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**Sellwood
Planning**

Chartered Town Planners
Chartered Surveyors

St Albans City and District Council

Local Plan Public Examination

Matter 7

“The Broad Locations for Development - Specific Matters Policy S6(ii) East Hemel Hempstead (Central) Broad Location”

Submitted by Sellwood Planning

on behalf of

The Crown Estate

December 2019

Regulated by RICS

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Directors: R M Sellwood BA. Dip. TP. MRTPI. FRICS, M P Sellwood

1.0 Introduction

- 1.1 This Statement, relating to Matter 7 ‘The Broad Locations for Development – Specific Matters’ 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 the North Hemel Hempstead Broad Location S6(iv).
- 1.2 In view of the extensive TCE land holdings in 3 Broad Locations, the Inspectors have agreed to the submission of 3 separate Statements. This Statement deals with East Hemel Hempstead (Central) (S6(ii)).

2.0 (Q1) “Is the site suitable for the proposed use, are there constraints / requirements needing mitigation”?

- 2.1 The site is highly suitable for its proposed employment use since it is a broadly level site with limited vegetation adjacent to Junction 8 of the M1. The site also benefits from proximity to the adjoining Maylands Business Park which contains 7.7 million ft² of employment floorspace and is of sub regional importance. The location is attractive to the market as demonstrated by the recent successful Prologis development on land to the west of S6(ii).
- 2.2 The size of the site offers the opportunity to provide a range of building sizes to meet the requirements of business. These level building plots can be created without the need for import or export material from East Hemel sites, which is a major benefit in removing a potential source of HGV traffic from the local road network.
- 2.3 The main site constraint is the Buncefield Oil Depot and its associated pipelines which are dealt with below under Question 4. The primary mitigation measures therefore relate to the HSE consultation zones (see *Appendix 1* for the S6(ii) Planning Briefing Note).

3.0 (Q2) “What evidence is there that S6(ii) is suitable for envirotech employment and capable of providing 10,000 jobs”?

3.1 The ‘envirotech’ concept embraces businesses which are in the environmental sector, non environmentally based businesses which are located in highly sustainable buildings and businesses which can demonstrate high environmental credentials. The site is capable of successfully accommodating all of these types of ‘envirotech’. The location of S6(ii) close to the Rothamsted Research Station and the Building Research Establishment (both part of the same EZ) means that East Hemel (Central) is well placed to attract business as part of this developing cluster.

3.2 TCE has never subscribed to the view that S6(ii) can accommodate 10,000 jobs. In its submission to Government for the envirotech EZ, the Hertfordshire LEP suggested that the whole of the EZ (including Rothamsted and the BRE) could potentially accommodate 8,000 jobs. The LEP also has a ‘duly made’ objection to 10,000 jobs within S6(ii). As a consequence, the figure for S6(ii) will be considerably lower. It is also the case that the (now withdrawn) SLP (Policy SLP13(b)) only anticipated ‘up to 8,000 jobs’ on the same site in 2016. The figure of 10,000 jobs is not based on evidence and is, therefore, not justified and is unsound. TCE see no purpose in putting a jobs figure in the policy and recommend that it is deleted. It is sufficient that the policy seeks a variety and choice of jobs.

4.0 (Q3) “Arrangements for joint working between SADC and DBC”?

4.1 Whilst the majority of the EHH planning application is within SADC, it includes access infrastructure within DBC. For this reason, the application will be made to both Councils. The PPA has been entered into with both Councils and they are fully involved in all aspects of the masterplan and the planning application. It is intended

that the Councils will agree an identical set of planning conditions and both will be signatories to the S106 agreement.

- 4.2 Since Broad Location S6(ii) also forms part of the Hemel Garden Community (HGC), it will also be subject to joint working via the HGC Board, Steering Group and sub Groups.

5.0 (Q4) “Is the proposed site capacity appropriate taking into account constraints such as the Buncefield Oil Depot. Has the HSE been consulted”?

- 5.1 Other than the Buncefield Oil Depot and its associated pipelines, and the listed Breakspear House, this 55 ha Broad Location is relatively free of constraints for an employment use.

