	1.04	35
<i>South Bed</i>	<i>Partial</i>	<i>20</i>	<i>1,395</i>	<i>2.13</i>	<i>72</i>
<i>Epping Forest</i>	<i>Partial</i>	<i>29</i>	<i>801</i>	<i>0.63</i>	<i>21</i>
<i>Chiltern</i>	<i>Partial</i>	<i>22</i>	<i>848</i>	<i>1.09</i>	<i>37</i>
<i>East Herts</i>	<i>Partial</i>	<i>25</i>	<i>454</i>	<i>0.46</i>	<i>16</i>
<i>Slough</i>	<i>Partial</i>	<i>24</i>	<i>523</i>	<i>0.58</i>	<i>19</i>
<i>South Bucks</i>	<i>Partial</i>	<i>28</i>	<i>333</i>	<i>0.28</i>	<i>9</i>
<i>Mid Bed</i>	<i>Partial</i>	<i>26</i>	<i>473</i>	<i>0.45</i>	<i>15</i>
<i>Spelthorne</i>	<i>Partial</i>	<i>29</i>	<i>174</i>	<i>0.14</i>	<i>5</i>
<i>Runnymede</i>	<i>Partial</i>	<i>30</i>	<i>71</i>	<i>0.05</i>	<i>2</i>
<i>Windsor</i>	<i>Partial</i>	<i>30</i>	<i>68</i>	<i>0.05</i>	<i>2</i>
<i>Aylesbury</i>	<i>Partial</i>	<i>30</i>	<i>28</i>	<i>0.02</i>	<i>1</i>
				<b>8.85</b>	<b>300</b>
<b>TOTALS</b>			<b>64,180</b>	<b>100.00</b>	<b>3,385</b>

The assessment also considered the need for, and role of, the SRFI from the developer's perspective and commented on property market issues. The assessment took the view that the only main employment area within the District with existing large-scale distribution facilities is DLPR site EMP 21- Colney Street. It was therefore suggested that the facility would meet a strong market demand for large scale warehousing near to London. The assessment did not take account of other existing facilities listed in Section 4 of this report such as EMP 7- North of Buncefield and EMP 18 - Riverside Estate, or of the sub-regional role of existing land and property at east Hemel Hempstead (and its expansion potential). It is unclear as to why this part of the assessment disregarded such sites and opportunities when they play an important strategic role in providing B8 facilities in the sub-region.

The applicant's assessment, and the final decision, understandably emphasised the unique nature of the facility as a rail freight interchange designed to serve demand from companies requiring very large rail-linked

distribution facilities. However, in property market terms, it seems likely that the new floor-space on this site will effectively be supplying the general market for large scale, modern warehousing. The main attributes sought for such buildings are strategic location and good access to the motorway network. All the warehousing provided within the SRFI facility will accommodate road related distribution access as much as any rail opportunity. There are no planning controls that enforce rail use. Though the assessment concludes that the proposed facility is very specialist in nature and implies there is nothing like it in existence locally, it seems more realistic to assume that the combination of this opportunity with SLP proposals for major employment development at east Hemel Hempstead will lead to some reduced demand for existing, older shed sites. Also, there may be market impacts on the pace of development possible at east Hemel Hempstead.

**Figure 23 SRFI Proposals**





The SRFI is effectively an ‘off-plan’ development, only permitted by Government, in the Green Belt, on the basis of very special circumstances (i.e. to meet a national infrastructure need). If the development proceeds the full local planning consequences will need to be taken into account in a future Local Plan review.

For the purpose of this TR it is important to note that the scale of the development dwarfs the forecast need for shed type development in the district and sub- region (see forecast sources noted in section 5 above). Generally the local availability of shed floor-space is forecast as being in balance (See forecasting conclusions in Section 5).

SADC’s policy response is set out in Policy SLP 14: “Following any possible completion of development of the proposed SRFI, the Council will consider undertaking a partial review of the SLP (and DLP) to investigate appropriate long term Green Belt boundaries in the area and to set out policies for any other development and land management opportunities and mitigations that may arise.” This approach acknowledges that there is a high level of uncertainty about whether the development will proceed, but that its scale is such that it will have a major influence on the local economy and land use planning issues.

As already noted, though the scheme has always been promoted and described as a specialist rail related facility, the planning permission puts a limited level of control to enforce rail related use. Most activity can, and will, be conventional road related distribution. As a result, in practice, the inherent attractions of the location will mean that development of this site will inevitably meet general shed needs. It may displace demand from other land allocations, including at east Hemel Hempstead. For this reason the overall land availability position on sheds has to be seen as very robust for the longer term.

It is interesting to note that a modern, large scale, shed development of this kind is likely to encourage relocation of companies from older premises elsewhere. In terms of the overall pressures on land use in the south east of England and current property market changes (noted elsewhere in the TR), this will free land for redevelopment. Usually this will be for housing. In this location companies may well relocate from London. The effect could be to facilitate high density housing development within London. Taking some simple assumptions; say 25-35 % of the 65 Ha site were used by London employers, this would release 17-23 Ha of housing land. At typical London densities of 100 dwellings per hectare this would equate to space for 1600 - 2300 new homes.

## **6.5 Conclusions**

The overall conclusions to be drawn in considering local economic development issues and spatial planning decisions for the SLP are as follows:

- The advent of the SRFI will reinforce the general conclusions of the TR; that the large quantity of business use land (with a very substantial shed development element) to be provided at east Hemel Hempstead will be more than sufficient to meet conceivable demand arising in the sub region (HLEP SEP priority M1 / M25 growth area) and will, additionally, provide plenty of opportunity for inward investment and growth.
- The considerable uncertainty about likely demand for development and evidence of relatively weak demand in recent years, suggests a view that likely availability of further shed development opportunities at the SRFI will mean that full take up of available land within the Plan period seems unlikely. As a result the east Hemel Hempstead allocation can be regarded as a very significant opportunity that is likely to extend beyond the Plan period.
- The SRFI, combined with development of the new land allocations, at east Hemel Hempstead (in SADC) is capable of delivering a scale of job growth (in the order of 11,400; 3,400 for the SRFI + 8,000 at east Hemel Hempstead likely to extend beyond the SLP period – see Appendix 3) that is theoretically well outside of the baseline trend of sectoral job growth in the local economy included in forecasts. Because of wage levels and skill profiles of employment it is expected that jobs will be taken up by employees living across the Luton TTWA / London Arc.

- The developments proposed may have some significant effects on the profile of the sub-regional economy. Much will depend on the success or otherwise of the EZ and the type and pace of development achieved at the SRFI and east Hemel Hempstead. It is too early to speculate on the detailed implications and on the Local Plan response, if any, required. However the general conclusion drawn in Section 3 above, that there will be more than sufficient job opportunities for those living in the District and sub-region, is confirmed.

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**SECTION 7**

**DETAILED LOCAL PLAN (DLP) POLICY DIRECTIONS**

## 7.1 Approach to DLP

The DLP will include more detailed policies on business land and premises, including policy areas and land use allocations on a shown on an Ordnance Survey Map based Policies Map.

The DLP will interface with any Neighbourhood Plans made within SADC. These could include sub District level economic development and business premises related policies and land allocations which will address the issues outlined below.

The general approach to DLP structure and policy formulation previously agreed (PPC 19 June 2014) has been to review and then retain or improve the best aspects of the adopted 1994 District Local Plan Review (DLPR). This is justified on the basis that many aspects of the DLPR are tried and tested, remain robust and can fit in with changing national planning policy

However, policy formulation specifically for the employment land aspects of the DLP is heavily influenced and constrained by the following factors:

- Current policy and guidance in the NPPF and PPG is explicitly less supportive than previous national policy for the normal and common pre NPPF approach (as included in the DLPR) of “protection” for the majority of existing employment land/ premises (see Section 2 above). This is because the general national view is that there is a surplus of business property and planning should not overly interfere with the market in respect of redevelopment for pressing housing needs. Recent policy has also tended to assume that mixed use areas almost always work well and that there may be environmental character and sustainable travel benefits of having home and workspaces in close proximity.

(It should be noted that policies to protect employment land address two objectives. First ensuring some land is reserved for local economic activity only and not available for redevelopment for higher value land uses – usually residential, retail or leisure. Second, in terms of pure physical planning for land use and use mix, that some areas exist to accommodate business uses and premises that would not sit well with a residential area due to activity levels, disturbance, noise or pollution).

- This aspect of the NPPF has been reinforced by the introduction of a whole range of new permitted development rights (PDRs) which allow for changes of use from business to residential (See Section 2 above). These PDRs are already in place for a range of uses and have been especially effective in changes from office to residential. In addition extended rights including for redevelopment of business premises to residential have recently been announced. PDRs can be removed at local level through 'Article 4 Directions' (Under the General Permitted development Order), but this measure can be prevented by Government intervention. Such Directions are difficult to justify in the face of the clear intent of Government policy. Additionally the way they are introduced needs to be carefully timed to avoid any financial compensation issues – effectively a warning period / time lag of at least one year is required before implementation. Nevertheless it is felt that in the circumstances the District faces (very high residential land values and resultant strong residential redevelopment pressures), this avenue should be explored for a limited number of protected employment areas that might be in some way viewed as of strategic value to the District or the sub – region. This point is flagged in the policy directions set out below, but will need further detailed consideration, especially in light of evolving Government policy and publication of secondary legislation about the implementation of PDRs.
- The Strategic Rail Freight Interchange (SFRI) at Radlett (a form of major warehousing development), justified on the basis of national need, together with the opportunities that will exist at east Hemel Hempstead, may obviate any theoretical, quantitative, need to retain any other 'shed' development land in the District. However there are important qualitative questions about accommodating the local industrial and service uses that are essential to the functioning of a major urban area and that provide more sustainable locations for jobs (accessible by walk, cycle or public transport).

## **7.2 DLP Issues and Policy Responses**

From the Study, the following issues can be identified for the DLP. In each case a suggested policy response is outlined:

### Issue 1 - land for local economic development

There is a continuing need for some business land and premises to be safeguarded for local economic development purposes. In particular the need is for small / medium business premises (including start-up / expansion space) to be available. This general need includes utility, and "dirty" / waste / recycling uses.

### Policy Response

*The policy response is continued designation and protection of main business land use areas with more than local impact (similar to DLPR approach). They are likely to be designated as primarily business use areas (to be distinguished from primarily residential areas or city / town / local centre areas).*

### Issue 2 – loss of business use land and premises to higher property value uses

It is difficult to address Issue 1 above because of the growing market pressure for loss of business premises to higher value land uses. This is now combined with an increase in national level permitted development planning freedoms for both change of use and redevelopment.

### Policy Response

*The policy response is to consider use of locally justified Directions (under Article 4 of the General Permitted Development Order - GPDO) withdrawing permitted development rights in areas designated for “primarily business use”.*

### Issue 3 - strategic office role of St Albans

There is a need to sustain the strategic office cluster role of St Albans City Centre, especially in face of pressures and freedoms for conversion and redevelopment for residential uses. The strategic role remains relevant in view of the expected growth in need for office accommodation, the perceived quality of the location (environmental and cluster interaction, support services offer and rail and road connections) and the contribution the cluster makes to the economic health of the sub-region. It is also essential to the District’s “City of Expertise” initiative.

### Policy response

*The policy response is to consider use of locally justified Directions (under Article 4 GPDO) withdrawing permitted development rights in key parts of the City centre.*

### Issue 4 central St Albans service offer complementing office role

The contribution of the City service / retail offer and visitor economy Business Improvement District (BID) initiatives is linked to issue 3 above.

### Policy response

*The policy response is to consider reasonably flexible retail and service frontage policies and environmental protection and enhancement strategies for city / town / local centre areas.*

### Issue 5 - growth opportunities

There is a need to facilitate longer term sub-regional growth opportunities that respond to the LEP SEP for Hertfordshire (specifically for the M1/ M25 growth area) and act as a contribution to local, sub regional national growth.

#### Policy response

*The policy response is to make detailed plans (including for infrastructure improvements) for land to be released from the Green Belt at east Hemel Hempstead, including land designated as an Enterprise Zone. These plans should give priority to providing expansion opportunities for the employment sectors that are expected to generate job growth and have some land and premises needs locally. This includes any needs for larger scale business park style offices and automated warehousing. Plans should also allow for potential inward investment.*

### Issue 6 – enhancing research and development assets

There is a need to facilitate continued special, high intellectual value, research and development uses in constrained Green Belt settings (Rothamsted Research and BRE). This will support the Green Triangle partnership initiative, including links to Oakland College and the University of Hertfordshire.

