

Matter 5 – Economy and Employment

Issue 1 – Employment Land Requirement and Allocated Employment Sites²

Q1 Is the Plan's economic strategy based on proportionate and up-to-date evidence?

1.1 Yes, the Plan's economic strategy is considered to be based on proportionate and up-to-date evidence, including that primarily set out in the updated South West Herts (SWH) Economic Study (2024) (EMP 01.01).

1.2 The introduction and Purpose of the Study in Chapter one sets out:

1.1 The South West Herts authorities (Dacorum Borough Council, Hertsmere Borough Council, St Albans City and District Council, Three Rivers District Council and Watford Borough Council) commissioned Hatch and BE Group to update the South West Herts Economic Study. Previous studies were published in 2016 and 2019. The need for this update has arisen as a result of the Covid pandemic in 2020-21 which had a significant impact on the economy and commercial property market of South West Herts.

1.2 The primary aims of the study are to i) assess the current and future demand for office, industrial and storage & distribution space in South West Herts, and ii) assess whether sites allocated in Local Plans are adequate to meet this demand and if not, how this shortfall could be addressed. Floorspace and land requirements are estimated for the period 2021-2041 to align with the Plan periods for the emerging Local Plans for Dacorum, Hertsmere, St Albans and Three Rivers. The report also shows floorspace requirements for the period 2041-2050 (based on the extrapolated trend for 2021-2041) to inform the South West Herts Joint Strategic Plan which runs to 2050. The estimates for this later period are subject to significant uncertainty and should be treated as indicative.

1.3 Other aims of the research include:

- Reviewing the definition of the functional economic market area (FEMA) for the South West Herts authorities.*
- Assessing the recent economic and labour market performance of South West Herts and the key drivers of growth*
- Understanding the relationship between South West Herts and neighbouring areas, particularly London.*
- Understanding the requirements of different sectors such as storage & distribution, film and TV production, life sciences, and clean growth.*

1.4 The report is structured as follows:

- Chapter Two reviews the changes in economic and planning policies at a national and local level since the 2019 study was published.*

- *Chapter Three focuses on the economic geography of South West Herts. It revisits the definition of the Functional Economic Market Area (FEMA) from the 2019 study and tests whether this is still valid. We also look at South West Herts' relationship with neighbouring areas, particularly London, and review other planned developments which could affect demand in the FEMA.*
- *Chapter Four reviews recent economic and labour market trends and performance in South West Herts.*
- *Chapter Five reviews recent commercial property market trends in South West Herts. It analyses the factors which are influencing the demand for and supply of employment space, distinguishing between the office and industrial market.*
- *Chapter Six provides updated scenarios which set out potential growth trajectories in South West Herts and the implications for the demand for employment floorspace and employment land.*
- *Chapter Seven provides a review of the supply of employment land within South West Herts.*
- *Chapter Eight assesses the balance of demand and supply of employment land and provides recommendations on planning and economic development responses.*
- *Chapter Nine provides our conclusions and recommendations.*

1.3 The 2024 Economic Study builds upon an extensive evidence base in relation to the Economy and Employment matters, as set out in the Evidence Library, in documents EMP 01.01 to EMP 06.01.

Q2 Noting the Council's hearing statement for Matter 1, Issue 1, Question 5, should the Plan establish requirements for office, industrial and warehousing provision over the Plan period?

- 2.1 No, the Plan the Council does not consider that the Plan should establish requirements for office, industrial and warehousing provision over the Plan period.
- 2.2 The approach taken, as set out in the response to the MIQ Matter 1, Issue 1, Question 5, is to identify new land for employment uses, while protecting key existing industrial and office employment areas through policies SP5, EMP1, EMP3 and EMP4.
- 2.3 Employment targets are not required because there is sufficient land available for economic development and policy direction on the type of business use expected, as set out in the updated South West Herts (SWH) Economic Study (2024) (EMP 01.01).
- 2.4 With regard to office space, the Study states in its conclusions, at paragraph 9.23 that:

The study concludes that no new office space and the land associated with it is required over either the 2021-41 or 2041-50 periods. The report found 162,000 sq m of available office space in South West Herts, of which 124,000 sq m was identified as vacant. This includes a high level of availability in the locations in highest demand, including central Watford and St Albans. There is also a further 36,000 sq m of office space with planning permission in the form of commitments. We conclude there is not a need to identify additional sites for office development, but the study recognises that there will be demand for office space. This includes the need for small-scale offices to meet localised needs, and floorspace geared to what is likely to be a small number of larger occupiers. Planning policy will need to determine how the existing supply, and particularly vacant and under-utilised premises, can be redeveloped and refurbished in response.

