

Chartered Town Planners Chartered Surveyors

St Albans City and District Council

Local Plan Public Examination

Matter 5 "Objectively Assessed Needs for Housing and Employment Land (Policies S4 and S5)"

Submitted by Sellwood Planning

on behalf of

The Crown Estate

December 2019

Regulated by RICS

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1.0 <u>Introduction</u>

- 1.1 This Statement, relating to Matter 5 'Objectively Assessed Needs for Housing and Employment Land' has been prepared by Sellwood Planning on behalf of The Crown Estate (TCE). TCE is the freeholder of the land necessary to deliver Broad Locations S6(i), (ii) and (iii) at East Hemel. TCE is also working cooperatively with the promoters of North Hemel Hempstead Broad Location (S6(iv)).
- 1.2 TCE supports the principles of both Policies S4 and S5. It has no 'duly made' objections to Policy S4 and the only objection to S5 relates to the reference of an 'up to 10,000' jobs figure.
- 1.3 Notwithstanding this, the Inspectors Questions raise a number of issues in relation to Gypsies and Travellers and employment where TCE feels it is able to assist the Inspectors.

2.0 Gypsies and Travellers (Q16 and 17)

- 2.1 It is for the Council to respond on concurrence with national guidance and its GTAA methodology. However, TCE does have comments on Questions 16 and 17 which deal with the G&T site proposed within the TCE land at East Hemel (Central) Broad Location (S6(ii)).
- 2.2 Question 16 notes that the proposed 15 pitch G&T site in S6(ii) forms part of the 55 hectare strategic employment site and queries whether this is appropriate. The TCE response is that the locations of the two G&T sites at EHH (Central) and (South) are appropriate. They have also been the subject of detailed discussions with both St Albans and Dacorum Councils and public consultations with the local community.
- 2.3 The location of new G&T sites needs to have regard to the existing distribution of sites in the area. There is an existing 30 pitch G&T site on Cherry Tree Lane to the west of

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Broad Location S6(i) and Spencers Park. During consultation with Dacorum Council and local people it was strongly indicated that an additional G&T site within the S6(i) residential area would lead to inappropriate concentration of pitches in a small area. It was therefore decided, in conjunction with SADC, to locate a 15 pitch G&T site at the northern edge of the employment area and south of Punchbowl Lane where it would be in close proximity to the residential facilities in S6(i) but a greater distance from the existing Cherry Trees Lane site. *Appendix 1* shows the proposed location of the G&T site, demonstrating how it will be within 500 metres of the local centre, the primary school and the secondary school. The G&T site will also have its own access off the main north / south spine road and will have a landscape buffer on its southern side where it adjoins the employment area. As such, it is considered to be an appropriate location which also reflects local community feedback.

- 2.4 Question 16 also refers to the delivery of '30 pitches here'. Broad Location S6(ii) will provide one site of 15 pitches. The remaining 15 pitches at East Hemel are planned to be within Broad Location S6(iii). With regard to the delivery of both sites, TCE is currently preparing a masterplan for the whole of S6(i) to (iii) and it is TCE's intention to submit an outline planning application in May 2020 which includes both sites. The permission will include provisions for the implementation of both sites.
- 2.5 Question 17 asks whether the G&T sites will be identified, allocated and safeguarded through the masterplanning process. This is the intention of both TCE and the Councils and forms part of the ongoing masterplan process. TCE's viability assessment makes provision for the provision of these sites. As such, they are a viable part of the S6(ii) proposals.

3.0 <u>Employment Questions (Q19 to 26)</u>

3.1 This Statement responds only to the employment questions where relevant to the East Hemel Broad Location (i) to (iii).

(Q19) "Is the FEMA Appropriate?"

- 3.2 The FEMA is a useful planning tool (as recommended in the NPPF), but it is only one perspective on employment demand. The 55 ha employment area which comprises S6(ii) should not be seen as simply needed to meet demand from SADC or South West Herts. It is a site with unrivalled access to both the M1 and the M25 and will function as an employment resource of sub regional importance. In this regard, the FEMA focusses on the alignment of workers and jobs in the travel to work area whereas the market attraction of S6(ii) will be much greater including parts of the M25 and M1. Savills have assessed the Property Market Areas (PMA) of the proposed East Hemel employment area and these are shown in *Appendix 2*. These PMAs represent the area of search for companies looking to locate in the area. This area of search varies depending on the size of the building sought and its use. The plan in *Appendix 2* shows how the limited supply of sites able to provide units larger than 100,000 ft² mean that its PMA extends far wider than would be suggested by the FEMA.
- 3.3 So, the TCE response to Q19 is that the definition of the FEMA is appropriate but it is not the complete story. East Hemel Central (S6(ii)) should be viewed as a means of resolving the long term problem of a lack of suitable large strategic employment sites in SW Herts. It was for this reason that the site is strongly supported by the Hertfordshire LEP. The S6(ii) site forms the major part of the EnviroTech Enterprise Zone which is now known as 'Herts IQ'.