#### Policy response

*The policy response is to define major developed areas in Green Belt and set out associated development guidelines that provide some scope for expansion and development, including for associated businesses.*

### Issue 7 – warehousing / distribution

Detailed plans for the east Hemel Hempstead Broad Location (Issue 5 above) will provide land suitable for this use. To meet national rail freight needs SACD may also be required to accommodate a significant modern warehousing development site (SRFI) at the former Radlett Airfield. This development will provide further opportunity for modern warehousing and will alter the profile of the local economy. There will be a need to make detailed long term plans for this area and consider how this development works alongside opportunities at east Hemel Hempstead in terms of local economic development.

#### Policy Response

*The policy response is to manage the land use and economic development implications arising through a future Plan review cycle (see SLP Policy 14)*

Possible areas / locations for business land use protection are listed in Section 4 above. The rationale for their identification and 'protection' is

indicated briefly. This follows generally from the evidence presented in this TR. The results of the qualitative assessment of existing main employment locations ( seeSection 5 above) is one factor that has been taken into account in suggesting the areas that should be protected.

### **7.3 Comparative Policy Research for DLP**

To assist in consideration of future policy direction and policy formulation for the DLP some limited / focused comparative research on planning outcomes in respect of areas facing similar problems to SACD was undertaken.

The search for interesting and useful comparator LPAs / Plans was based on the following criteria:

- on employment land issues
- SE England
- buoyant economy / significant development pressure
- significant Green Belt / environmental constraint
- recent / relevant (post NPPF / PPG) work on employment land issues

It was difficult to find useful and relevant comparators, as there are few plans that have been prepared in the period of availability of the PPG and that have also addressed relevant issues in the current, changing, Government policy context around PDRs.

The following LPAs were identified as offering comparative information of interest to DLP work:

- Reigate and Banstead Borough
- Brentwood Borough
- Braintree Borough
- Guildford Borough
- Maidstone District
- Hertsmere Borough

Detailed case studies are at Appendix 5. Source documents are not referenced in detail, but all are available in web libraries for the relevant Plans

The following general conclusions can be drawn:

- There is a wide variety of approaches to, and levels of detail in, evidence work on employment land issues
- Generally, simple sectoral forecasting methods, based on secondary use of models provided by specialists is used to estimate specific land and floor-space needs.
- In most cases Plans include new floor-space provision targets, usually as additional to an assumption of retained existing stock.

- Qualitative understanding of available land and opportunities is important to compliment quantitative assessment of need. The assessment techniques used are various and some are much more detailed than others (including for example local commercial agent assessment / testing). The qualitative assessment is crucial to any attempt to justify retention.
- It is normal to prepare evidence and develop policy at a District level, but with reference to wider economic development policy and initiatives through LEPs to cover cross boundary / sub regional issues.
- All the areas considered demonstrate a continuing need to protect all or some of the existing stock of employment land in face of pressures for changes of use. However policy ideas in the context of current uncertainties about Government policy on PDRs are poorly developed. Hertsmere's examination experience is particularly relevant.

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## APPENDICES



## **APPENDIX 1**

### **Qualitative Assessment of Existing Main Employment (B Use) Locations**

The Qualitative Assessment builds on the previous assessment undertaken as part of the LAELS. The Study examined the District's main employment areas using standard assessment categories, for example: internal environment and accessibility by road. Each area is given a rating under all the categories. An overall rating is then decided, based on the rating in the individual categories.

The table below, extracted from the Study, summarises the LAELS results.

*Please note the large table image displayed / printed in the TR is extracted from the original study and is only readable in electronic zoom mode. The original spread sheet is accessible in the Planning Policy Document Library (Ref 2 ).*

St. Albans Employment Sites (June 2006)														
Employment area	Site	Town	Market sector	Size	Age	Internal environment	External environment	Accessibility by road	Accessibility by public transport	Local market conditions	Overall Quality of Site	Suitability of buildings for reuse	ASSESSMENT	Comments
RS 46	Cape Road	St Albans	B8 Storage & Distribution	0.444/1960s		average	poor	average	average	average	poor	poor	POOR	Allocated for housing
RS 46	Hoddy Road	St Albans	B18B Mix	0.974/1960s		good	poor	average	average	average	poor	average	POOR	listed building
	Williamson Mann House	Hargenden	B1	8.8/1960		poor	poor	poor	poor	poor	poor	poor	POOR	
	Wood Works, High Street	Walthamstead	B1C 1: Industry	0.3/1960		poor	poor	poor	poor	poor	poor	poor	POOR	Most of site being redeveloped for housing - has Development Brief
Policy 20	EMPT	Coniferhous Lane	Hargenden	B182 Mix	6.0/1960s	average	average	average	average	good	good	varies	GOOD	
Policy 20	EMPS	Balfour Mill Industrial Estate	Hargenden	B1	9.8/1960s	average	average	average	average	good	good	average	GOOD	
Policy 20	EMPS	Redburn Industrial Park	Redburn	B1	0.2/1960s	good	good	good	good	average	good	good	GOOD	
Policy 20	EMPS	Redburn Mill Road Lane	Walthamstead	B1	0.2/1960s	average	average	average	average	poor	average	average	GOOD	
Policy 20	EMPT10	Alban Park/Concord Way/yon Way, Hatfield Rd	St. Albans	Mixed - inc motor	18.4/1960s	good	good	good	good	average	good	good	GOOD	
Policy 20	EMPT2	Black Knoll Park, Axley Rd	St. Albans	B1, B2 AND B8	8.9/1970s	good	average	average	good	good	good	good	GOOD	
Policy 20	EMPT3	Concave Park & adjoining land, Hatfield Rd	St. Albans	B1	3.9/1960s	average	average	average	good	good	good	good	GOOD	Low grade employment area, doubt over whether should still be allocated
Policy 20	EMPT5	North Oak Commercial Park, Nagsbury Lane	St. Albans	B1, B2 AND B8	119/70s	good	poor	poor	average	good	good	good	GOOD	Some recent refurbishment has taken place
Policy 20	EMPT6	Redburn Industrial Estate	London Colney	B182	12.7/1970s	poor	poor	poor	average	poor	poor	poor	GOOD	Boundary as per 2003 Pre-consultation document
Policy 20	EMPT20	Watling St	Walthamstead	B1, B2 AND B8	4.82/1960s	varies	average	good	average	good	good	average	GOOD	Boundary as per 2003 Pre-consultation document
Policy 20	EMPT21	Hatfield Road Ind Est (Old Parkbury Lane)	London Colney	B182/B8	25.1/1960s	good	poor	poor	average	good	good	good	GOOD	
Policy 23 & Policy 123	B1.21	Alban Way, Waltham Hill/Carlton, Colville Way	St. Albans	B1a Offices	0.3/1970s	poor	average	poor	poor	poor	poor	poor	GOOD	Boundary as per 2003 Pre-consultation document
Policy 23 & Policy 122	B1.17	Goswami Reddington Rd	St. Albans	B1a Offices	2.5/1960s	average	poor	poor	poor	poor	poor	poor	GOOD	
Policy 23 & Policy 122	B1.17	Goswami Reddington Rd	St. Albans	SO/Other	0.4/3/1970s	average	poor	poor	poor	poor	poor	poor	GOOD	Station car park - in use
Policy 23 & Policy 122	inc. B1.28	Victoria Square, Victoria Street	St. Albans	B1a Offices	1.83/1960s	poor	average	poor	poor	poor	average	good	GOOD	
Policy 23 & Policy 116	B1.19	Central Office Cam	St. Albans	B1a Offices	6.7/1970s	varies	average	poor	poor	poor	poor	poor	GOOD	
Policy 23 & Policy 116	B1.19	Central Office Cam	St. Albans	B1a Offices	0.2/2/1970s	good	average	poor	poor	poor	average	good	GOOD	New office building
Policy 31	Area SE	Alban Grove / Station Rd	Hargenden	B1	0.4/1960s	good	average	good	good	poor	average	poor	GOOD	
	Land off High Street	Redburn	Distribution	0.8/1960s	poor	poor	poor	poor	poor	average	poor	poor	GOOD	
	High Street	Redburn	B1a Offices	0.7/2/1960s	good	average	average	average	average	average	poor	poor	GOOD	
	Dale Cop, Southside Road	Redburn	B1a Offices	0.5/1960s	poor	poor	poor	poor	poor	average	poor	poor	GOOD	
	Tithe Barn, Nagsbury Farm	Redburn	B1a Offices	0.94/1960s (part)	good	average	poor	poor	poor	average	poor	poor	GOOD	
	Whitmore Court, 98-100 Luton Road	Hargenden	B1a Offices	0.2/1960s	good	poor	poor	poor	poor	poor	poor	poor	GOOD	
	21.2.4 Prince, Station Road, Bedford	Hargenden	B1a Offices	0.4/1960s	poor	poor	poor	poor	poor	poor	poor	poor	GOOD	Pinneys (motor trade) has permission for housing, and housing is also likely on 212
	Aquas Court, 31 Fulford Street	St. Albans	B1a Offices	0.8/1/1960	average	poor	average	average	average	average	average	average	GOOD	
	Waltham Hill/Station Rd	St. Albans	B1	2.0/1960s	poor	poor	poor	poor	poor	poor	poor	poor	GOOD	
	Roundland Hill/Sigurd Street/George Street	St. Albans	B1a Offices	0.3/20/1960	average	average	good	poor	poor	average	average	average	GOOD	
	Highway Hill/Sigurd Street	St. Albans	B1a Offices	0.6/21/1960s	average	average	good	poor	poor	average	average	average	GOOD	
	77 Hayward Hill/Alban Works	St. Albans	SO/Other	0.3/1960s	average	average	good	poor	poor	average	average	average	GOOD	
	Victoria Street	St. Albans	B18B Mix	6.4/1970s	average	average	average	average	average	average	average	average	GOOD	
	Edenham House, Hatfield Rd	St. Albans	B1a Offices	0.1/1960s	average	average	average	average	average	average	average	average	GOOD	3-storey building - so will be over 500sqm floorpace threshold
	inc. B1.26	Adelphi Street	St. Albans	B1	1.3/1960s	average	average	average	average	good	poor	poor	GOOD	
	Nagsbury House Lower Dogal Street	St. Albans	B1a Offices	0.1/1960s	average	average	average	average	average	poor	poor	poor	GOOD	3-storey building - so will be over 500sqm floorpace threshold
	St Peter's Street/Chesham Street	St. Albans	B1	1.6/1970s	poor	poor	poor	poor	poor	average	poor	poor	GOOD	
	119 St Peters St	St. Albans	B1a Offices	0.7/1960s	good	good	good	good	good	average	good	good	GOOD	More than 1 storey - will be over 500sqm floorpace threshold
	Southside Lane	London Colney	Distribution	3.1/1970s	poor	poor	poor	poor	poor	poor	poor	poor	GOOD	Housing permitted on eastern part and land on rest of site
	224 Rusden Road	Colney Heath	B1a Offices	0.1/19/1970s	poor	poor	poor	poor	poor	average	poor	poor	GOOD	
	Programme Business Park, Redburn Road	Colney Heath	B1a Offices	1.4/1970s	poor	poor	poor	poor	poor	average	poor	poor	GOOD	
	Park Mill & 45-47 Park Street, Burdell Lane	St. Albans	B1a Offices	0.1/19/1970s	good	good	good	good	good	average	good	good	GOOD	Has outline planning permission for housing
	Old School House, Redburn Common	Redburn	B1a Offices	0.1/19/1960	good	average	good	average	good	average	good	good	GOOD	
	Waltham Hill/Sigurd Street	Redburn	B1a Offices	0.1/19/1960s	poor	poor	poor	poor	poor	average	poor	poor	GOOD	
	High Street (North)	Hargenden	B18B Mix	6.4/1970s	average	good	average	average	average	average	average	average	GOOD	
	Waltham Hill/Station Way	St. Albans	B1a Offices	0.6/1/1960s	poor	poor	poor	poor	poor	poor	poor	poor	GOOD	
Policy 20	EMPS	Southdown Industrial Estate & Former Gas Works (part), Southdown Rd	Hargenden	B182 Mix	3.4/1960s	average	average	average	average	good	average	average	AVERAGE	
Policy 20	EMPSA	Northdown Experimental Station	Hargenden	B1	8.3/1960s	poor	average	good	average	average	average	average	AVERAGE	
Policy 20	EMPSB	Castle Centre & Valley Road Ind Est, Poles Wood	St. Albans	B182/B8	11.4/1960s	poor	average	average	average	average	average	varies	AVERAGE	
Policy 20	EMPS	Hendon Way	St. Albans	B182/B8	6.6/1970s	average	poor	poor	poor	average	average	varies	AVERAGE	
Policy 20	EMPT6	Wellington Rd	London Colney	B1	1.3/1970s	average	average	good	average	average	average	poor	AVERAGE	
Policy 20	EMPT11	The Technology Business Centre, Alexander Rd	London Colney	B1	0.9/1970s	poor	poor	poor	poor	average	average	average	AVERAGE	
Policy 23 128 & 130	B1.2	Vaughan Road/Downer Way/Thompson Close	Hargenden	B1a Offices	1.8/1980s	varies	average	average	good	poor	average	average	AVERAGE	
Policy 23	B1.20	202 London Rd	St. Albans	B182/B8 Mix	0.7/20/1960s	average	average	good	poor	poor	poor	poor	AVERAGE	Associated with Policy 122 road scheme, which is not going ahead - Housing has
Policy 31	Area SA	7&11 Leyton Rd/Amberley Lane	Hargenden	B1	0.1/1960s	average	average	average	good	average	average	average	AVERAGE	Probably likely to be above 500sqm
Policy intention 3	Building Research Establishment Site	Garston	B1a & B1D	12.1/1960s	poor	average	average	average	poor	average	average	average	AVERAGE	Housing likely on part of site
Policy intention 3	Governments establishment, Woodcock Hill	Southside	B1a & B1D	1.9/1960s	poor	average	average	average	poor	average	average	average	AVERAGE	
	Dark Lane/Grove Road	Hargenden	B182 Mix	0.413/1960	good	average	average	average	poor	average	average	poor	AVERAGE	
	Leak Valley Industrial Estate	Hargenden	B182 Mix	0.2/1970s	poor	average	average	average	average	average	average	average	AVERAGE	Housing likely - has applications refused, but no objection in principle
	Sutton Road	St. Albans	B182 Mix	0.35/1970s	average	poor	average	average	average	average	poor	poor	AVERAGE	Surrounded by housing
	Smethford Works & Soney Station Yrd, Smallford Lane	Smethford/Beaghtyde	Distribution	5.12/1960s	average	good	good	poor	poor	average	average	average	AVERAGE	vacant for some time - Application for redevelopment of corner closest to village for
	84 Foot Site, Oaklands Lane	Smallford	B1a B1D	1.9/3/1960s	good	poor	poor	poor	poor	average	average	average	AVERAGE	
	Venites Industrial Estate, London Road	St. Albans	B182 Mix	0.6/1970s	poor	poor	poor	poor	poor	average	average	average	AVERAGE	
	118 & 124 Victoria Road	St. Albans	B1a Offices	0.2/20/1960	poor	poor	poor	poor	poor	poor	poor	poor	AVERAGE	
	99-117 (odd) & 142-172 (even) London Road, and Alma Rd	London Colney	B182 Mix	1.3/1970s	poor	average	average	good	poor	average	varies	varies	AVERAGE	
	Barnes Road	London Colney	B1a Offices	0.3/1970s	average	average	average	good	poor	average	average	average	AVERAGE	
	Hayes Lodge Farm	B1.10	0.2/1970s	average	average	average	average	poor	poor	average	average	average	AVERAGE	B1 floorpace, car storage and waste transfer
	Hill & Co Mill Lane	Waltham	B8 Storage &	6.4/1960s	average	poor	poor	poor	average	average	average	average	AVERAGE	
	88 Frogmore	Park Street	B2 Commercial	0.2/2/1970s	poor	average	poor	poor	poor	poor	poor	poor	AVERAGE	
	100 Bf Park Street	Park Street	B1a Offices	0.223/1960s	poor	average	poor	poor	poor	poor	poor	poor	AVERAGE	
	Redburn Business Park & Group C&G Business Centre Lyle Lane	Brickell Wood	B1a Offices	0.7/1970s	poor	poor	poor	poor	poor	average	average	average	AVERAGE	
	Former Station Park Station Road	Brickell Wood	B8 Storage &	0.4/1970s	average	poor	poor	poor	poor	average	average	average	AVERAGE	
	Nake Lane Business Centre	Chesham Green	B182 Mix	0.5/19/1960s	average	poor	poor	poor	poor	average	average	average	AVERAGE	
	Waltham Hill & Son, 25-32 Oak Street	Redburn	B182/B8	0.1/19/1960s	average	poor	poor	poor	poor	average	average	average	AVERAGE	
	118 & 124 Cambridge Road	St. Albans	B1, L1 Industry	0.2/19/1960s	average	average	average	average	average	average	average	average	AVERAGE	
	Blue Springs Mill/Redburn Lane	St. Albans	B182/B8	0.3/19/1960s	average	average	average	average	average	average	average	average	AVERAGE	
	Chesham Farm/Beaghtyde Lane	Colney Heath, St. Albans	B8 Storage &	1.3/19/1960s	average	average	average	average	poor	average	average	average	AVERAGE	
	Prave Wood Farm Hemel Hempstead Road	St. Albans	B1, L1 Industry	0.2/19/1960s	average	average	average	average	poor	average	average	average	AVERAGE	
	124 High Street	Southside, St. Albans	B182/B8	0.1/19/1960s	average	poor	poor	poor	poor	average	average	average	AVERAGE	
	Amberley Lane	Hargenden	B1a, L1 Industry	0.5/19/1960	average	average	average	average	average	average	average	average	AVERAGE	
	Leak Valley Industrial Estate	Hargenden	B182/B8	0.6/1970s	poor	average	average	average	average	average	average	average	AVERAGE	
	Redburn Road	St. Albans	B1a Offices	0.37/19/1960	average	average	average	good	poor	average	average	average	AVERAGE	
	London Colney	London Colney	B1a Offices	0.2/1970s	average	average	average	average	average	average	average	average	AVERAGE	Centre area
	Lutcombe Road	London Colney	B1a Offices	0.1/19/1960	average	average	average	average	average	average	average	average	AVERAGE	
Policy 20	EMPT4	Camp Rd/Campfield Rd	St. Albans	B1	3.3/19/1960	poor	poor	poor	poor	poor	poor	poor	AVERAGE	Boundary as per 2003 Pre-consultation document
	178 Hatfield Road	Hargenden	B8 Storage &	0.3/19/1960s	poor	poor	poor	poor	poor	poor	poor	poor	AVERAGE	