- 2.5 For industrial, storage and distribution space the Study considered two scenarios for the supply of floorspace and land to meet the need from industrial, storage and distribution uses. The conclusions at paragraph 9.26 state that:

In the first of the two supply scenarios, the 50.4 Ha available for development is more than sufficient to meet the 35.4 Ha requirement remaining once completions and commitments are accounted for. However, in the second scenario, South West Herts would not have a sufficient supply of allocated land, with the requirement for 59.5 Ha resulting in a small shortfall of 9.5 Ha.

- 2.6 The Study then goes on to make clear that even in the case of the second scenario that SADC has already allocated more than a sufficient supply of land for industrial, storage and distribution space, stating at paragraph 9.34:

St. Albans: Its supply far exceeds the need identified in the preferred scenario.

- 2.7 The St Albans supply is largely provided by the 33.16 ha of the Government permitted Strategic Rail Freight Interchange at the former Radlett aerodrome and 53 ha of Employment land at East Hemel Hempstead (Central), as set out in the Reg 19 Local Plan Part A (2024) (Examination Document LPCD 02.01) Strategic Policy SP5 - Employment and the Local Economy.

Q3 Is the Plan positively prepared in respect of setting a strategy and identifying land to meet assessed employment needs?

- 3.1 Yes, the Plan is considered to be positively prepared in terms of setting a strategy and identifying land to meet assessed employment needs.
- 3.2 Local Plan Part A (2024) (Examination Document LPCD 02.01) Strategic Policy SP1: A Spatial Strategy for St Albans District states that:

The Local Plan also supports: ... Significant new employment space provision

- 3.3 Strategic Policy SP5 - Employment and the Local Economy sets out the strategy, stating that:

The Council will work with stakeholders and local businesses to support economic growth and productivity by maintaining current employment areas and creating new ones such that there is sufficient land and floorspace to cater for full employment and provide for different kinds of employment use. It will seek to intensify land uses where suitable and encourage new businesses and seek inward investment.

The Council will take the following strategic approach to employment land:

- a) Protected Employment Areas – as set out in Table 5.1 and through Policy EMP1 - will be retained for appropriate business uses. The Council will encourage full use of designated employment sites and supports new businesses, business growth, and inward investment.*

- 3.4 Strategic Policy SP5 identifies land as follows:

b) New industrial and business locations will be designated as follows:

- i. 53 ha of Employment land at East Hemel Hempstead (Central) providing for a range of uses including offices, research and development, light industrial and distribution, with 10% of any new development or redevelopment required to contain units for Small Medium Enterprises and expansion / Grow-On units;*
- ii. 33.16 ha of the Government permitted Strategic Rail Freight Interchange at the former Radlett aerodrome - mostly B8 distribution / warehousing.*

- 3.5 These locations are shown on the draft Local Plan Policies Map.

- 3.6 Policies EMP1 and EMP3 provide protection to existing key employment areas:

EMP1 - Protected Employment Areas

To protect and enhance the designated Protected Employment Areas in the District, proposals that are within the locations set out in Table 5.1 must demonstrate:

- a) No net loss of employment floorspace; redevelopment or intensification of existing employment uses will usually be supported;*
- b) That the use class will normally be B2, B8, or E(g); in the case of E(g) applications conditions may be applied to prevent a change of use to E(a-f) use classes; and*
- c) That small-scale services such as a creche or café are ancillary and do not compromise the functioning of the location for B2, B8 or E(g) uses.*

EMP3 - St Albans City Principal Office Locations

St Albans City is the key office location in the District. Development proposals within PEA1, PEA2 and PEA3 must:

- a) Avoid net loss of office floorspace that falls within Use Class E(g)(i); and*
- b) Provide an active frontage on the ground floor; that within the defined town centre boundary can include retail and leisure uses.*

The St Albans City Principal Office Location boundaries are identified on the Policies Map.