(Q20) "What is the need for employment land and what is the evidence (including past take up rates)?"

3.4 The Hertfordshire LEP has identified Hertfordshire as a county with huge economic potential which has been underperforming over the last 20 years. One of the main reasons for this has been Green Belt policy which has limited the opportunities to provide a choice of well located strategic employment sites. As a consequence, an analysis of past take up rates is not a reliable guide to the future. Certainly SADC/DBC, the LEP and TCE all see East Hemel (Central) as offering the type of large well located

site which businesses have been seeking in this part of Hertfordshire, but have been unable to find. The site also has the benefit of being able to function as part of the larger 7.7 million ft^2 Maylands employment area. This site is, therefore, a major catalyst in achieving a step change in economic development in SW Herts.

(Q21) "Does the evidence base provide adequate justification for the jobs target in Policy S5?"

3.5 Whilst TCE believes the jobs target in Policy S5 of 'up to 10,000 jobs' is unachievable and not supported by SADC's own evidence base, there is no doubt that there is a need to allocate the strategic employment area at East Hemel (S6(ii)). It should be recalled that the S6(ii) employment is the only employment allocation in the Plan and it sits in the middle of the wider East Hemel Site (S6(i) to (iv)) which is expected to deliver 5,550 homes. At a multiplier of 1.25 workers per household, this suggests that around 7,000 people will be seeking jobs. Should the rest of Hemel Garden Community be confirmed in the new Dacorum Local Plan, the overall number of homes proposed will be around 10,000. However, S6(ii) is the only new employment site within the HGC area. These facts alone justify the need for the S6(ii) employment area, although the jobs target itself should be deleted from the policy.

(Q22) "Does the jobs target align with those of the LEP?"

3.6 The 10,000 jobs figure in Policy S5 is higher than the 8,000 suggested by the LEP for the whole Enterprise Zone when it applied to the Government for EZ status. Therefore, the figure needs to be treated with caution. Indeed, it is noted that the Hertfordshire LEP made a 'duly made' objection at Reg. 19 stage stating that

> "We recognise that the transformational benefits of the Hemel Garden Communities project will lead to additional job creation across the surrounding area, both in terms of growth of commercial activities within the existing Maylands employment area, and through jobs created in neighbourhood and community services linked to residential growth. However, this is outside of the referenced 55ha employment site, and it should be noted that a 10,000 target for

that single site does not align with the Enterprise Zone target of 8,000 jobs across seven sites.".

3.7 TCE, in its duly made objection, expressed concern at the decision to put a jobs target in Policy S5. This is because the ultimate number of jobs will depend on the mix of employment which takes place on the site plus wider changes in ways of working. For example, an office dominated scheme would have a high job potential whereas a focus on logistics would be lower. A jobs target is also difficult to monitor on a site which could be developed over many years. It is the view of TCE that the Plan needs to deliver employment land which can support jobs. The precise number of jobs is a secondary issue and does not need to be expressed in the policy. This issue is elaborated on in the separate TCE submission on S6(ii) – East Hemel (Central). However, the TCE view is that a jobs figure should be deleted from Policy S5.

(Q23) "Are employment land requirements consistent with the housing requirement?"

3.8 This is primarily for the Council to answer since it is not clear from the submitted Plan whether SADC has an objective of better balancing housing and employment growth. It is clear however, that the proposed employment allocation at East Hemel will not meet the job needs of the workforce arising from 913 dwellings per year up to 2036.

(Q24) "Does the Plan allocate sufficient land to meet the identified minimum need in Policy S5?"

3.9 For the reasons explained above, it is not considered appropriate to include a jobs figure in Policy S5 for East Hemel (Central). However, if a jobs figure remained in Policy S5, it is considered that insufficient land is allocated to accommodate 10,000 jobs.

(Q25) "Does the land provide sufficient choice and flexibility?"

3.10 It should be recalled that S6(ii) adjoins the Maylands Business Area and will function as part of it. Maylands is a sub regional employment site with around 7.7 million ft² of

employment floorspace. In combination, this reservoir of existing space plus around 1.75 million ft² on the 55 ha of new employment land at East Hemel will give business a wide range and choice of sites.

3.11 The form of S6(ii) has been discussed with the LEP as part of the pre application discussions. As a result, it will be laid out to provide a range of employment types to ensure an ability to react in a flexible manner to changes in the market between now and 2036.

(Q26) "Inter – relationships with other Local Authorities?"