The Qualitative Assessment system used in LAELS has been revised and developed.

The revised system retains all but the size / age / suitability of buildings for purpose rating categories. These categories were considered unhelpful to the update assessment because the areas include a great variety of buildings (types, sizes and ages). This aspect of the assessment is now considered more generally on the basis of the area description included in the main body of the TR and the 'internal environment' category.

Additionally the accessibility by public transport category has been widened to cover locational accessibility more generally, with public transport as only a part of this.

A further addition to the updated assessment is the range of ratings that can be applied. The 2006 version scores areas from a minimum of poor to a maximum of good. The updated assessment increases the scope from a minimum of very poor to a maximum of excellent. This is as a consequence of some areas being far stronger than an area that would have also scored a good on the LAELS assessment. It enables a greater degree of differentiation in the assessment.

The tables below explain the assessment categories and ratings used in the revised system. The aim is to help in understanding why particular ratings have been applied.

### Assessment Categories

Category	Definition
Internal environment	<p>Internal environment is defined by the general type / age and quality of the buildings. This is judged by assessing the building types and likely fit to current market needs, their external appearance and whether they are in good state of repair. Any building and/or structure that is ancillary to the primary building use is considered under this category.</p> <p>Many areas have a wide variety of buildings, so the assessment has to be general and relate to the predominant type</p>
External environment	<p>External environment is defined by the common parts of the site and the surroundings of the buildings within the employment area, plus the area's general setting and surroundings within the locality. This can include the quality of any public space, surfacing, landscaping and signage. Importantly, it may also include the level and quality of servicing access and the car /</p>

	bicycle parking facilities.
Accessibility by road	<p>This category is defined by the quality of road access. An employment area will receive a high rating if it has direct or relatively good access to the strategic road network (i.e. “A” roads and “M” roads). Furthermore, conditions for immediate access to the site are also taken into account. For an example, if an area primarily serves as a B2/B8 shed business use area and has one limited / narrow entrance for access, it would affect this rating adversely. This category covers consideration of access issues arising from proximity to residential areas and any conflicts that arise, including with on street employee and customer parking pressures.</p>
Accessibility (including by public transport)	<p>This category is defined by location / ease of access (including the quality of access by public transport). If an area is in an accessible central / urban location that is, or potentially is, well served by public transport routes then it will achieve a high rating. This is important for employee access and sometimes for customers of businesses using the employment area.</p> <p>Although the employment areas are within relatively easy access of Luton Airport, this is not taken into account as it is a common feature.</p>
Local market conditions	<p>Local market conditions can be defined by several factors. Firstly, vacancy rates in relation to the size of the area are taken into account. Low vacancy rates indicate that the area is valuable in market terms.</p> <p>Secondly, the likely attractiveness of the employment area to the market is also taken into account. Modernity and image are aspects of this.</p> <p>Thirdly, the role employment area plays and the consequent value of the area to the business community is important. The availability or otherwise of alternative similar competitive provision can be part of this assessment. For an example, if two similar business areas are located in close proximity to one another they do not perform a unique function.</p>

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## Ratings

Rating	Description
Very Poor	A rating of very poor suggests the employment area is at the lowest level of performance in the given classification. It would need to be clear that the area had significant problems. For an example, if an area received a “poor” rating in the internal environment, it would be likely that the majority of the buildings in the area are in a poor state of disrepair.
Poor	A rating of poor suggests the employment area has deficiencies and problems but they are at a less fundamental level.
Average	A rating of average suggests the employment area is reasonably functional in the given category. In other words, the employment area is performing as expected in relation to its size and location. For example, if an employment area was located in an urban area and was only accessed via distributor / residential roads it would receive an average rating.
Good	If an employment area was to receive a rating of good, it would suggest that the area is performing well in the given classification. For an example functional well maintained buildings on the whole, a low vacancy rate, a high environmental quality and vibrancy would equate to a good rating.
Excellent	A rating of excellent suggests the employment area is ideal in the given classification. For an example, a large employment area which has a modern and attractive environment and can attract national name and multinational corporations.

It should be noted that a rating system of this kind is necessarily judgemental. The results cannot be viewed as precise or absolute. The aim is to give a general assessment of the relative value and economic health of the areas and to be transparent about how the judgements involved were made.

On particular caveat should be placed on the assessment system. It may be the case that an area with a poor quality of buildings and environment,

nevertheless serves an important market function, for instance in providing low cost accommodation or scope for 'dirty' business uses. This is a factor that is partly reflected in the market conditions assessment category, but that it is difficult to include fully. It may however be an important land use consideration.

The ratings in this Appendix should be read with the general assessment information and descriptions in Section 4 above. This will help explain the area specific factors that influenced the rating judgements.

## APPENDIX 2

### **Background to Permitted Development Changes of Use Offices to Residential – Exemption Process**



Department for  
Communities and  
Local Government

Chief Planning Officers  
Local Planning Authorities (England)

24 January 2013

Dear Chief Planning Officer,

**Permitted development rights for change of use from commercial to residential**

I am writing to alert you to the forthcoming permitted development rights for change of use from B1(a) office to C3 residential purposes, which will come into force in Spring 2013.

On 6 September 2012 the Government announced, as part of a package of measures to support economic growth, that these permitted development rights would be introduced to better enable change of use from commercial to residential purposes. This follows careful consideration of the April 2011 consultation and builds on the policy set out in paragraph 51 of the National Planning Policy Framework.

The new rights will initially be time-limited for a period of three years. We will consider towards the end of that period whether they should be extended indefinitely. They will be accompanied by a tightly drawn prior approval process which will cover significant transport and highway impacts, and development in areas of high flood risk, land contamination and safety hazard zones. More details are set out in Annex A.