Q4 How did the Council identify land to allocate for employment uses? Was the site selection process robust, justified and proportionate?

How did the Council identify land to allocate for employment uses?

4.1 The Plan allocates new areas of employment land at East Hemel Hempstead (Central), the Government permitted Strategic Rail Freight Interchange at the former Radlett aerodrome, and sites OS3 and OS4 extension to Rothamsted Research, Harpenden Campus.

4.2 The East Hemel Hempstead (Central) is part of the broader Hemel Garden Communities (HGC) programme and site allocation process. Local Plan Part A (2024) (Examination Document LPCD 02.01) Policy LG2 – Support for Transformation of Hemel Hempstead states that:

An expanded Maylands Business Park, the Hertfordshire Innovation Quarter, will provide new higher skilled employment and learning opportunities with the creation of around 6,000 jobs. Further job creation, will be enabled in the HGC Growth Areas including in the education, retail, health and leisure sectors.

4.3 N.B. A Main Modification has been proposed which reflects the most recent evidence of jobs likely to be created as 4,000 rather than 6,000 jobs, as set out in SADC/ED85A, SADC/ED85B and SADC/ED85C. Further detail on this point is set out in response to M6I3Q5.

4.4 Construction of the Government-permitted Strategic Rail Freight Interchange (SRFI) has commenced. As set out in the Local Plan Part A (2024) paragraph 5.20 the permission comprises:

an intermodal terminal and rail and road served distribution units comprising 331,665 metres² employment floorspace.

4.5 The Rothamsted Research sites OS3 and OS4 were put forward through the Call for Sites process and are identified by the HELAA references HT-10-21 and HT-10-18.

4.6 Rothamsted is a key local employer and, as stated in Local Plan Part A (2024) (Examination Document LPCD 02.01) paragraph 5.25 Rothamsted Research:

is a world leader in the agri-tech sector and supports an ecosystem of related research and development.

Was the site selection process robust, justified and proportionate?

4.7 Yes, it is considered that the site selection process was robust, justified and proportionate. The Local Plan Site Selection Proforma Methodology Paper (2024) (LPSS 02.02) sets out the methodology used to assess sites for allocation in the emerging new Local Plan.

4.8 The East Hemel Hempstead (Central) underwent the Local Plan site selection process in accordance with the Site Selection Methodology. The detailed assessment was provided in the document Green Belt Sites Recommended HGC Proformas (2024) (Examination document LPSS 02.03). The Proforma qualitative assessment sets out the following:

The site is recommended for further consideration by the Green Belt Review Stage 2 Report.

The site is adjacent to Hemel Hempstead, a Tier 1 Settlement in the Settlement Hierarchy for adjoining Dacorum Borough. The whole site is within the Green Belt. It is partially within the 400 metres Green Belt Study settlement buffer.

This site adjoins Hemel Hempstead which is a Tier 1 Settlement. It offers a comprehensive range of very significant Economic, Environmental and Social benefits including; a significant scale of sustainable transport improvements and employment provision.

...

Further it supports the comprehensive approach to the delivery of the Hemel Garden Communities programme, including joint work with Dacorum BC to deliver Duty to Cooperate outcomes and support delivery of their new Local Plan and the regeneration of Hemel Hempstead.

As part of the overall HGC programme there are considerable further benefits including supporting delivery of schools, sports and health facilities, a Country Park and around 10,000 jobs across HGC and the Hertfordshire Innovation Quarter.

The site is recommended to progress.