- 3.12 This is a Matter primarily for the Council to answer, however, SADC has jointly commissioned the South West Herts Economic Study from Hatch Regeneris which was published in 2019. This confirms both the degree to which the five Local Authorities are now working together on housing and employment issues and endorses the need for the 55 ha employment site at East Hemel.
- 3.13 In terms of the relationship between St Albans and Dacorum Council, a PPA has been signed between SADC, DBC, HCC and TCE which means that DBC is a full participant in all PPA meetings. TCE also sits on the SADC / DBC Hemel Garden Community Steering Group and has helped to produce the HGC 'Charter'. All the indications are that Dacorum Council sees the 55 ha of employment land as a cross boundary resource to meet the needs of HGC and Hemel Hempstead as a whole. There is no indication that HGC will include any other employment land allocations other than S6(ii).
- 3.14 As noted earlier in this Statement, due to the constraints on the availability of large strategic greenfield sites in SW Hertfordshire, the five Local Authorities in this area regard S6(ii) as necessary to the successful and sustained economic growth of the whole area. As a consequence, they have all supported the principle of S6(ii).

Appendix 1

Proposed G&T Site

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East Hemel Masterplan

Job Title

Drawing Title

Scale

Drawing No

Status

1:1000 @A1

INFORMATION

Client's Name

The Crown Estate

North-South Long Section 15861

EHUK-SBR-2XX-XX-DR-A-08020

St Catherine's Court 46-48 Portsmouth Road Guildford, GU2 4DU T +44 (0)1483 568686 F +44 (0)1483 575830 W scottbrownrigg.com

THE CROWN

Rev. 2Minor AmendmentsRev. 1First IssueRevisionDescription



 29.11.2019
 LF/BJC

 23.10.2019
 LF/BJC

 Date
 Drawn/Checked

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Figured dimensions only are to be taken from this drawing. All dimensions are to be checked on site before any work is put in hand.

SBR Project Number

Appendix 2

Savills PMA Report



East Hemel – Property Market Report - Property Market Areas

Savills, December 2019

Introduction

- 1.1.1. We have prepared four property market areas (PMAs) to define the geographic scope of our assessment of the supply and demand dynamics of the manufacturing/distribution and office.
- 1.1.2. We disaggregate the industrial market into manufacturing and distribution activities. While these tend to be distinct occupiers groups, in a range of circumstances industrial premises are able to accommodate either type of activity.
- 1.1.3. For example, the majority of recent new development has been designed to accommodate distribution activities. Larger units tend to accommodate distribution activities whereas smaller units can typically accommodate some types of manufacturing activities.
- 1.1.4. Given this context market areas have been based on unit size instead of the activities within the units, and we have therefore defined our PMAs primarily by property size.
- 1.1.5. The key reference point for our PMAs has been access to the A road and motorway network. Key considerations include:
 - The strategic importance of the M1's access to the Midlands is significant. Occupiers' ability to access the Midlands from the M1 is better than that of other strategic roadways. (The A1 north of Letchworth Garden City ceases to be a motorway).
 - While the property market area includes the A10 and the M11, these roadways are also less strategic than the M1.
 - The M11 provides good access to Cambridge as well as proximity to the ports in Felixstowe and Thurrock but its access to the Midlands and the North is compromised when it converts to an A road north of Cambridge.
 - The market area's geography is one that is firmly anchored along the M25 and has elements in common with the FEMAs associated with the various previous evidence base documents of St Albans DC and Dacorum BC, and the more recent South West Hertfordshire (SWH) Economic Study (2019).
 - The Hertfordshire London Arc Jobs Growth and Employment Land (2009) report emphasised the relationship between London and the seven participating Hertfordshire local authorities. Each of the seven local authorities also have some part of the M25 running through them. Whilst premises that provide access to the M25 are valued by occupiers because of their strategic functional relationship with London, availability is limited.



Market Area for Small Premises (10,000 to 30,000 Square Feet)

1.1.6. The property market area for industrial premises between 10,000 and 30,000 square feet (including trade counter uses) is relatively closely circumscribed along the M1 from Brent Cross/North Circular to Hemel Hempstead. The market also extends along the M25. The market area is blue in **Figure 1-1**. The key residential settlements include Hemel Hempstead, St. Albans, Watford, and further south to Pinner, Harrow and Edgware in London. The units accommodate both small-scale light manufacturing, 'last mile' distribution, and trade counter/retail activities.

Figure 1-1 Property Market Area for Small Premises (10,000 to 30,000 square feet)



Source: Savills 2019



Market Area for Mid-Sized Premises (30,000 to 100,000 Square Feet)

1.1.7. The property market area for mid-sized premises expands further west to incorporate part of the A1(M) corridor that includes Welwyn Garden City and Hatfield. The market area is in blue in Figure 1-2. (The A1(M) is a key transport corridor although not as strategically important as the M1.) The market area includes more extensive parts of the M25 corridor. The southern edge of the PMA follows the Northern Circular Road (A406) and Western Avenue (A40). While the property market area for this scale of premises is geographically more extensive, most of the stock in the 30,000 to 100,000 square feet unit size is still contained within the market area for smaller premises discussed above. This is because the majority of these units are broadly along the M1 corridor.