Alongside the new permitted development rights it was announced that local authorities would be given an opportunity to seek an exemption for specific parts of their locality. If you consider that a specific part of your locality should be exempted from this change, and meets the criteria set out below, you now have an opportunity to request an exemption from these new rights. It should be recognised however that this measure is seen as an important contribution to assisting the economic well-being of the country and this is reflected in the high thresholds we are setting, which recognise that any loss of commercial premises will be accompanied by benefits in terms of new housing units, additional construction output and jobs. These benefits are potentially very substantial and are likely to be felt at the local authority level and wider.

Therefore, exemptions will only be granted in exceptional circumstances, where local authorities demonstrate clearly that the introduction of these new permitted development rights in a particular area will lead to:

- A. the loss of a nationally significant area of economic activity
- or
- B. substantial adverse economic consequences at the local authority level which are not offset by the positive benefits the new rights would bring.

Department for Communities and Local Government  
Eland House

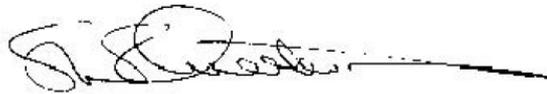
Tel: 030 3444 1149  
Email: [samantha.pigden@communities.gsi.gov.uk](mailto:samantha.pigden@communities.gsi.gov.uk)

If you propose to request an exemption it must relate only to the geographical area justifiable in the light of the above criteria.

More detailed requirements and an explanation of the assessment process are set out in Annex B.

If you feel that an exemption request can be justified you are invited to make a submission to Sam Pigden at the address given at the bottom of the first page of this letter. Your submission must reach us by **5pm on Friday 22 February 2013**. We expect to confirm which areas will be exempt in Spring 2013, with the permitted development rights coming into force in Spring 2013.

A copy of this letter has been sent to the Chairs of the Local Enterprise Partnerships for their information.

A handwritten signature in black ink, appearing to read 'S. Quartermain', with a long horizontal flourish extending to the right.

**Steve Quartermain**  
**Chief Planner**

## **Annex A**

### **THE PERMITTED DEVELOPMENT RIGHTS**

#### **What will these permitted development rights allow?**

They will permit change of use from B1(a) offices to C3 residential.

This is subject to a prior approval process covering:

- significant transport and highway impacts
- development in safety hazard zones, areas of high flood risk and land contamination

The permitted development rights will only cover change of use: any associated physical development which currently requires a planning application will continue to need one.

A proposed change from commercial to residential use that does not benefit from the new permitted development rights (e.g. where it cannot satisfy the prior approval requirements) will continue to require a planning application, which should be determined in the light of paragraph 51 of the National Planning Policy Framework.

#### **When will these new rights come into force?**

They will come into force in Spring 2013 and run for a period of three years from the date of coming into force. The operation of the rights will be considered towards the end of that period, and the rights may potentially be extended for a further period or indefinitely.

## Annex B

### THE EXEMPTION PROCESS

#### How will requests for exemption be assessed?

For (A), referring to **the loss of a nationally significant area of economic activity**, requests will be assessed by considering:

- the scale of the adverse impact in absolute terms
- the significance of the adverse impact at a national level
- the degree to which there is likely to be a strategic and long-term adverse economic impact
- whether the proposed area of exemption is the smallest area necessary to address the potential adverse economic impact

For (B), referring to **substantial adverse economic consequences at the local authority level which are not offset by the positive benefits the new rights would bring**, requests will be assessed by considering:

- the scale of the impact in absolute terms
- the significance of the adverse impact at the level of the local authority or wider
- the degree to which there is likely to be a strategic and long-term adverse economic impact
- whether the proposed area of exemption is the smallest area necessary to address the potential adverse economic impact

Local authorities must provide a detailed description of the adverse impact they anticipate, and demonstrate clearly both how the introduction of these permitted development rights will lead to that impact, and why the particular area should be exempted. A clear explanation must be given of how any additional evidence supports this case.

The benefits which the policy will deliver have been taken into account in setting a high threshold for exemptions, and will not be assessed separately. Local authorities are therefore not required to submit information on this.

#### What information must be submitted?

- A map clearly identifying the proposed area of exemption. This must be a black and white Ordnance Survey Map, at a minimum scale of 1cm = 0.1km. There must be no shading or colouring on the map with the exception of a single coloured line indicating the proposed area of exemption.
- A report which specifically addresses the anticipated impact, and the above four assessment criteria, making reference to supporting evidence where appropriate.

Requests for exemption may be made under both (A) and (B), but separate maps/reports will need to be submitted for each. Different supporting evidence may also be appropriate.

#### What supporting evidence would be appropriate?

It is a matter for the local authority what evidence they choose to submit in support of their application. The following list is not exhaustive, but matters which may be relevant could include:

- evidence on matters such as the makeup of business accommodation in the relevant area, office vacancy rates and employment levels/trends
- evidence on local economic development strategies
- for (A), evidence relating to the national significance of the economic activity
- evidence on the likely immediate impact of the changes, and the likely long-term impact
- evidence on the likely impact on local clusters and sources of local employment growth
- the view of the Local Enterprise Partnership on whether the loss of business space in a particular locality would have a significant impact on the wider local authority area

Local authorities must clearly demonstrate the way in which the evidence provided supports their arguments on the assessment criteria set out above.

**What if the proposed area spans two local planning authority areas?**

Adjoining local authorities are welcome to submit joint requests for exemption where the area in question crosses a local authority boundary. However, separate maps will be required for the areas within each local authority.

**What does exemption mean in practice?**

An exemption means that the permitted development rights do not apply in that area. Planning permission must therefore be sought in the normal way for any proposed change of use from B1(a) offices to C3 residential. Paragraph 51 of the National Planning Policy Framework would apply to the determination of that planning application. No compensation liability will arise in exempted areas.

**How will the exemptions be implemented?**

Where exemptions for specified areas are granted, this will be set out in the General Permitted Development Order.

**Will there be another opportunity to request an exemption?**

There is unlikely to be another opportunity to request an exemption during the three-year period in which the rights apply.

**Are there other ways to remove these permitted development rights locally?**

This exemption scheme does not alter the powers which local planning authorities have to tailor permitted development locally by means of an article 4 direction, or a condition in a planning permission.

**When will exempt areas be announced?**

Those who have requested exemptions will be notified of the outcome as soon as possible.



Department for  
Communities and  
Local Government

Christopher Briggs  
[Chris.Briggs@stalbans.gov.uk](mailto:Chris.Briggs@stalbans.gov.uk)

10 May 2013

Chief Planning Officer  
planning@stalbans.gov.uk

Dear Colleague,

**Permitted development rights for change of use from office to residential**

I am writing further to your request for exemption from the permitted development rights for change of use from B1(a) office to C3 residential use.

As set out in Steve Quartermain's letter of 24 January, requests with reference to **the loss of a nationally significant area of economic activity** have been assessed by considering:

- the scale of the adverse impact in absolute terms
- the significance of the adverse impact at a national level
- the degree to which there is likely to be a strategic and long-term adverse economic impact
- whether the proposed area of exemption is the smallest area necessary to address the potential adverse economic impact

Requests with reference to **substantial adverse economic consequences at the local authority level which are not offset by the positive benefits the new rights would bring** have been assessed by considering:

- the scale of the impact in absolute terms
- the significance of the adverse impact at the level of the local authority or wider
- the degree to which there is likely to be a strategic and long-term adverse economic impact
- whether the proposed area of exemption is the smallest area necessary to address the potential adverse economic impact

The submissions received have all been independently assessed against these criteria, and each site has been awarded a score for strength of the case and robustness of the evidence. The scoring matrix showing how scores have been calculated is set out at annex A.

As set out in Steve Quartermain's letter, exemptions have only been granted in exceptional circumstances. For the Category A national test, Ministers have decided to set the bar for exemptions at 28 out of 40, which represents an average of 3.5 out of 5 across the scoring criteria. For the Category B local test, Ministers have decided to set the bar for exemptions at 36 out of 40, which represents an average of 4.5 out of 5 across the scoring criteria. Significant national economic loss is harder to demonstrate and is by its nature much more damaging to the UK economy than any local loss which may be offset by broader economic benefits.

Following detailed assessment of your request, I can confirm that the outcome is as follows:

<b>Category B sites</b>		
	<b>Score</b>	<b>Exemption granted</b>
St Albans Office Core	<b>28</b>	No
St Albans Station Office Cluster	<b>28</b>	No
St Albans Abbey Station Office Cluster	<b>28</b>	No
Harpenden Station Office Cluster	<b>28</b>	No
Wheathampstead Sustainable Office Cluster	<b>28</b>	No

Full details of the scores for each site are set out at Annex B.

The permitted development rights will apply in areas which have not been granted exemptions from 30 May 2013. The measures are being taken forward in the Town and Country Planning (General Permitted Development) Order 1995, as amended by the Town and Country Planning (General Permitted Development) (Amendment) (England) Order 2013. This is available to view on [www.legislation.gov.uk](http://www.legislation.gov.uk).

Areas which have been granted an exemption are specified in the above statutory instrument. Maps of the relevant areas, which I have signed, are available for inspection at the offices of the Secretary of State for Communities and Local Government, and copies of the maps are available to view at <https://www.gov.uk/government/publications>.



Ruth Stanier Deputy Director Planning Directorate

## Annex A Scoring matrix

Four criteria were assessed for both Category A and Category B exemption requests, as set out in the Chief Planner letter of 24 January. The assessment of each criterion was split into two parts: strength of case and robustness of evidence base. A possible maximum of five marks was awarded for each, with a possible minimum of one mark. An equal weighting was given to each mark, and the marks were then summed to give an overall score for each site. This gives a possible maximum of 40 marks overall. The codes refer to the codes in Annex B.

### Category A

	Strength of case	Robustness of evidence base	Total for each criterion
Scale of the adverse impact in absolute terms	A1S	A1R	
Significance of the adverse impact at a national level	A2S	A2R	
Degree to which there is likely to be a strategic and long-term adverse economic impact	A3S	A3R	
Whether the proposed area of exemption is the smallest area necessary to address the potential adverse economic impact	A4S	A4R	
<b>Total of all marks awarded for this site</b>			

### Category B

	Strength of case	Robustness of evidence base	Total for each criterion
Scale of the adverse impact in absolute terms	B1S	B1R	
Significance of the adverse impact at the level of the local authority or wider	B2S	B2R	
Degree to which there is likely to be a strategic and long-term adverse economic impact	B3S	B3R	
Whether the proposed area of exemption is the smallest area necessary to address the potential adverse economic impact	B4S	B4R	
<b>Total of all marks awarded for this site</b>			



## Annex B Full details of site scores

Each site was assessed and scored separately.

### Category A

Site name	Scores												
	A1S	A1R	A1 Total	A2S	A2R	A2 Total	A3S	A3R	A3 Total	A4S	A4R	A4 Total	Total

### Category B

Site name	Scores												
	A1S	A1R	A1 Total	A2S	A2R	A2 Total	A3S	A3R	A3 Total	A4S	A4R	A4 Total	Total
St Albans Office Core	4	3	7	4	4	8	3	3	6	4	3	7	28
St Albans Station Office Cluster	4	3	7	4	4	8	3	3	6	4	3	7	28
St Albans Abbey Station Office Cluster	4	3	7	4	4	8	3	3	6	4	3	7	28
Harpenden Station Office Cluster	4	3	7	4	4	8	3	3	6	4	3	7	28
Wheathampstead Sustainable Office Cluster	4	3	7	4	4	8	3	3	6	4	3	7	28