- 5.2 *Appendix 1* contains an HSE plan of its consultation zones around Buncefield. In essence, the zones mean

- Development Proximity Zone – no development
- Inner Zone – Employment development only. Individual buildings should not exceed two storeys and contain not more than 100 employees
- Middle Zone – no residential, but employment is unrestricted
- Outer Zone – residential and employment are acceptable.

- 5.3 Detailed meetings have taken place with HSE to produce an illustrative masterplan for S6(ii) which is acceptable to them. *Appendix 1* contains an email from the HSE of the 28th October 2019 confirming this. This layout also protects the underground pipelines which run in and out of Buncefield. This masterplan can be seen in Appendix 1. It is estimated that based on a broad land use split of 30% offices (B1(a) and (b)) and 70% industry / logistics (B1(c), B2, B8), the masterplan can accommodate around 1.75m² (1.88m² ft²) of employment floorspace.

6.0 (Q5) “Timescale and funding sources to improve M1 Junction 8 and link road. Are they required for other development? Are other road improvements necessary”?

- 6.1 In relation to timing, the COMET modelling undertaken by HCC and the Paramics modelling undertaken by Vectos on behalf of TCE indicates that the J8 improvement will be required before 2036 to accommodate all the planned development in SADC and DBC. This comprises the adopted DBC Local Plan, the draft SADC Local Plan and further development envisaged within HGC. *Appendix 2* is a short note on the ‘East Hemel Transport Infrastructure Design and Development’ prepared by Vectos.
- 6.2 However, the Paramics modelling demonstrates that M1 Junction 8 improvements are not directly required as a result of traffic from Broad Locations S6(i), (ii) and (iii) ie. if these developments proceed in isolation of other planned (but not permitted) growth. It is likely, with other development, that the M1 Junction 8 improvements will actually be required mid way through the Plan period.
- 6.3 TCE is a responsible landowner and recognises that its land control around the junction is critical to the successful delivery of the M1 Junction 8 improvement which is a HCC LPT4 scheme and is required to serve the Plan led development in the area.
- 6.4 In addition, the early delivery of the improvement will make East Hemel a significantly more attractive location for both home buyers and businesses. Normally, a landowner would not speculate time and money on undertaking detailed design work for a motorway junction upgrade until planning permission has been granted. In a demonstration of its commitment, TCE has jointly agreed with the Hertfordshire LEP to fund the £6m detailed design work for the improvement to M1 Junction 8. The full works subject to the funding agreement are as listed below (see *Appendix 1* for a plan of the works)
- A414 / Breakspear Junction upgrade

- Commercial Spine Road
- Upgrading of M1 Junction 8.

6.5 This design work has a two year programme and commenced in September 2019.

6.6 The EHH planning application will include the improvement of M1 Junction 8. The aim is that by 2021, planning permission will have been granted for S6(i), (ii) and (iii) and the detailed design work for the package of works outlined above including M1 Junction 8 completed. This would allow tenders for these works to be sought.

6.7 With regard to funding, this is an LPT scheme and has been submitted for funding under RIS2. A decision on this is expected in 2020. Since this infrastructure scheme is the priority project of the Hertfordshire LEP, 'Herts IQ' (with the agreement of the LEP), has formally resolved that it will underwrite the costs in the event of a funding shortfall. In essence, it will have the role of 'funder of last resort'. Whilst a matter for negotiation, TCE is currently assuming that in addition to providing all the land for J8 and 50% of the funding for the detailed design, that TCE will contribute its proportionate share to the construction cost. Current indications are that the Junction 8 improvement could be in place between 2026 and 2031.

6.8 The TCE draft IDP (attached as *Appendix 1* to the Matter 6 Statement) sets out the approach to the delivery of social and physical infrastructure in Broad Locations S6(i), (ii) and (iii). This work is being carried out in conjunction with the joint masterplanning work and will inform the Council's decisions on the planning application.

7.0 (Q6) "Have the impacts on the wider road network been considered"?

7.1 As noted under Q5 above, the transport impacts of both this Local Plan and the emerging DBC Local Plan to 2036, which includes HGC, have been modelled by HCC using COMET. Vectos, on behalf of TCE, have carried this work to the next stage

using paramics modelling. *Appendix 2* of this Statement is a short report from Vectos on transport infrastructure, design and development.

