

Councils Response to Inspectors Initial Questions Friday 24th May 2019

11. Question 11

Does the Plan set out what the expected future level of need for employment land is over Plan period? If so [i] where is this and [ii] what evidence is it based upon?

- 11.1. [i] Yes, the Local Plan sets out future levels of need for (and provision of) employment land over the plan period. It is identified in Policy S5 Economic Development Strategy and Employment Land Provision. This sets out:

Policy S5 - Economic Development Strategy and Employment Land Provision

Overall Provision

Provision is made for, and is required to be retained to enable, sufficient land and floorspace to cater for both full employment and to provide for a wide range of employment land uses.

Provision is made for a significant new employment development within the East Hemel Hempstead (central) Broad Location (55ha, up to circa 10,000 jobs) as set out in Policy S6.

Provision for significant development and redevelopment opportunities is also made in the Special Employment Locations in the Green Belt (Policy L11).

All these areas are also designated as part of the multi-site Hertfordshire Enviro-Tech Enterprise Zone.

- 11.2. For the avoidance of doubt, the employment land need identified (and provision) at East Hemel is in order to cater both for St Albans direct needs and a role for provision for wider South West Herts employment land needs.
- 11.3. As well as the need for new employment land, the retention of much of the existing employment land stock is needed. This is set out in policies S5, L9 and L10.
- 11.4. [ii] There is a solid evidence base to support the approach taken to employment land in the draft Local Plan. All the evidence supports the opportunities-based approach taken in the draft Local Plan. They identify East Hemel (central) as a key 'location-based' opportunity for growth and Rothamsted and the BRE as key 'sector/asset/strength' opportunities for growth. All three locations fall within the official Hertfordshire Enterprise Zone.
- 11.5. The East Hemel (central) 55 Ha Broad Location and development at Rothamsted and the BRE were first identified as designated employment locations under the previously submitted Strategic Local Plan 2016. These three key sites were supported by the detailed technical study **Economic Development and Employment Land Evidence (EMP 003)**, which sets out detailed justifications for the allocation of these sites for employment use. This document is linked below:

https://www.stalbans.gov.uk/Images/SP_SLP_EMP001EconomicDevelopmentandEmploymentLandEvidenceTechnicalReport_tcm15-54960.pdf

- 11.6. As a very brief summary of the most directly relevant parts of that document, it sets out:

P130

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.

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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.

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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.

P251

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).

P261-2

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.

- 11.7. Employment land need is also addressed in the **South West Hertfordshire Economic Study 2016 (EMP 002)**. This document is linked below;

https://www.stalbans.gov.uk/Images/South%20West%20Hertfordshire%20Economic%20Study%20-%20February%202016_tcm15-63874.pdf

11.8. As a very brief summary of the most directly relevant parts of that document, it sets out:

Piii

Strengths in professional, scientific and technical occupations reflecting the presence of assets such as the BRE and Rothamsted but also the area's skills base.

P143

8.102 This greenfield site is bounded by Green Lane and Maylands to the west, the M1 to the east Breakspear Way (A414) to the south and Punchbowl Lane to the north. Junction 8 of the M1 is to the south east of the site. The site lies just within St Albans district.

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8.106 Conclusion: Greenfield site which could form expansion to the existing industrial area taking advantage of excellent location close to motorway access. Location and size would make the site attractive to larger warehouse and distribution uses although the prominent southern end of the site would warrant more prestigious uses. Recommend bringing forward the site in conjunction and co-ordination with Maylands Gateway site.

11.9. Employment land need is also addressed in the **South West Hertfordshire Economic Study draft Update 2019 (EMP 001)**. This document is linked below;

https://www.stalbans.gov.uk/Images/South%20West%20Herts%20Economic%20Study%20Emerging%20Draft_tcm15-66985.pdf

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i We have identified a shortfall of nearly 90,000 sq m of industrial space which equates roughly to 22 ha (although this is dependent on a large proportion of warehouse development being permitted at East Hemel Hempstead).

P38

The absence of a university in South West Herts is therefore one of the main challenges preventing the sub-region from matching the innovation performance of other parts of the sub-region. Nevertheless, the FEMA has a number of innovation strengths:

- It is home to two of the top 20 most active research organisations in the East of England. These are Rothamsted Research, which is a major player in the agri-tech sector and the largest contributor to research in the East of England, and BRE which is engaged in research and innovation in building science.*

P48

5.93 A number of the Hertfordshire Enterprise Zone sites are located in St Albans and offer the potential for future growth in high value industries. These include the BRE and Rothamsted sites and the East Hemel Hempstead site which adjoins the existing Maylands Business Park. The commercial feasibility study for the EZ found that the existing research strengths at Rothamsted and BRE meant that they are likely to be the focus of demand from research focused businesses from the offsite construction and agri-tech sectors. At East Hemel Hempstead, the opportunities are likely to be similar to Maylands and geared more towards offsite manufacturing facilities for construction and digital industries.

P51

Although science industries and R&D are small sectors overall, St Albans has particular strengths in these sectors. The EZ status at Rothamsted and BRE offers potential to develop the area's R&D strengths linked to agri-tech and buildings research, while nearby Maylands and East Hemel Hempstead provide opportunities to develop linked manufacturing facilities.

P110-111

East Hemel Hempstead, St Albans: this is a 55 Ha site immediately adjacent to the Maylands Gateway site and is also included in the Hertfordshire Enterprise Zone. SADC has identified the potential for this site to accommodate 8,000 jobs across a mix of B class uses. The size and location of the site would make it highly attractive to larger warehouse and distribution occupiers, however SADC wishes to avoid overconcentration of these uses and has also identified potential for office and light industrial development. The split between office and industrial space in Table 8.9 is consistent with SADC's jobs target.

8.36 A key question is whether there is likely to be sufficient market demand for 50,000 sq m of office space at East Hemel Hempstead. The advantages for this site are that it is in single ownership, is located in the Hertfordshire Enterprise Zone and is being actively promoted. Any development would also likely include upgrades to Junction 8 of the M1 as part of any planning application.

8.37 However, the site is in close proximity to Maylands Business Park and Breakspear Park where there is an oversupply of office space and a history of weak demand due to the industrial nature of development and the area's poor public transport connections. The review of commercial property market trends highlighted the critical importance of rail connections for attracting strategic office occupiers which this site would not offer.

8.38 The site is likely to be attractive to footloose office occupiers with a car-based workforce that need to serve clients in dispersed markets (eg some ICT and engineering businesses) or those linked to environmental technologies. However there is limited evidence that it would appeal to professional services and HQ functions that are well established in other parts of the FEMA.

8.39 There is also a question over the timescales for new office space to be delivered by the market in this location. Both PBA and GL Hearn have concluded that the combination of weak demand and low rents means that development is unlikely to be viable in the short term and is only likely to come forward in the medium to long term if office rents increase. However there is some evidence that rental values are increasing. Two deals for refurbished space at the Maylands Building have attracted rents of £26.50, which marks a significant increase for this location. If rents continued on their current trend, new development could become viable earlier than some agents have suggested.

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10.20 Our analysis of current and future supply has identified a number of high quality sites for office development which are already committed or allocated in South West Herts (eg further development at Croxley Business Park and in Watford). Beyond this, the future supply is dependent on new office development coming forward at Maylands and on the East Hemel Hempstead site.