**APPENDIX 3**

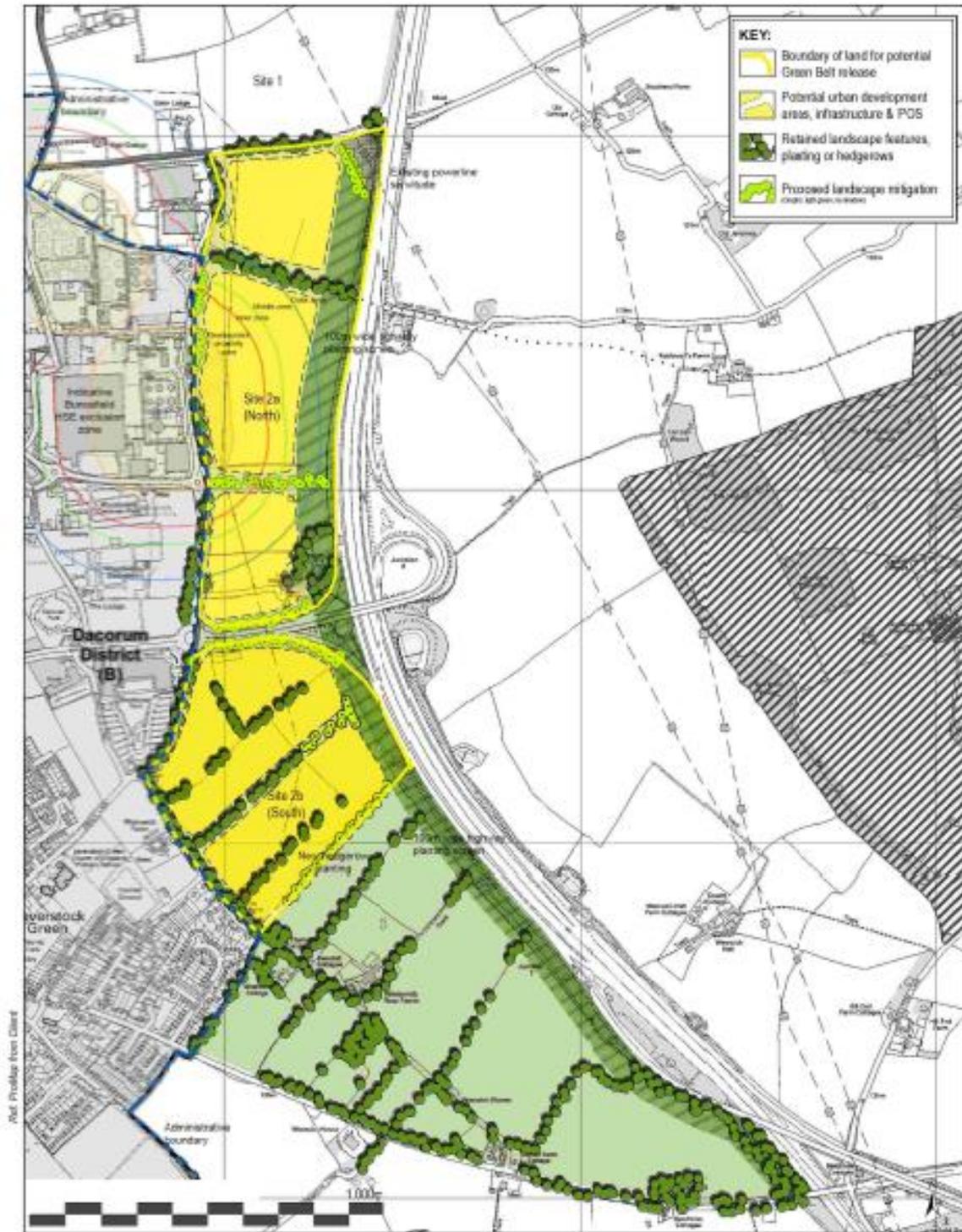
**Draft SLP Employment Land at East Hemel Hempstead (Policy SLP 13 b)**  
**- Potential Floor-space and Employment Capacity**

Based on the draft SLP, approximately 55 Ha of land would be available for pure employment; (B use classes) land use (this is area 2a in the joint GBR – see Plan below; area marked 2a north of Breakspear way only).

The potential development capacity of this area is explained and examined in more detail below.

It should be noted that the range of uses possible in this area, and thus its floor-space and employment capacity, will be constrained by proximity to the Buncefield Oil Depot. The general extent of the Health and Safety Consultation Zone is shown on the Plan. Definition of the scope for particular activities to be accommodated in this area, taking account of health and safety issues, will need to be planned and negotiated in detail and based on in depth consultation with the Health and Safety Executive.

Though the general consideration of the development capacity of the area, as set out below, focuses on pure employment land uses, it should be noted that the area is large enough to also provide scope to accommodate some other special land uses that may be needed to support the development of Hemel Hempstead (e.g. service / leisure activities). In particular the area to the north of area 2a, which falls outside of the Consultation Zone may be suitable for such uses. This is because it adjoins the planned residential development within Broad Location East Hemel Hempstead (North) (SLP Policy 13 a) and is likely to be less useful and attractive for B Use Classes development as it is further from the main road network.



**Sites and boundary study  
for St Albans City and  
District Council**

PROJECT: E20701      STAGE 2  
DATE: Nov 2012      Rev: Jan 16/05  
SCALE: Indicative

**FIGURE 4.3** Indicative layout  
Site 2a and 2b East of Hemel Hempstead (south)



The potential employment floor-space and job capacity of the area has been considered using a range of scenarios and assumptions, including some sensitivity testing. In doing this account has been taken of the outline employment capacity estimate work undertaken by the HLEP in submitting its Enterprise Zone proposals in 2015.

The analysis justifies an assumption that the area could readily provide capacity for 8,000 jobs. It also shows that the capacity could be much higher.

This conclusion provides the basis for the requirement of SLP Policy 13 b that “The development will be required to deliver: ....sufficient variety of employment uses must be provided over time to offer in the order of 8,000 jobs. Over concentration of low employment generating logistics uses will not be permitted.”

The issue of over concentration of logistics (major warehousing related) uses references the evident market pressures for this land use in the short term and the likely ready availability of other land for major logistics development (Other parts of Maylands and the SRFI development).

As an important aside, it seems realistic to assume that a significant proportion of the employers who will eventually occupy new land and premises at East Hemel Hempstead will currently be occupiers in London who will choose to relocate. This will free up current employment land in London for residential development. A simple, modest, estimation of 25%-35% of the 55 Hectare site – being the amount taken up by current employers in London – gives 14-19 Hectares of London land freed up – to be developed for residential purposes at typical London densities of 100 dwellings per Hectares. This equates to 1,400-1,900 dwellings from space freed up in London. Given general change in the employment premises market around London (within the forecast trends described elsewhere in the TR that show falling demand for shed accommodation), it is possible that land released elsewhere for housing redevelopment could actually be much greater. Indeed there may be a full substitution of the new employment land with lost employment land redeveloped for housing.

Full details of the assessment are below:

### **Scenario 1 – all available land is used for shed development**

#### Assumptions

1. All this land is within or in close proximity to the Buncefield Health and Safety Exec. Consultation Zone
2. As a result, all employment floor space will be shed form only (largely warehousing; possibly some automated manufacturing)
3. For this type of development a plot ratio of 0.4 gross floor space to site area is appropriate (a lower end ratio is used as the site area includes a number of existing uses and constraints – such as motorway margins and service site and pipeline safeguard areas)

4. For this type of development a job to floor space ratio of 80 sq m per employee is a reasonable assumption

#### Capacity estimate

- Gross floor space on the **55 ha site** is likely to be approximately 220,000 sq m (55 x 0.4 x 10,000)
- Gross to net floor space estimate likely to reduce this to **209,000 sq m net floor space** (minus 5 % - 11,000 sq m)
- For this floor space in warehousing use, likely minimum level of employment would be 2,612 FTE jobs (209,000/80). This is best rounded to **2,600 jobs**. Note that this can only be a very broad brush estimate using the low end of density and applying it to a net area. For warehousing use, inclusion of lorry driver jobs and adjustment for type of operation / shifts could vary this greatly.

Effectively this provides a very conservative estimate of job capacity.

#### Sources for plot and job ratios

ODPM 2004 advice on ELRs, HCA advice 2010 – see below for extracts.

#### User specific research comparators

SADC research on real local examples of similar floor space: Amazon at HH and SRFI, shows that the above estimate is reasonable (Amazon at base employment = 1 job to 121 m sq and SRFI is estimated to be 1 job / 98m sq)

### **Scenario 2 – land is used for a mix of B Use Class development types**

#### Assumptions

1. The central section of the site is still used for warehousing with low employment on site – because of health and safety constraints. Some land can be used for offices and mixed business park office / shed uses. Offices would be situated to the south of the area allocated – fronting / near Breakspear Way. This southern part of the site provides a potential office location with good access, visibility and profile – that could be commercially attractive. Mixed business park uses would be at the northern edge of the site. These areas for higher employment /activity levels uses fall outside of the area affected by the Buncefield oil depot health and safety considerations
2. A split of land uses (see below) is assumed (50% warehousing – shed / 30% business park / 20% office)
3. For this mixed development a plot ratio of 0.4 gross floor-space to site area is appropriate for shed / business park development and 1.0 for offices (Lower end ratios are used as the site area includes a number of existing uses and constraints – such as motorway margins and service site and pipeline safeguard areas)

4. For the mixed office and business park developments job to floor space ratios of between 12 - 40 sq m per employee provide reasonable assumptions

#### Capacity estimate

- Gross floor space on the **55 ha site** is split as follows:
  - **27.5 Ha warehousing** x plot ratio 0.4 x 10,000 sq m = 110,000 sq m gross (**104, 500 sq m net** – minus 5%) / 80 = 1,306 jobs
  - **16.5 Ha business park** (office / shed mix) x plot ratio 0.4 x 10,000 sq m = 66,000 sq m gross (**62,700 sq m net** – minus 5%) / 40 = 1,567 jobs
  - **11 Ha offices** x plot ratio 1.0 x 10,000 sq m = 110,000 sq m gross (**104, 500 sq m net** – minus 5%) / 12 = 8,708 jobs
- Calculations reduce gross to net floor-space with a notional 5% reduction as for scenario 1)
- Total employment capacity estimate on 55 Ha is **11,581 jobs**

Effectively this is a more optimistic view of a development that accords better with SLP policy.

As an overall view, an average of these two job capacity estimates is approximately 7,000.

#### Sources for plot and job ratios

ODPM 2004 advice on ELRs, HCA advice 2010

#### **Sensitivity Tests**

As an additional test of job capacity estimates and assumptions three sensitivity tests were applied.

A particular objective was to consider the assumptions made by HLEP in their Enterprise Zone bid to Government. The EZ aspiration relates to total floor space to be achieved on site in first 20 years period.

This can be taken as providing an understanding of the possible impact of a more interventionist planning policy approaches, combined with the incentive / promotional impact of the EZ.

#### Sensitivity Test 1 - HLEP aspiration

Land Use Split (taken from floor-space figure)	Ha	Plot Ratio	Floor-space – sq m	Job Density 1 per sq M	Total Job Capacity Estimate

Office 50%	9.5	x1.0	x10,000 = 95,000	/ 12	7,900 (r)
Business Park / high quality light industrial (including enviro-tech) 30%	14.25	x0.4	x10,000 = 57,000	/ 10	5,700 (r)
Warehousing 20%	9.5	x0.4	x10,000 = 38,000	/ 80	475 (r)
<b>Totals</b>	<b>33.25</b>		<b>190,000</b>		<b>14,075</b>
	(Note: allows considerable scope for other land uses)				

Sensitivity Test 2 - HLEP aspiration adjusted for greater level of take up (especially shed based) and less restrictive approach to EZ role / emphasis

Land Use Split (taken from floor-space figure)	Ha	Plot Ratio	Floorspace – sq m	Job Density	Total Job Capacity Estimate
Office 20%	5.0	x1.0	x10,000 = 50,000	/ 12	4,100(r)
Business Park / general light industrial mix 30%	18.75	x0.4	x10,000 = 75,000	/ 40	1,900(r)
Warehousing 50%	31.25	x0.4	x10,000 = 125,000	/ 80	1,500(r)
<b>Totals</b>	<b>55</b>		<b>250,000</b>		<b>7,500(r)</b>

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Sensitivity Test 3 HLEP aspiration with same total floor-space, but adjusted for much lower level of office take up and warehousing becoming the dominant use (current market position / response)

Land Use Split (taken from floor-space figure)	Ha	Plot Ratio	Floorspace – sq m	Job Density	Total Job Capacity Estimate
Office 10%	1.9	1.0	x10,000 = 19,000	12	1,600(r)
Business Park / general light industrial mix 15%	7.125	0.4	x10,000 = 28,500	40	700(r)
Warehousing 75%	35.625	0.4	x10,000 = 142,500	80	1,800(r)
<b>Totals</b>	<b>44.65*</b>  (Note: allows some scope for other land uses)		<b>190,000</b>		<b>4,100</b>

The sensitivity tests show a range of possible outcomes, depending on the way in which planning policies, EZ policies and outcomes and market opportunities interact over the next 20 years to determine use of the SLP (Policy 13b) employment land allocation.

Taking an average of the job estimates from these sensitivity tests gives a figure of 8,533. Rounding this down to 8,000 provides a cautious target for job capacity on of the available land over a 20 year period.