7.2 It will be recalled that since the Local Plan was submitted, HGC has been given Garden Community status. One of the expectations flowing from this is that 60% of all trips will be by sustainable modes. As a consequence, the proposed mitigation is a combination of walking, cycling and public transport initiatives combined with selective road improvements such as the M1 Junction 8 scheme, the Breakspear / A414 improvement and the new spine road through S6(i), (ii) and (iii).

8.0 (Q7) “What is the justification for the MMTI, is it costed and will it be delivered”?

8.1 At the Reg 19 stage, TCE objected on the grounds that it had not seen evidence to justify the need for an MMTI and it was unclear what it could comprise. However, since then HGC has been given Garden Community status which gives much greater prominence to travel by sustainable modes. SADC, DBC, HCC, the LEP and TCE have also all worked together over the last year to produce a workable proposal for an MMTI within S6(ii).

8.2 The MMTI will act as an interchange between different sustainable modes. For example, between buses using the A414 corridor and last mile modes to access other parts of the East Hemel site (eg. cycles, electric cycles, car club vehicles, shuttle buses etc.). This allows people to access all areas of the East Hemel site without the need to divert buses significantly from the A414 corridor. It is likely that the MMTI will be combined with commercial operations such as a café and / or cycle shop thus assisting with revenue generation. The MMTI will be provided by TCE in conjunction with public transport providers such as bus operators and bike hire providers. There is also likely to be smaller scale MMTI provision within the housing areas.

8.3 The location for an MMTI is shown on the masterplan and it will be included as part of the May 2020 application. The MMTI will be delivered by TCE as part of its commitment to sustainable transport.

9.0 (Q8) “Have Heritage Assets been considered and is an HIA required”?

9.1 As part of the preparation for the planning application, the EIA includes a Heritage Impact Assessment (HIA). This has been based on an assessment of the listed building at Breakspear and an intrusive archaeological investigation of S6(ii). The results of this work have informed both the masterplan and the capacity analysis.

10.0 (Q9) “Should the plan identify specific allocations / areas for employment uses within the Broad Location”?

10.1 The submitted Policy S6(ii) seeks a variety of jobs within the Broad Locations, which is supported by TCE. However, TCE objects to the inflexibility inherent in clauses 4 and 5 which state

“4 : A significant new Business Park consisting of primarily B1 office accommodation on the southern approximately 17 hectares of the site

5 : A significant new logistics and mixed industrial area on the northern approximately 38 hectares of the site”.

10.2 The planning application which TCE now intends to submit in May 2020 will seek to adhere to the principal aim of the Council by proposing approximately 30% of the site area for offices and approximately 70% for industry and logistics. However, it is considered that specifying a precise land use split in the policy itself is both inflexible and unsound given that it relates to a plan period to 2036 and the site will not be under construction until 2023/24. There are several reasons for this

- (a) once Highway land and the HSE Development Proximity Zone are deducted, the area available for development in S6(ii) is only 49.6 hectares (see plan in Appendix 1). So, the figures in the policy are misleading and unachievable
- (b) employment demand is much more difficult to predict than housing demand, particularly when trying to consider a 16 year period to the end of the Plan. This is because ‘employment demand’ encapsulates many different types of employment, all of which are evolving in a rapidly changing market pace. One only has to consider the changes in employment sector since 2004 (16 years ago), to realise the dangers of trying to predict with too much spurious confidence.

10.3 *Appendix 3* is a short report prepared by Savills which illustrates the variability of employment forecasts by reference to the 2016 and 2019 Hatch Regeneris reports which form the Council’s employment evidence base. In summary, across SW Herts

- (a) with regard to manufacturing space demand
 - the 2016 Regeneris report forecast a decline of -5,300 m² per year
 - the 2019 Regeneris report forecast a growth of +8,600 m² per year
- (b) with regard to warehouse space
 - the 2016 Regeneris report forecast a growth of +5,800 m² per year
 - the 2019 Regeneris report forecast a growth of +18,300 m² per year
- (c) with regard to office space
 - the 2016 Regeneris report forecast a growth of +20,100 m² per year
 - the 2019 Regeneris report forecast a growth of +10,000 m² per year

10.4 This starkly illustrates how over a three year period

- the demand for manufacturing space turned from a negative to a positive figure
- the demand for warehousing space tripled
- the demand for office space halved.