4.9 The Rothamsted Research sites OS3 and OS4 underwent the Local Plan Site Selection assessment process in accordance with the Site selection Methodology. The detailed assessments for each site were provided in the document Green Belt Sites Recommended Other Site Proformas (2024) (Examination Document LPSS 02.08). The allocated sites OS3 and OS4 (Reg 19 Local Plan Part B (2024) Examination Document LPCD 02.02) reflect the areas recommended for further consideration by the Green Belt Review Stage 2 Report (Green Belt Review Report (2023) Examination Document GB 02.02). The Proforma qualitative assessments sets out the following for both OS3 and OS4:

Part of the site is recommended for further consideration by the Green Belt Review Stage 2 Report.

The site is partially within and adjacent to Harpenden, a Tier 2 Settlement in the Settlement Hierarchy. Part of the site is within the Green Belt. It is within the 400 metres Green Belt Study settlement buffer.

...

This site is recommended to progress.

- 4.10 The SRFI is the result of a central Government planning appeal decision given in July 2014 and is under construction, so therefore was not subject to further assessment.

Q5 How will the allocated sites at East Hemel Hempstead (Central) and the Radlett Strategic Rail Freight Interchange assist Dacorum and potentially other South West Hertfordshire authorities in meeting some of their employment needs? Is the policy effective?

How will the allocated sites at East Hemel Hempstead (Central) and the Radlett Strategic Rail Freight Interchange assist Dacorum and potentially other South West Hertfordshire authorities in meeting some of their employment needs?

- 5.1 This issue is addressed primarily through EMP 01.01 - South West Herts Economic Study (2024). The most relevant aspects include:

2.5 Dacorum Borough Council (DBC) consulted on the Local Plan's Emerging Strategy for Growth between November 2020 and February 2021. The Emerging Strategy for Growth acknowledged that the 2019 Economic Study recommended an indicative figure of 45,100 sqm (office) and 196,500 (industrial and storage & distribution) for Dacorum. However, due to constraints in the supply of commercial and industrial space in Dacorum, the Borough Council has worked with St Albans to accommodate the majority of unmet need at the East Hemel Hempstead Central site, which is located in St Albans.

2.6 Draft Policy SP5 (Delivering the employment strategy) states that Hemel Hempstead will continue to be developed as the economic centre of the borough and accommodate most employment growth. Policy DM16 proposes that the majority of new office and industrial development will be at Breakspear Way/Green Lane/Boundary Way, Maylands Gateway (Growth Area HH20) and Two Waters Road/A41 Junction (Growth Area HH16) (para 23.27).

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8.22 Chapter 7 showed the strategic sites identified by local authorities have 93.2 Ha of land with development potential, of which 67.4 Ha is likely to be available (for example, it would not require release from the greenbelt). Not all of this would be available for industrial and distribution development. Most importantly, 17 ha (29%)

of the land at East Hemel Hempstead Central will be reserved to deliver a 'Business, Research and Development Park'. Given market conditions, we would expect the majority of land to come forward for industrial and distribution development rather than offices. It is therefore reasonable to assume 50 Ha of land will be available for industrial and distribution development. The implications of the two Radlett SRFI scenarios set out above is therefore:

- Scenario 1: No additional employment land is necessary to meet need to 2041, and potential for sites to contribute to meeting need over the 2041-50 period since the supply exceeds need between 2021 and 2041 by c. 15 Ha (need of 35.4 Ha, supply 50 Ha).
- Scenario 2: The South West Herts authorities would need to identify a small amount of additional employment land (c. 9 ha) to meet need over the period 2021-41. Additional sites would be needed to meet demand between 2041 and 2050 (58.9 Ha).

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8.24 For Scenarios 1 and 2, Table 8.5 and Table 8.6 show the combination of commitments and estimated floorspace capacity on available sites either with planning permission or which are realistically available for development for each individual local authority areas. In both scenarios, the distribution would mean that a substantial majority of future industrial and storage & distribution development occurs in St Albans, Dacorum and Hertsmere. This would mean that these authorities are, in effect, meeting need in Three Rivers and Watford which are far more constrained in terms of land supply.