It is important to note that these capacity estimates are not tied specifically to what is expected to happen over the SLP Plan period to 2031, but rather they estimate the overall capacity of the land available.

Extract from Homes and Communities Agency Employment Job Densities Guide 2<sup>nd</sup> Edition 2010

	Use Class	Use Type	Area per FTE (m <sup>2</sup> )	Floor Area Basis	Comment on potential variation
<b>Industrial</b>					
1	B2	General	36	GIA	Range of 18 - 60 m <sup>2</sup>
2	B1(c)	Light Industry (Business Park)	47	NIA	
<b>Warehouse &amp; Distribution</b>					
3	B8	General	70	GEA	Range of 25 - 115 m <sup>2</sup> The higher the capital intensity of the business, the lower the employment density Wide variations exist arising from scale and storage duration
4	B8	Large Scale and High Bay Warehousing	80	GEA	
<b>Office</b>					
5	B1(a)	General Office	12	NIA	Includes HQ, Admin and 'Client Facing' office types
6	B1(a)	Call Centres	8	NIA	
7	B1(a)	IT/ Data Centres	47	NIA	A blended rate of the above B1(a) uses where they are found in out of town business park locations Densities within separately let units are c.7 m <sup>2</sup> per workstation but 30% of a facility's total NIA for shared services reduces the overall density
8	B1(a)	Business Park	10	NIA	
9	B1(a)	Serviced Office	10	NIA	
<b>Retail</b>					
10	A1	High Street	19	NIA	Town/ City Centre Includes the back office function area as well as the customer facing areas Range of 10 - 30 m <sup>2</sup>
11	A1	Food Superstores	17	NIA	
12	A1	Other Superstores/ Retail Warehouses	90	NIA	
13	A2	Financial & Professional Services	16	NIA	
14	A3	Restaurants & Cafes	18	NIA	
<b>Leisure &amp; Visitor Attractions</b>					
15	C1	Budget Hotels	1 employee per 3 bedrooms plus casual staff		
16	C1	General Hotels (3 star)	1 employee per 2 bedrooms		
17	C1	4/ 5 Star Hotels	1 employee per 1.25 bedrooms		
18	D1	Cultural Attractions	36	GIA	Very wide range exists, so use with caution. Excludes external areas
19	D2	Cinemas	90	GIA	
20	D2*	Amusement & Entertainment Centres	70	GIA	Range of 40 - 100 m <sup>2</sup> - excludes external areas
21	D2	Sports centres and Private Clubs	65	GIA	

\*some 'Sui Generis' Use Classes are applicable for this Use Type. See Appendix 5 for a list of Sui Generis uses.

**APPENDIX 4**

**Maylands Hemel Hempstead - Recent / Current Major Business  
Development Commitments and Activity (April 2015)**

Location	Devel op- able site area (ha.)	Permission ref. (lapse date - where relevant)	Expected additional floor-space m. sq. (all figures approximate)		Background information
			Office	Shed	
			B1(a) & (b)	B1(c), B2, B8	
<b><u>General development and redevelopment within Maylands</u></b>					
Units E & F, Maylands Wood Estate, Maylands Avenue (The 'Vision' site)	1.19	4/00738/10  (07/15)		6,806	Cleared site.  Construction of two buildings for B1(c), B2 and B8 use permitted.  Not started and no indication that construction will starts soon. Owned by Segro.
Golden West Foods Ltd, Boundary	2.82	4/01148/12		14,000	Cleared site, following Buncefield explosion.  Redevelopment for mixed industrial use: three options permitted under 4/01148/12 (12,685, 13,443 and 13,928m2). Employment Land Position Statement No.38

Way		4/0523/09			<p>shows a gain of 14,000m<sup>2</sup>. This permission is unlikely to be implemented.</p> <p>Site recently purchased / subject to variation of earlier permission for industrial open storage use. This would mean that the new floor-space would be very low (assume 1,000m<sup>2</sup>).</p>
Shroff (UK) Ltd., 47 Maylands Avenue	0.59	4/01314/11 (10/14) 4/01972/13 (06/17)	829	1,250	<p>Cleared site.</p> <p>Redevelopment for mixed B1 (3,446m<sup>2</sup>), with ancillary B8 accommodation permitted (4/01314/11). This permission is unlikely to be implemented.</p> <p>Revised application (4/01972/13) permitted June 2014, for B1 (829m<sup>2</sup>), B8 (1,250m<sup>2</sup>) and A3/A5 (KFC). The floor space figures in columns 4 and 5 reflect this permission.</p>
Adj. Technologies House, Wood Lane End (Henkel)	0.57	4/00078/12	3,779		Demolition of industrial building and construction of 3 storey offices permitted. Under construction (industrial building demolished)
Desoutter Building, Macted	0.78	4/00305/12		7,816	Change of use B8 to B2 permitted (involves some demolition). Net loss as original building 8,324m <sup>2</sup>

Corner, Eaton Road					
Between Hemel One and Pentagon Park (Plot A), Boundary Way	0.80	4/01310/11  4/02047/14	880		<p>Cleared site. A B8 unit (3,366m<sup>2</sup>) has been permitted (4/01310/11), but this permission is unlikely to be implemented.</p> <p>A subsequent permission (4/02047/14/MFA) proposes a phased development for a private health clinic (1,812m<sup>2</sup>), which would provide about 50 jobs, including around 30 ancillary office jobs. The firm intends to open clinics elsewhere in the future. If so, the Hemel site will be the HQ and phase 2 will be implemented, comprising offices (880m<sup>2</sup>). Floorspace figures in columns 4 and 5 assume that the clinic and offices are to be built.</p>
The Campus, 150 Maylands Avenue (Gyron)	3.78	4/01399/13	9,093	23,358	Mixed use development permitted for Gyron, including HQ offices and data storage facility. The office element is a replacement (99,200 m <sup>2</sup> ). Development has commenced.
Former Catherine house, Boundary	0.44	4/00031/13	376	1,495	Vacant site for redevelopment. Permission granted for industrial building (Use Class B1, B2 and B8). Development has commenced.

Way					
<u>TOTALS</u>	<u>10.79</u>		<u>14,957</u>	<u>54,725</u>	
<b><u>Heart of Maylands Project</u></b>					
Note: alternative scenarios for floor space capacity of sites are given because outcomes are currently uncertain					
Heart of Maylands, Sites 1 and 2 (SE area)	4.0	4/00676/14/MFA 4/00689/14/OUT 4/00699/14/DEM	Scenario 1: Losses only (Sites 1 & 2a)  Scenario 2: as scenario 1 - Some losses  1,654	Scenarios 1 & 2: Losses only (Sites 2b & 2c)  Losses only (Site 2d)	Existing uses: car sales (Site 1 in Heart of Maylands Development brief), offices (Site 2a) and industrial/warehousing (Sites 2b-2d). Floorspace to be lost = approx. 4,000m2 offices, 13,000m2 industrial/warehousing).  Two permissions; mainly residential:  - Phase A (Sites 1 and 2a): 4/00676/14/MFA – mixed Class-A uses; housing ; church. Retail units may include some B1(a) use (units 1 & 2 are most suitable for offices: 174m2).  Phase B (Sites 2b & 2c): 4/00689/14/OUT – housing. One building (1,480m2) is proposed for either flats or offices subject to demand.

					<p>Housing likely in longer term on Site 2d.</p> <p>Phase A owned by Hightown, Praetorian and Churches Housing Association.</p> <p>Phase B owned by various pension funds - agent CBRE).</p>
Heart of Maylands, Site 3 (NW area)	1.0	4/01319/14/FUL (8/17)	900	Losses only	<p>Southern part of site (Wood House). Site assembled by DBC for affordable housing. Ground floor will be for commercial use (c.900m<sup>2</sup>), probably offices, possibly A-class uses. Existing warehouse (2,900m<sup>2</sup>) demolished since 31.03.14.</p> <p>Northern part of site (Knoll House). Purchased by DCC Foods. Change of use from B1 to mixed class B1 (light industrial, research and development and ancillary offices) to B8 permitted August 2014 (4/01319/14/FUL). No additional floor space.</p>
Heart of Maylands Sites 4 and 6 (SW area)	1.1		600 (Site 4)	Losses only (Site 4)	<p>The site is in multiple ownerships (including DBC). Site 4 is used for mixed A and B class uses, motor trade uses and a public car park. DBC redevelopment plans would result in loss of approximately 930 m<sup>2</sup> of shed uses / 75m<sup>2</sup> of offices.</p> <p>The Site 4 redevelopment scheme is likely to involve ground floor offices (assume 600 m<sup>2</sup>) and housing above.</p>

					Site 6 is in B-class uses. The Heart of Maylands Development Brief does not contain any proposals for Site 6 and it is uncertain whether redevelopment will be proposed.
Heart of Maylands, Site 5 (Wood Lane End)	0.15				Currently in A2 use (banks).  The Heart of Maylands Development Brief does not contain specific proposals for this site. Relocation / redevelopment of the banking area is unlikely to be necessary or viable.
<u>Totals</u>	<u>6.25</u>		<u>3,145</u>		
<b><u>Maylands Gateway</u></b>					
Note: alternative scenarios for floor space capacity of sites are given because outcomes are currently uncertain. Scenario 1 taken to avoid double counting in totals					
Breakspear House, Maylands Avenue (Kier Park)  Maylands Gateway,	1.55	4/02124/08	Scenario 1: nil  Scenario 2: 10,000	Scenario 1: 4,000  Scenario 2: nil	Phase 1: warehousing demolished. Hotel (Travelodge) and A3/A5 uses completed; offices (0.4ha.) unlikely to be implemented.  Phase 2 (0.5ha.) cleared site. No development proposals.  Future uses on all the undeveloped land (0.9ha.) – probably industrial / warehousing (assume 4,000m2) or

Site 1: see Maylands Gateway Development Brief (Revised May 2013)					<p>offices (assume 10,000m2).</p> <p>The site has more recently been subject to retail (foodstore) development proposals.</p>
<p>People-building Site, Maylands Avenue</p> <p>Maylands Gateway, Site 2: See Maylands Gateway Development Brief</p>	6.5	<p>4/00851/01 (can't lapse)</p> <p>4/00806/09 (lapsed)</p>	<p>Scenario 1: nil</p> <p>Scenario 2: 40,640</p>	<p>Scenario 1: 26,000</p> <p>Scenario 2: nil</p>	<p>The People-building scheme proposed 5 office buildings (50,800m2). The Lucas building Has been demolished. One office building (10,160m2 has been completed under 4/00851/01; other office buildings (40,640m2) not started.</p> <p>Aviva (landowners) are currently proposing a retail led development which would limit the capacity for business uses – as follows:</p> <p>Application Ref 4/01132/15/MOA. Food store, with a gross internal floorspace of 2,356 m2 and net sales area of 1,414 m2 (convenience floorspace of 1,060 sq. m and comparison floorspace of 353 m2).</p> <p>Non-food retail units, with a gross internal floorspace of 10,147 m2.</p> <p>1,031 m2 of restaurants (A3 use).</p>

					<p>3,004 m2 of offices (use class B1).</p> <p>553 car parking spaces.</p> <p>(Additional Note: This scheme was permitted in February 2016)</p> <p>The most likely type of business development on the People-building site is now likely to be high quality B8, but there is also scope for offices. A B8 development might involve about 26,000m2 floorspace (assuming 40% plot ratio).</p>
<p>Former Lucas and Kodak sports grounds/car/caravan park (HCA site)</p> <p>Maylands Gateway Site 3: See Maylands Gateway</p>	13.0		<p>Scenario 1: nil</p> <p>Scenario 2: 100,000</p>	<p>Scenario 1: 50,000</p> <p>Scenario 2: nil</p>	<p>A residential planning application (4/00053/13/FULL) on this site - for up to 101 homes at Buncefield Lane / Wood Lane End has not been determined and is unlikely to proceed.</p> <p>B8 use (assume 50,000m2) seems most likely, but other uses including offices (assume 100,000m2) are also possible.</p>

Development Brief					
Breakspear Way/Green Lane/Boundary Way (DBC site)  Maylands Gateway Site 4: see Maylands Gateway Development Brief	9.7		38,500	15,000	This site comprises three parcels of land:  1. Breakspear Way / Buncefield Lane (1.6ha.): Potential HQ office site. Potential HQ office site 5,500-8,000m2 floorspace, probably towards bottom of the range (assume 6,000m2).  2. Breakspear Way / Green Lane (3.2 ha.): Potential HQ office site. Potential feasibility scheme for 32,500 m2.  3. Caravan storage site, Boundary Way (4.9 ha): Most of the site is within the Buncefield Inner Consultation Zone. Therefore the site is likely to be developed for B8 buildings or open storage. Assume 15,000m2 B8 floorspace.
<u>Totals</u>	<u>30.75</u>		<u>38,500</u>	<u>95,000</u>	

**Sources:**

Summary information from:

- Annual (Authority's) Monitoring Report (2013/14); Dacorum Borough Council

- Employment Land Position Statement No 39 April 2015; Dacorum Borough Council
- Additional SACDC informal research from Dacorum Borough Council planning application records

Note: Totals are for new floor-space only; to give indication of new business floor-space in Maylands



## **APPENDIX 5**

### **Comparative Analysis of Policy Development and Evidence Work in Recent Local Plans – Case Studies for DLP**

(All extracts / quotes in italics)

## **Reigate and Banstead Borough; Adopted Core Strategy 2014**

### Policy basis / rationale:

The Plan includes sub district, area floor-space growth targets that are expected to deliver an identified level of B use class jobs. The targets are based mainly on known redevelopment capacity / potential in specific locations. However, main employment land policy issues are deferred to a future, separate, development management document.