10.5 Notwithstanding these significant changes in the Council’s evidence base, the submitted Local Plan contains the same employment land split as was proposed in the

(now withdrawn) SLP, dating from 2016. This demonstrates the dangers of seeking to enshrine a 2016 based mix in a Plan which looks forward to 2036. Since the mix in Policy S6(ii) is already out of date and it is likely that the 2019 Regeneris report will also become out of date by the early 2020s, the prudent and sound approach is to delete the 17 ha and 38 ha figures and simply state that the S6(ii) area should seek to provide a diverse range of jobs in the context of the wider ‘envirotech’ objectives of the Enterprise Zone.

10.6 The submitted plan proposes a land use split which will inevitably become a straightjacket on how this strategic employment area and main Enterprise Zone site responds to changing economic conditions and ways of working. It would become a constraint which will hinder the achievement of the full economic potential of the area as sought by the LEP.

11.0 (Q10) “What is the implication of the G&T site? Should a specific location be identified and will the adjoining commercial area lead to noise / disturbance”?

11.1 This issue has already been addressed in the TCE Statement on Matter 5 (Q16). In summary, the existing concentration of G&T pitches to the west of Spencers Park, led both SADC and DBC to conclude that it would not be appropriate to locate a further 15 pitch site in S6(i). However, a site can be accommodated on the northern edge of S6(ii) which would more evenly spread the distribution of pitches whilst still being close to the schools and local centre in S6(i).

11.2 The joint masterplan process has identified a location (see *Appendix 1*) which has its own access which is separate from the employment area and within 500 metres walking distance of the local centre, primary school and secondary school within Broad Location S6(i). Whilst the site adjoins a site identified for a large logistics building, the design allows for an area of planting and mounding to create a buffer. There is also proposed to be a change of level between the G&T site and the employment area as

shown in Appendix 1. The potential for noise impact can be addressed at reserved matters stage.

- 11.3 Since the requirement for a 15 G&T pitch site is contained in the S6(ii) policy and the master plan process is identifying a suitable site, it is not necessary for the Plan to show a specific allocation on the Policies Maps.

12.0 (Q11) “What further infrastructure work is necessary, should this be left to the masterplan stage”?

- 12.1 As explained previously, TCE is jointly funding with the LEP detailed design work on the M1 Junction 8 improvement, the Breakspear / A414 improvement and the new spine road which will run through S6(ii). All of these elements will be included in detail in the planning application to be submitted in May 2020 plus accesses to S6(i) and (iii). These are the main infrastructure elements which are of relevance to S6(ii) and are being incorporated in the current masterplan discussions. As a consequence, they do not need to be specified in more detail in the Plan and will be addressed through the ongoing masterplan process. The draft TCE IDP (*Appendix 1* of Matter 6) demonstrates how wider infrastructure issues have been identified and will be addressed in a comprehensive manner.

Appendix 1

Planning Briefing Note on S6(ii)

December 2019

**EAST
HEMEL**

**St Albans City and District Council
Local Plan Public Examination**

Briefing Note: Broad Location S6(ii)
East Hemel Hempstead (Central)

1.0 Introduction

- 1.1 This Briefing Note has been prepared as an Appendix to The Crown Estate's (TCE) Statement in response to the Inspectors Matter 7 Questions in relation to 'The Broad Locations for Development – Specific Matters (Policy S6(i) to (xi))'. This Briefing Note focusses on Broad Location S6(ii), East Hemel Hempstead (Central). TCE is the freeholder of all the land necessary to implement this Broad Location and this Briefing Note demonstrates why it is a sound proposal which is available, suitable and deliverable in accordance with the objectives of the Local Plan.