8.25 Table 8.5 shows the results for Scenario 1 in which 53% of the Radlett SRFI development contributes to meeting South West Herts Need. St. Albans accounts for 53% of the supply and, in combination with Dacorum and Hertsmere, 92% of the supply.

Table 8.5 Scenario 1: Commitments and supply of floorspace for industrial and storage & distribution development by local authority area (sq m)

Area	Net commitments (sq m)	% in area	Estimated floorspace on available sites* (sq m)	% in area	Total (sq m)	% of total in area
Dacorum	52,300	15%	71,400**	35%	123,700	22%
Hertsmere	43,300	12%	53,200	26%	96,500	17%
St Albans	222,100	63%	71,400**	35%	293,500	53%
Three Rivers	21,400	6%	0	0%	21,400	4%
Watford	13,800	4%	5,600	3%	19,400	3%
Total	352,900		201,600		554,500	

*this has been calculated by applying a plot ratio of 0.4 to the available land in Table 7.2. For example, this identifies 13.3 Ha in Hertsmere (133,000 sq m). Applying a plot ratio of 0.4 gives 53,200 sq m.

**this space relates to East Hemel Hempstead Central. Although this is located within St Albans, functionally it is part of the Hemel Hempstead urban area and is therefore better placed to serve the needs of Dacorum than St Albans. Therefore we have assumed that the space is split between the two. The implication is that the site accounts for more than around 70% (142,800 sq m) of the total floorspace on available sites.

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9.30 The study identifies need and supply for the FEMA as a whole, with the preferred scenario selected for providing the most appropriate indicator of industrial, storage and distribution need for the area. It does not recommend treating the need figures for individual districts as the level of demand which should be planned for. [SADC emphasis added]

...

9.33 The risk is that in responding to these district-level figures, it is assumed for planning policy purposes that other districts, particularly Three Rivers and Watford, do not need to provide additional sites and premises for industrial, storage and distribution uses. Whilst such demand is not fixed by local authority boundaries, the risk is that the needs of existing businesses looking to relocate or grow close to their current site, or inward investments seeking specific localities within a local authority area, cannot be met without some flexibility in planning policies for employment land. This report provides specific recommendations (see especially paragraph 9.43) for how such flexibility might be addressed in policy, with particular reference to meeting the needs of SMEs whose growth needs may be combined with commitments or requirements to remain in or close to their current business locations.

9.34 As Chapter 8 and particularly Table 8.7 shows, the reasons for this issue vary between local authority areas:

- ☐ *Dacorum: For Dacorum, the preferred scenario suggests substantially higher need than all other scenarios for industrial, storage and distribution uses, and a supply (commitments and available land) does not match that need.*
- ☐ *Hertsmere: The evidence suggests that Hertsmere has sufficient supply to meet the need identified in the preferred scenario.*
- ☐ *St. Albans: Its supply far exceeds the need identified in the preferred scenario.*
- ☐ *Three Rivers: The district's supply falls short of the level implied to meet need, but by a small amount (3,100 sq m or less than 1.0 Ha).*
- ☐ *Watford: The preferred scenario suggest that Watford would see a reduction in demand, and that it would see a combination of more space and sites becoming available, in addition to modest additional supply through commitments and available sites.*

- 5.2 As set out above in the quote at 9.33, the study “does not recommend treating the need figures for individual districts as the level of demand which should be planned for.” There is also the assumption (as set out above at Table 8.5) that approximately half of the estimated industrial and storage and distribution floorspace at East Hemel Central will contribute to Dacorum’s needs.
- 5.3 Dacorum’s Local Plan is currently at Examination. Watford adopted a new Local Plan in 2022. Three Rivers and Hertsmere are still both at relatively early stages in their Local Plan processes and have yet to Publish a Plan at Regulation 19 stage. For the avoidance of doubt, all the SW Herts LPA’s support the approach taken in SADC’s draft Local Plan to the allocated sites at East Hemel Hempstead (Central) and the Radlett Strategic Rail Freight Interchange assisting Dacorum and potentially other South West Hertfordshire authorities in meeting some of their employment needs.

Is the policy effective?