Source: Savills 2019



Market Area for Large Premises (100,000 Square Feet Plus)

- 1.1.8. The market area for large scale premises is extensive and key occupiers and new development is oriented largely towards logistics activities, though food manufacturers also seek such premises. The market area is in blue in **Figure 1-3**. The market area incorporates two additional north-south strategic roads (A10 and M11) as well as the A40/M40 which proceeds from London in the direction of Oxfordshire.
- 1.1.9. Occupiers in the market area are primarily oriented towards servicing the London market. The market area extends north along the M1 to Luton and Dunstable. From further north it is less efficient to service London and therefore occupiers are less likely to locate there.

Figure 1-3 Property Market Area for Large Premises (>100,000 square feet)



Source: Savills 2019

1.1.10. The strategic importance of the M1's access to the Midlands is significant. Occupiers' ability to access the Midlands from the M1 is better than that of other strategic roadways. (The A1 north of Letchworth Garden City ceases to be a motorway.) While the property market area includes the A10 and the M11, these roadways are also less strategic than the M1. The M11 provides good access to Cambridge as well as proximity to the ports in Felixstowe and Thurrock but its access to the Midlands and the North is compromised when it converts to an A road north of Cambridge.



- 1.1.11. The market area also incorporates a more extensive part of the M25, especially towards the east. The market area's geography is one that is firmly anchored along the M25 and has elements in common with the FEMAs associated with the various previous evidence base documents of St Albans DC and Dacorum BC, and the more recent South West Hertfordshire (SWH) Economic Study (2019). The Hertfordshire London Arc Jobs Growth and Employment Land (2009) report emphasised the relationship between London and the seven participating Hertfordshire local authorities. Each of the seven local authorities also have some part of the M25 running through them. Whilst premises that provide access to the M25 are valued by occupiers because of their strategic functional relationship with London, availability is limited.
- 1.1.12. Much of the land along the M25 that is potentially of interest for development of large industrial premises is in the Green Belt and local authorities are usually averse to seeing it developed in this way. Local authorities who are amenable to the allocation of employment land along the M25 tend to have a preference for offices. This is the case with Broxbourne Borough Council, for example, where the local authority restricted uses classes on this site to B1a and B1b, their prominent site on M25.
- 1.1.13. **Figure 1-4** summarise of the East Hemel's different PMAs, and compares them with the South West Hertfordshire FEMA and Local Authorities. It illustrates that:
 - >100,000 sq.ft product draws on a sub-regional market that extends beyond the SWH FEMA. This reflects the
 primary occupier profile of this type of product, who tend to be large national and international logistics operators.
 These tenants service a broad geography, and typically seek larger sites that are well connected to major roads
 and highways.
 - The majority of the 30,000 100,000 sq.ft PMA is contained within the FEMA, however it does extend out to include key markets such as Luton and Dunstable in the north, which are linked to the subject site via the M1.
 - The <30,000 market is smaller than other PMAs, and is focused around the M1. It's largely contained within the FEMA, however extends further south to the North Circular. The market also extends along the M25. This PMA is largely based on the small-scale light manufacturing, 'last mile' distribution and trade counter/retail activities.
 - The PMAs are driven by differing needs of the occupier base and access to the M1 and M25. The FEMA by comparison are based on the boundaries of its local authorities. This approach is limited in that it assumes the same market area for different property markets, made up of a diverse set of occupiers and industry sectors.

East Hemel – Property Market Report - Property Market Areas

savills



Figure 1-4 Property Market Areas, FEMA and Local Authority Boundaries

Source: Savills 2019



Office Market and Market Areas

- 1.1.14. **Figure 1-5** illustrates our assessment of the most relevant property market area (PMA) for offices for the East Hemel site. The market area includes several towns and cities with sizable office markets such as Watford and St Albans. While potential occupiers will consider East Hemel alongside others, there are a range of other considerations that also factor into the decision.
- 1.1.15. The office market that includes East Hemel is not as defined by the strategic road network as the industrial market. It is more defined by the key towns and cities that are within about a 15 miles radius and access to employee and potential employee skills. Once a move to new office premises is greater than 15 miles in a semi-rural area such as central Hertfordshire there is a risk of losing a significant proportion of employees. There are a range of considerations that go into searching for an office location. In some cases occupiers seek new premises that reduce employees' commuting times. The decision could also based on what is most convenient to key personnel.



Figure 1-5 East Hemel Property Market Area (PMA)

Source: Savills, 2019