2.0 Master Plan / Capacity

- 2.1 *Figure 1* is the current version of the S6(ii) masterplan. This has been in preparation since 2018 in collaboration with SADC / DBC / HCC and the Hertfordshire LEP. It has also involved working with the HSE on the Buncefield consultation zones and Highways England on the upgrade of Junction 8 of the M1. Since the signing of the PPA, detailed and intensive pre-application work and meetings have been taking place. This will form the basis of a planning application to be submitted in May 2020. The master plan illustrates how the S6(ii) site can successfully deliver a mix of B1, B2 and B8 employment uses along with a 15 pitch Gypsy and Traveller site and transport infrastructure.
- 2.2 The masterplan shows how around 1.75 million ft² of employment floorspace can be accommodated on the site. It shows the proposal for a B1(a) office campus to the south with a manufacturing and logistic area to the north. The Multi Modal Interchange (MMTI) is located towards the southern end of the site at the interface of the two employment zones. The improvement to M1 Junction 8 and the Breakspear / A414 junction also provides for a new link road from S6(ii) across the M1 into J8. This will give the area immediate access to the motorway network.



Figure 1 : Current Emerging S6(ii) Masterplan

3.0 HSE Zones

3.1 *Figure 2* shows the HSE consultation zones which radiate out of Buncefield. The masterplan has evolved following discussions with the HSE to ensure that the new north / south link road avoids the 'inner' consultation zone. Appended to this Briefing Note is an email from the HSE confirming that this masterplan is acceptable.