- 5.4 Yes, it is considered that the Policy is effective. This is particularly as the NPPF sets out, in the context of the tests of 'soundness':

c) Effective – deliverable over the plan period, and based on effective joint working on cross-boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground

- 5.5 This is addressed directly in SADC ED5 Statement of Common Ground - SADC DBC at:

Planning for employment needs

- *Joint work has been undertaken on employment needs across South West Hertfordshire.*

- *Strategic matter between:*

- o *SW Herts local authorities*

- o *Luton Borough Council*

- o *Hertfordshire Futures*

Conclusion

SADC and DBC both support the approach in SADC's Regulation 19 draft Local Plan to meeting SADC's employment needs in full and providing significant employment land within SADC's area within Hemel Garden Communities that supports DBC's and potentially wider SW Herts employment land needs.

- 5.6 This is addressed directly in SADC ED6 Statement of Common Ground - SADC HBC (Hertsmere Borough Council) at:

Planning for employment needs

- *Joint work has been undertaken on employment needs across South West Hertfordshire.*

- *Strategic matter between:*

- o *SW Herts local authorities*

- o *Luton Borough Council*

- o *Hertfordshire Futures*

Conclusion

SADC and HBC both support the approach in SADC's Regulation 19 draft Local Plan to meeting SADC's employment needs in full and providing significant employment land within SADC's area within Hemel Garden Communities that supports Dacorum Borough Council's (DBC)'s and potentially wider SW Herts employment land needs.

- 5.7 This is addressed directly in SADC ED9 Statement of Common Ground - SADC TRDC (Three Rivers District Council) at:

Planning for employment needs

- *Joint work has been undertaken on employment needs across South West Hertfordshire.*

- *Strategic matter between:*

- o *SW Herts local authorities*

- o *Luton Borough Council*

- o *Hertfordshire Futures*

Conclusion

SADC and TRDC both support the approach in SADC's Regulation 19 draft Local Plan to meeting SADC's employment needs in full and providing significant employment land within SADC's area within Hemel Garden Communities that supports Dacorum Borough Council's (DBC)'s and potentially wider SW Herts employment land needs.

- 5.8 This is addressed directly in ED10 Statement of Common Ground - SADC WBC (Watford Borough Council) at:

Planning for employment needs

- *Joint work has been undertaken on employment needs across South West Hertfordshire.*

- *Strategic matter between:*

- o *SW Herts local authorities*

- o *Luton Borough Council*

- o *Hertfordshire Futures*

Conclusion

SADC and WBC both support the approach in SADC's Regulation 19 draft Local Plan to meeting SADC's employment needs in full and providing significant employment land within SADC's area within Hemel Garden Communities that supports Dacorum Borough Council's (DBC)'s and potentially wider SW Herts employment land needs.

9. The 2024 South West Hertfordshire Economic Study states that the main barriers to economic growth are the available labour market, with particular reference to an ageing population demographic.

Q6 Taking this into account, are employment and housing requirements suitably aligned, and will the Plan provide sufficient labour to support the employment strategy?

- 6.1 Yes, the employment and housing requirements are considered to be suitably aligned and the Plan will provide sufficient labour to support the employment strategy. The South West Herts Economic Study (2024) (EMP. 01.01) addresses different potential Future Growth Scenarios comprehensively in Chapter 6. This sets out in particular:

6. Future Growth Scenarios

6.1 This section sets out future scenarios for the demand for employment floorspace, including:

- Office space; formerly B1a, now E(g)(i)*
- Industrial space; including B2 and E(g)(iii)*
- Storage & distribution space; B8*

6.2 The chapter shows the results for four scenarios:

- Employment led scenarios (labour demand) - using sectoral employment forecasts to assess the potential future demand for floorspace and land*
- Labour supply scenarios - assessing how employment might change in light of the projected growth in an area's resident workforce, and deriving the implications for the demand for floorspace and land.*
- A trends-based scenario based on gross development rates of new employments space*
- A trends-based scenario based on the net change in occupied floorspace (net absorption).*

6.3 For each scenario we show the forecasts for South West Herts as a whole and for individual districts. The district level forecasts are presented for information and should not be interpreted as the employment space/land which needs to be addressed in each district. A recommended apportionment is provided later in the report.