Text extract below:

*“5.5.10 Policies within this Core Strategy set out the broad amount and distribution of floorspace that is likely to be required over the plan period. The DMP will identify designated employment areas and address in more detail the provision of additional employment-generating floorspace, including, as appropriate, identifying specific sites and setting criteria based policies (including design and amenity considerations) to guide new development.*

*This may include the identification of strategic employment development through joint working with Gatwick Diamond authorities and/or other adjoining authorities. The Council will seek to manage any such proposals and may consider a partial review of economic/ employment policies or the production of an Area Action Plan or Supplementary Planning Document.”*

Policy (CS5) extract:

*Planning for the delivery of additional employment floorspace to meet the forecast growth needs of the borough, by:*

- (i) focusing on retaining and making the best use of existing employment land, particularly within town centres and industrial areas unless it can be demonstrated that there is no reasonable prospect of a site being used for that purpose over the life of the plan; and*
- (ii) ensuring that any new employment development outside these areas reflects wider policy priorities and is located in accordance with sustainability principles.*

Inspector's Report:

Job forecasts were accepted. The Inspector considered balance of homes and jobs as follows:

*“ 74. Based on the number of economically active persons, the Council estimates that about 420 dwellings annually would be required to support the anticipated growth in employment. This is broadly in line with the housing target of 460 dpa. Others believe that significantly more dwellings would be required to support 450 new jobs each year. However, the Borough's location on the fringe of Greater London and close to the major employment hub of*

*Gatwick/ Crawley gives rise to large scale and complex patterns of commuting. Consequently achieving a balance between employment growth and housing growth is not a main objective of the RBCS. (SACDC emphasis) Moreover, there is no evidence of an imbalance which would threaten delivery of the Plan's strategy."*

Relevant Comparative Conclusions:

- Uses the smart growth concept – “reuse and intensification of existing employment land”
- Protection issues not dealt with – predates main concerns arising from PDRs
- Site / opportunity approach accepted at examination; no homes / jobs balance objective
- Used an update to economic development evidence – original study 2008, then update for examination 2011. History of examination and withdrawal earlier. No apparent definitive FEMA analysis, albeit the relationship to past regional sub areas is acknowledged and used.
- Used LEP / Partnership work for larger areas especially Gatwick Diamond (regional concept)

**Brentwood Borough; Consultation Draft Local Plan 2016**

Policy basis / rationale:

The Plan uses sub-regional partnership strategy basis for economic strategy, but includes a jobs / floorspace assessment for the District alone. There is no apparent FEMA analysis to support this. The Plan then sets job growth target / land targets for District alone.

Some employment land loss (policy compliant) is anticipated and the Plan allows for this in new provision levels.

Evidence is 2010 Atkins EEFM based employment land study with Epping Forest (London Arc) with NLP update based on their work for Essex Economic Futures Partnership:

NLP extract:

*“ High level job capacity analysis suggests that identified employment sites have the potential to accommodate 5,035 jobs. This implies that capacity far exceeds the requirement as indicated by each of the scenarios under consideration as part of this study. The majority of the job capacity (86%) relates to proposed allocations including Brentwood Enterprise Park. ”*

Policy extract:

#### **POLICY 8.4: EMPLOYMENT LAND ALLOCATIONS**

*Within those areas allocated for general employment and office development listed in Figure 8.3 and on the Proposals Map, the Council will seek to achieve (SADC emphasis) and retain a wide range of employment opportunities. Redevelopment or change of use of business, office, general industry and distribution for non Class B uses will only be permitted where:*

- a. the proposal is for other non residential uses that provide significant employment with no reasonable prospect of locating elsewhere in the Borough, and there is no identified need for the site or buildings for Class B uses;*
- b. the proposal is wholly for affordable housing, the site is vacant and development would not prejudice continuation of adjacent employment uses;*
- c. the proposal is for any other use and the application is supported by a statement of efforts made to secure re-use for Class B1-B8 or similar uses and other non-residential use that provides employment, which evidence demonstrates there is no realistic prospect of the site or buildings being used or re-used, including through redevelopment, for these purposes; or*
- d. the site or buildings would be physically unsuitable for re-use for Class B1-B8 or similar use, even after adaptation (including sub-division into smaller units), refurbishment or redevelopment, in terms of siting, design, access, layout and relationship to neighbouring buildings and uses*

Supporting text sets out tests / information in relation to criterion c, but does not indicate any consideration of PDRs. However note “seek to achieve” drafting.

#### Relevant Comparative Conclusions

- District only based approach to Plan set in wider LEP (and former regional analysis)
- Indicates opportunity / site based provision with reliance on one key site
- Policies are primarily permissive land allocation / criteria based. They deal with land use aspiration and environmental improvement on employment areas
- Employment allocations are seen as protected conventionally
- No apparent consideration of PDR loss of employment floor-space and future protection potential – probably due to less conversion pressure in area
- Rural employment (Green Belt based) policies are considered important / included

#### **Braintree District; Emerging Local Plan**

##### Policy basis / rationale:

In September 2014 the Council took a decision to work on full Local Plan rather than previous intended development management / allocations document in context of Core Strategy. Only evidence documents are available at this stage.

An economic development prospectus and Employment Land Needs Assessment (AECOM) was published in 2015. This has clear policy recommendations on land provision / retained employment areas – but nothing on PDR pressures / response.

#### Relevant Comparative Conclusions

- A single District approach is adopted (a ‘*relatively small local economy*’ AECOM). Evidence refers to property market areas (as FEMAs) covering a wider area. However there is limited analysis / justification for the wider area and the evidence does not suggest any problems arise with smaller area analysis
- Forecasts use EEFM and proportionally extended growth rates to 2033

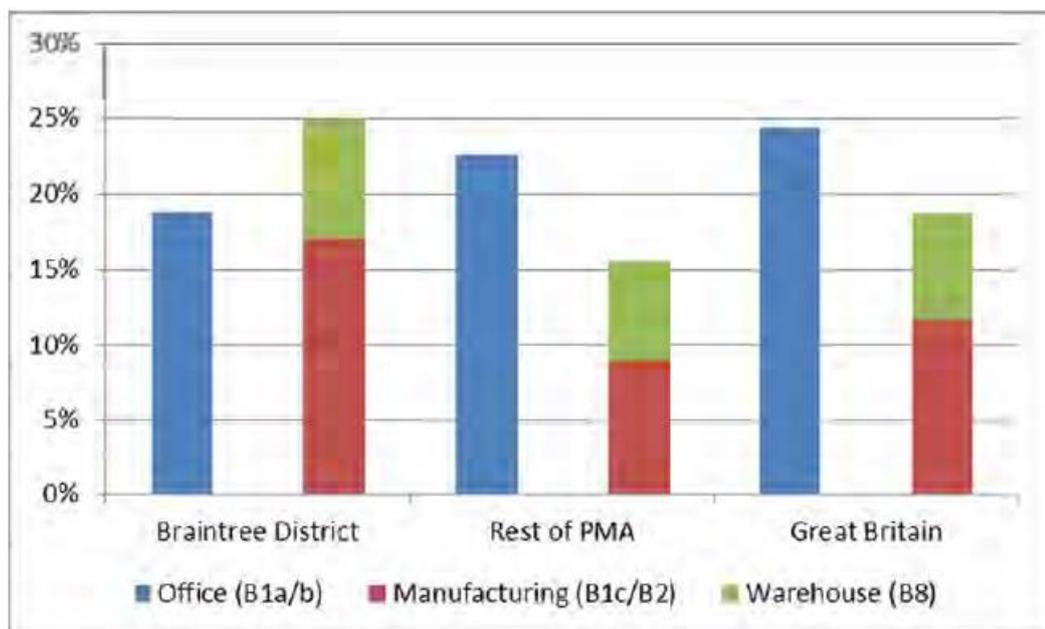
- Evidence does flag pressures through PDRs and LDOs approach to conversion of employment land to residential but no policy direction given.
- AECOM provide useful BRES based analysis of national trend on B use class sectors extract below (office 25% / shed 18% = total 43%)

Extract Braintree AECOM research on levels of B class located employment (including national comparison):

### *Employment by Use Class*

We can develop an understanding of the importance of each B use class to the District's economy by investigating the share of employment by those business activities sectors which broadly map to office, manufacturing and warehousing uses. **Figure 3-1** presents the proportion of employment by use class in 2013, the latest available data.

**Figure 3-1 Employment by Use Class 2013**



*Source: ONS Business Register and Employment Survey (2014); AECOM calculations. Note: Employment supported by other activities such as retail is not expressed in this chart.*

**Figure 3-1** shows that although more residents of the District are employed in office occupations than either manufacturing or warehousing, together the latter two occupations contribute a larger share of employment. Although office contributes the largest number of employees in the District, it represents a smaller share of total employment than across the rest of the PMA and Great Britain. By contrast, the share of employment on activities associated with manufacturing premises is almost 50% greater the national average. Approximately 44% of total employment in the District is within the B use class, higher than across the rest of the PMA (38%).

## **Guildford Borough; Consultation Draft Local Plan 2014**

(Note – since the time of analysis a regulation 19 Draft Plan has been published. This generally follows the approach indicated below).

## Policy basis / rationale

A Regulation 18 issues and options consultation (with full draft plan) was published in July 2014. It takes a 'Core Strategy' approach with follow up development management documents envisaged to support.

The economic development approach references Smart Growth extensively.

Policy extract:

### *POLICY 13: Economic development*

*We will support the provision of 10,900-14,800 additional B class (see glossary) jobs to 2031. We will allocate 21.6 hectares (ha) to 29.2 ha of B use class floor space (net) to ensure an adequate supply of land is available for employment purposes. This will provide a range and choice of employment floor space over the plan period and accommodate the predicted future growth in economic development required for Guildford's economy to develop and increase. The release of allocations will be phased in five-year stages to ensure a flexible rolling supply of employment land over the plan period.*

*Lower range (ha) Upper range (ha)*

*B1 11.3 - 15.3*

*B2 1.0 - 4.0*

*B8 7.3 - 9.9*

*Total 21.6 - 29.2*

*We aim to ensure sustainable employment development patterns, promote smart growth (see glossary) and business competitiveness, and allow for flexibility to cater for the changing needs of the economy.*

*We will:*

- support the retention, creation and development of small local business by encouraging a range of types and sizes of new premises,*
- support the provision of essential employment ancillary facilities close to places of employment,*
- support rural economic development opportunities.*

### *B Class Uses*

*The 17 sites that together make up the borough's current core supply of employment land will be protected as strategic employment sites and their change of use to non-employment uses resisted. The retention, intensification*

*and employment based regeneration of these sites is encouraged. The strategic employment sites (defined below) are:*

*....List of areas / sites.*

There is no indication of how retention of these sites will be achieved in face of PDRs. However the wording is “resist” (see Hertsmere case Study below).

Evidence and the draft Plan relies significantly on LEP (Enterprise M3) research and policy.

An Employment Land Needs Assessment was completed in September 2015 (AECOM) and examines the wider area. This builds on an earlier 2013 in house study; Employment Land Assessment, which looked at Guildford job growth forecasts alone. This includes a useful analysis of home working impacts. The evidence work provides a useful model for local focused analysis in a wider context.