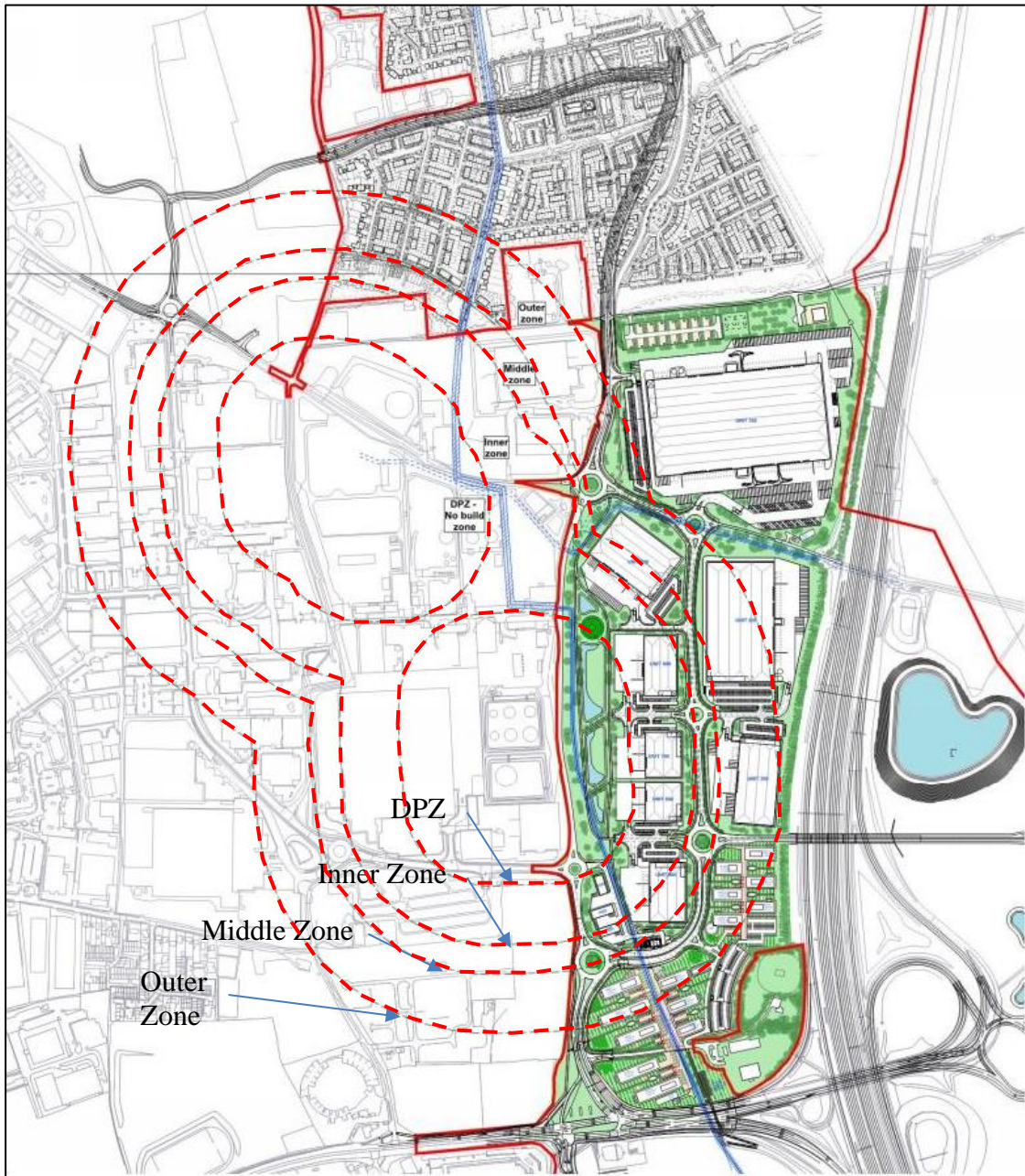


Figure 2 : HSE Consultation Zones

4.0 **Junction 8 of the M1**

4.1 **Figure 3** shows the current form of the package of highway works comprising

- the M1 Junction 8 improvement and link across the M1
- the improvement of the Breakspear / A414 junction
- the S6(ii) link road.

4.2 It is the design work for this combined project which is being jointly funded by TCE and the LEP over the next two years (2019 – 21).