6.4 Floorspace requirements are shown for the period 2021-41 to align with the end date for local plans. However we also show requirements for the period 2041-2050 (by extrapolating the trend for 2021-41). This is to inform planning for the South West Herts Joint Strategic Plan which will cover the period to 2050. The forecasts for this later period are subject to significant uncertainty and should be treated with a high degree of caution.

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Labour supply scenarios

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Table 6.11 Land requirements in labour supply scenarios							
		Standard method		2014 based		2018 based	
		2021-2041	2021-2050	2021-2041	2021-2050	2021-2041	2021-2050
Offices	Dacorum	5.6	2.8	4.5	1.9	1.0	0.5
	Hertsmere	4.3	1.9	3.3	1.3	0.3	0.1
	St Albans	5.3	2.3	4.3	1.6	0.3	0.1
	Three Rivers	4.1	1.8	3.1	1.2	0.1	0.1
	Watford	4.0	1.7	3.4	1.1	0.2	0.1
	South West Herts	23.3	10.6	18.5	7.2	1.9	0.8
Industrial	Dacorum	7.9	3.9	6.0	2.6	0.6	0.2
	Hertsmere	5.6	2.4	4.3	1.5	0.2	0.1
	St Albans	6.7	2.8	5.3	1.7	(0.6)	-0.3
	Three Rivers	5.5	2.3	4.1	1.5	(0.1)	0
	Watford	6.9	2.7	5.7	1.6	(0.3)	-0.3
	South West Herts	32.6	14	25.3	8.9	(0.2)	-0.3
Storage & distribution	Dacorum	37.2	17.30	28.9	11.2	3.8	1.0
	Hertsmere	20.5	8.60	15.8	5.5	1.7	0.4
	St Albans	22.0	8.88	17.1	5.1	(2.7)	(1.4)
	Three Rivers	18.8	7.23	14.1	4.4	(0.4)	(0.7)
	Watford	22.4	8.83	18.2	5.5	(1.9)	(1.2)
	South West Herts	120.9	50.83	94.0	31.7	0.6	(2.0)

Source: Hatch

Summary

- *This scenario uses population projections to estimate the amount of employment floorspace and land required to meet future population growth. Future population growth is heavily influenced by the scale of housing delivery in South West Herts over the next 20 to 30 years. This is highly uncertain, particularly given recent policy announcements that the housing targets derived via the standard method would be advisory only, meaning local authorities could choose to set a lower target. The level of housing delivery will also be influenced by the policies adopted by future governments. As such, we have shown the results of three different scenarios which give very different results.*
- *Each of the scenarios assumes a linear relationship between population growth and jobs growth. The reality is far more complex than this, and the results are highly sensitive to a number of variables, including commuting patterns, unemployment and changes in economic activity rates, all of which are difficult to predict with any degree of accuracy.*
- *For these reasons, the results from these scenarios should be treated as illustrative and, in our view, do not represent a reliable and robust basis on which to assess employment space and land requirements.*
- *Nevertheless, the scenarios presented here do provide an illustration of the potential risks*

to South West Herts from a failure to build sufficient housing. In the 'worst case' scenario, which uses the most recent population projections produced by ONS, population growth would be driven by people over the age of 65 resulting in a minimal level of jobs growth. If this scenario proved to be accurate, there is a high risk that South West Herts would face significant constraints on growth in the future.

- 6.2 This highlights the fact that there is, in the real world, very considerable complexity in the relationship between jobs and population growth. The Plan takes a positive approach to employment land provision (through meeting all its own employment land needs and modestly oversupplying to assist Dacorum and potentially other SWH Councils) and also a positive approach to housing delivery (through meeting its Standard Method for housing needs in full).
- 6.3 In that complex context, it is considered that the Plan does provide sufficient labour to support the employment strategy

² Excluding East Hemel Hempstead (Central) – Please refer to Matter 6, Issue 9