AECOM’s work suggests a ‘property market area’ of Guildford plus Woking and Waverley boroughs – this corresponds to specific, agreed, LEP sub area definition. This area has also been taken as the housing market area. Forecasts are provided for Property market area then Guildford split out.

The evidence includes a very useful qualitative assessment framework.

The problem of PDR pressures is identified, but there is no direct suggested policy direction.

#### Relevant Comparative Conclusions

- Shows strong LEP influence and alignment
- Uses a pre agreed FEMA and HMA definition reached via sub regional consultative process
- Allows for individual District, detailed, assessment in agreed sub regional context
- A useful good practice model for comprehensive employment land assessment

#### **Maidstone District; Publication Draft Local Plan 2016**

##### Policy basis / rationale

A full Local Plan replacing previous Core Strategy and development management approach is proposed. A Regulation 19 consultation full Draft Plan was published in February 2016.

The Plan is based on an 'updated' employment evidence base study (GVA). GVA provided a local forecast (Experian). This is set in the context of understanding the surrounding area, but there is no detailed consideration of FEMA issues. The Study simply refers to immediately adjoining Districts as included in an area with reasonable self-containment; (based on area with 60% self-containment). The Study covers working style changes, including useful information on resultant adjusted approach to density of employment.

There is recognition of PDR pressures, but no evident allowance in the policy approach. Retention does attempt to target protection of best land and premises stock – but only in general terms. Policies include general retention of employment land / sites:

Policy extract:

### *Policy DM 21*

#### *Retention of employment sites*

*1. The following locations, as defined on the policies map, are designated Economic Development Areas for use classes B1, B2 and B8:.....*

#### *LIST*

*Within designated Economic Development Areas, change of use or redevelopment of a site or premises to non B class uses will not be permitted unless it can be demonstrated that there is no reasonable prospect of their take up or continued use for the designated uses in the medium term.*

*Within designated Economic Development Areas, mixed use proposals incorporating an element of non B class uses may exceptionally be permitted where such development would facilitate the regeneration of the site to more effectively meet the needs of modern business and where the overall employment capacity of the site is maintained.*

*Outside the designated Economic Development Areas, the redevelopment and expansion of existing B class employment premises in Maidstone urban area and the rural service centres will be supported.*

#### Relevant Comparative Conclusions

- Single District / Plan based evidence and analysis
- Conventional retention of employment land approach with not attempt to address PDR issues

## Hertsmere Borough Council; Site Allocations and Development Management Policies Plan 2015

### Policy basis / rationale

A Development Management Policies document is being progressed in the context of an adopted Core Strategy (2013). The Plan is at Examination stage.

The Plan proposes a hierarchy of employment sites for allocation / protection (Employment area / Key / Locally significant). General policy for these areas is based on the core strategy. However a new policy approach is introduced on loss of employment uses.

Policy extract:

*3: 26 Policy SADM9 - Strategically Important Business Locations and Loss of Office Accommodation*

*Where planning permission or prior approval (SADC emphasis) is required, change of use to residential use will be resisted in the following Strategically Important Business Locations:*

*i) Employment Areas listed in Policy SADM6;*

*ii) the Key Employment site in Policy SADM7;*

*iii) Locally Significant Employment Sites listed in Policy SADM8, and*

*iv) Existing office buildings (or parts of buildings) elsewhere in the Borough which exceed 500 square metres floorspace unless it can be demonstrated that the premises are no longer suitable for and have been marketed effectively for continued B1(a) use.*

It is not clear how the prior approval / PDR element can be applied unless the Government introduces new prior approval criteria. The coverage is very wide, including almost all exiting employment sites / premises.

This has become an issue at the current Examination.

The exchange between the Inspector and HBC (Examination document library) is reproduced in full below:

*“ Matter 5: Policy SADM9 Loss of Office Accommodation*

*Inspector’s comment*

*A Government announcement on 13 October 2015 confirmed that permitted*

*development rights for changes of use of offices to residential use are to become permanent. There is no indication that any new exemptions are to be applied. There are only limited circumstances under which planning permission is required. The policy is poorly drafted. Criterion (iv) does not 'sit' well with the rest of the policy.*

***Q5a. The policy appears to be contrary to Government policy. Is it considered that this policy is likely to be effective?***

***Q5b. How could the council 'resist' (does that mean refuse permission?) any proposal for which prior approval (only) is required? In such cases, only limited factors, such as highway and transport implications, can be taken into account.***

***Q5c. What is the justification for the use of a threshold of 500 sq.m. in criterion (iv) (as opposed to any other figure). The council's response to representation 029 c. is noted.***

*The following response covers Q5a, Q5b and Q5c.*

*5.1 Policy SADM9 has the aim of providing a degree of protection to a range of existing business premises which may otherwise be converted to residential use. Current government policy, expressed through a ministerial statement in 2015, and expected to be confirmed in changes to the Permitted Development (PD) regulations, has sought to permanently extend temporary PD rights for office to residential conversions.*

*5.2 Although the Ministerial Statement is silent on whether there may be additional criteria to be considered at the prior approval notification stage, the Council is cognisant of (a) the additional criteria which exist for retail to residential conversions as set out in Part M.2 (d) of the Town and Country Planning (General Permitted Development) (England) Order 2015, (b) the detailed wording of any amended Regulations not yet being known, and (c) the 2014 DCLG Technical Consultation proposing that "additionally prior approval will now consider the potential impact of the significant loss of the most strategically important office accommodation." Policy SADM9 was drawn up to reflect the possibility that PD rights for office to residential conversions could reasonably be expected to contain some controls for local planning authorities.*

*The Council recognises that further proposed changes to expand PD rights to include the demolition and redevelopment of office buildings were set out in*

*the Ministerial Statement. However, the extent to which additional factors may be considered under prior approval notifications remains unclear.*

*5.4 It is acknowledged that the government wishes to substantially increase the supply of new homes but equally the NPPF requires that local planning authorities seek to meet objectively assessed needs and deliver sufficient homes and jobs. The current NPPF consultation does not appear to recognise the conflict between these established NPPF principles and the direction of travel which is being sought through Ministerial Statements on PD rights for residential development. The new and proposed additional PD changes therefore represent a challenge for local planning authorities in ensuring that sufficient land and buildings for employment purposes can be retained.*

*5.5 The local implication of expanded PD rights is that 53 Notifications for Prior Approval for office to residential conversions have been received by the Council since 2013. This has resulted in some substantial conversion schemes, including within designated employment areas. For example Elstree House, a landmark office building within the Elstree Way Employment Area and which was only refurbished five years ago, is now being converted for residential use. There are a number of major office complexes within the borough both within designated employment areas and also beyond those locations, such as Canada Life Place in Potters Bar, the Waterfront, Elstree and Imperial Place, Borehamwood, (the latter containing in excess of 21,000 sq m of B1a floorspace) which could potentially be converted to residential use under PD rights. The Council considers that it has sufficient land to meet Core Strategy housing requirements but in delivering the detailed requirements of the Core Strategy - which are also reflected in the Council's Economic Development Strategy (2015) - it must strike a balance between the supply of land for both homes and jobs in the borough.*

*5.6 In light of the announcement that existing office to residential PD rights will be made permanent and expanded to include the demolition and redevelopment of office buildings, the Council will now actively consider the introduction of Article 4 Directions in certain locations. This will follow the approach taken in neighbouring Watford in 2013. The Council also wishes to avoid scenarios, such as that in neighbouring LB Barnet, where 53,000 sq m of office accommodation has had prior approval given, including one site (Premier House, Edgware) where 100 businesses were immediately given notice to quit. The strength of the local housing market and the immediate proximity of Hertsmere to the outer London Boroughs are such that it is reasonable that the Council would wish to retain a degree of control over land use and ensure that some viable and/or occupied office space remains available for business use.*

*5.7 The Council considers that Policy SADM9 can be an effective policy and is willing to include some additional justification to SADM9 which recognises the requirements of the NPPF in respect of meeting both housing and employment needs and the location of the borough within a very strong housing market, immediately adjacent to London.*

5.8 The policy itself is intended to cover (a) scenarios where planning permission is required and (b) a scenario where prior approval can be considered against an additional range of criteria, on the basis that the new permitted development regulations have not yet been published. It is recognised that unless other factors are embedded into the regulations, such as whether the proposal would result in the loss of strategically important business accommodation, point (iv) cannot be applied. An amendment to the policy is proposed to address this (see proposed wording below).

5.9 The word 'resist' has similar effect and meaning to 'refuse' and the Council is willing to change this to 'refuse' or 'not permit'.

5.10 A threshold of 500 sq m was considered to represent a proportionate policy response to the increased prevalence of office to residential conversions (and now the planned expansion of PD rights to cover demolition and redevelopment). Hertsmere remains a location for predominantly small to medium size buildings and none of the Top 8 Head Offices in South West Hertfordshire are located in Hertsmere (see table below). Moreover, over 50% of employment in Professional Services in Hertsmere is in small businesses with fewer than 50 employees, the highest proportion in South West Hertfordshire, with over 30% of businesses employing fewer than 10 employees (source IDBR).

<u>Company Name</u>	<u>Number of Employees</u>	<u>Authority</u>
Dixons	1,150	Dacorum
J D Wetherspoon	1,140	Watford
TJX (T K Maxx)	890	Watford
Bourne Leisure	800	Dacorum
Vinci Construction	780	Watford
Hilton Hotels	650	Watford
Premier Foods	350	St Albans
Skanska Construction	340	Three Rivers

Source: IDBR 2014

5.11 Based on the HCA Employment Density Guide (2015), which includes an indicative gross floorspace requirement of 14.4 sq m per B1(a) employee, a threshold of 500 sq m in Policy SADM9 translates into an office with approximately 35 employees, a relatively high number within the local context. Conceivably the threshold could be reduced to 150 sq m (10 employees) but the intention of Policy SADM9 was to focus on those sites which, within the context of Hertsmere's typical business size, employ a reasonable number of people. A significantly lower threshold or the absence of any threshold would simply result in larger numbers of applications being caught by a policy which was not intended to cover those smaller sites.

The Council considers that a policy seeking to provide a degree of control over the conversion of larger office buildings can be both effective and justified, within the context of the NPPF. However, it is recognised that some additional supporting text and amendments to Policy SADM9 would be

*beneficial. The following changes are therefore suggested as the basis for a Main Modification:*

#### *Suggested change to SADM9*

*[new supporting text] The Council recognises the need to increase the supply of new homes both locally and nationally and acknowledges the changes to permitted development rights which have been introduced by the government to facilitate this objective. Both recent and planned changes to permitted developments rights have the potential to impact on the local supply of land and buildings for jobs and, specifically, B class floorspace. The NPPF requires that local planning authorities must seek to meet objectively assessed needs and deliver sufficient homes and jobs. However, the additional permitted development rights may, without some safeguards, impact on the ability of the Council to retain sufficient land and buildings for local employment needs and to promote the local economy during the Plan period.*

*[new supporting text] Should the prior approval requirements enable consideration of the loss of the most important office accommodation, as previously proposed by the government, Policy SADM9 will be used to assess proposals where prior approval notification is required. Should the regulations not allow for such consideration, the Council will also consider the introduction of Article 4 Directions, where appropriate, to enable the impact of the change of use or redevelopment of strategically important offices for residential use to be fully considered.*

#### *Policy SADM9 - Strategically Important Business Locations and Loss of Office Accommodation*

*Where planning permission or prior approval is required, change of use to or redevelopment for residential use will not be permitted (be resisted) in the following Strategically Important Business Locations:*

- i) Employment Areas listed in Policy SADM6;*
- ii) the Key Employment site in Policy SADM7;*
- iii) Locally Significant Employment Sites listed in Policy SADM8, and*
- iv) Existing office buildings (or parts of buildings) elsewhere in the Borough which exceed 500 square metres floorspace unless it can be demonstrated that the premises are no longer suitable for and have been marketed effectively for continued B1(a) use.*

*The Council will apply this control within the powers and limitations provided by government regulation.*

### Relevant Comparative Conclusions

- The position sums up uncertainties arising for the DLP in respect of PDR freedoms for conversion or redevelopment for housing in employment locations. Full protection of employment land / premises is impossible to deliver.
- The forthcoming detailed regulations on PDRs on this matter are needed before policy direction can be set.