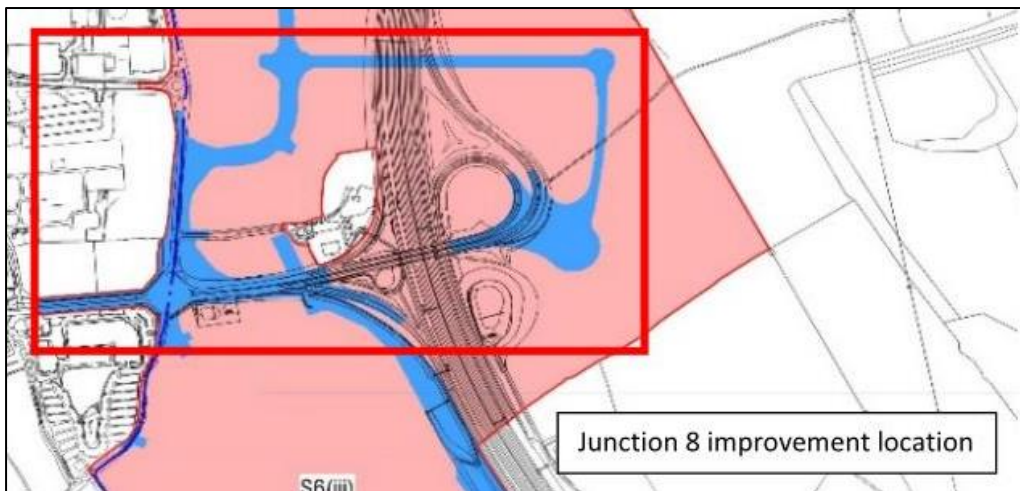


Figure 6a : Junction 8 Improvement location plan

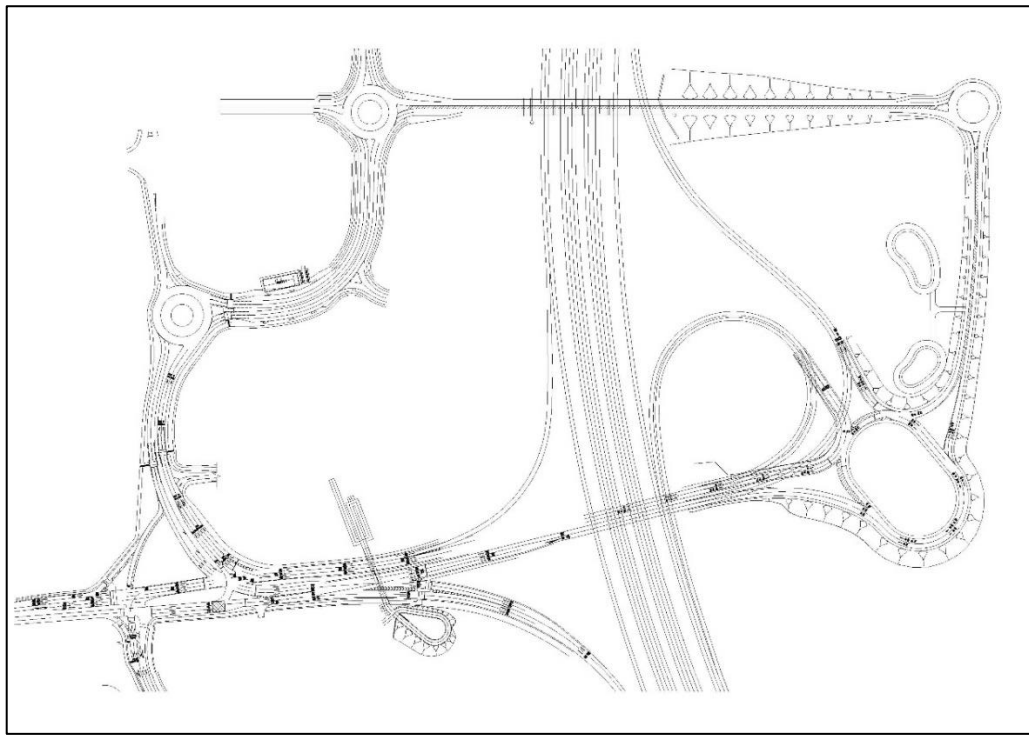


Figure 6b : Junction 8 Improvement CAD plan

5.0 Multi Modal Interchange (MMTI)

5.1 *Figure 4* provides an illustration of the MMTI concept which is proposed to be located within the S6(ii) site.

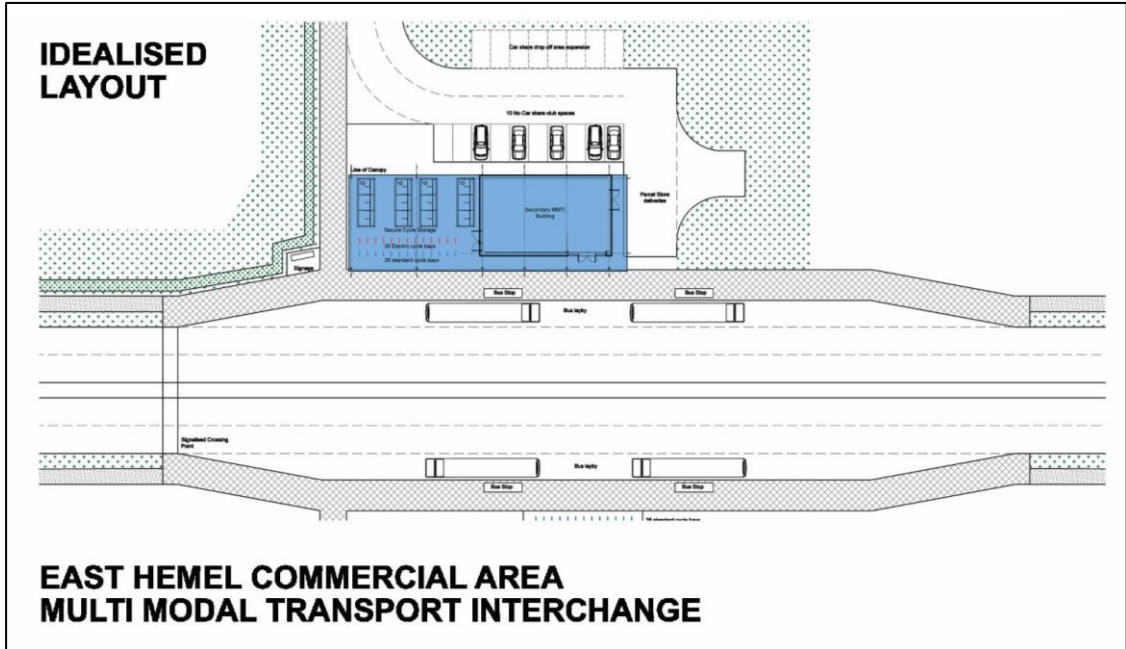


Figure 4 : MMTI

6.0 **Employment Area**

6.1 *Figure 5* demonstrates that once Highways England, highway land and the HSE Development Prevention Zones are deducted, the gross area available for development is around 49.6 ha.

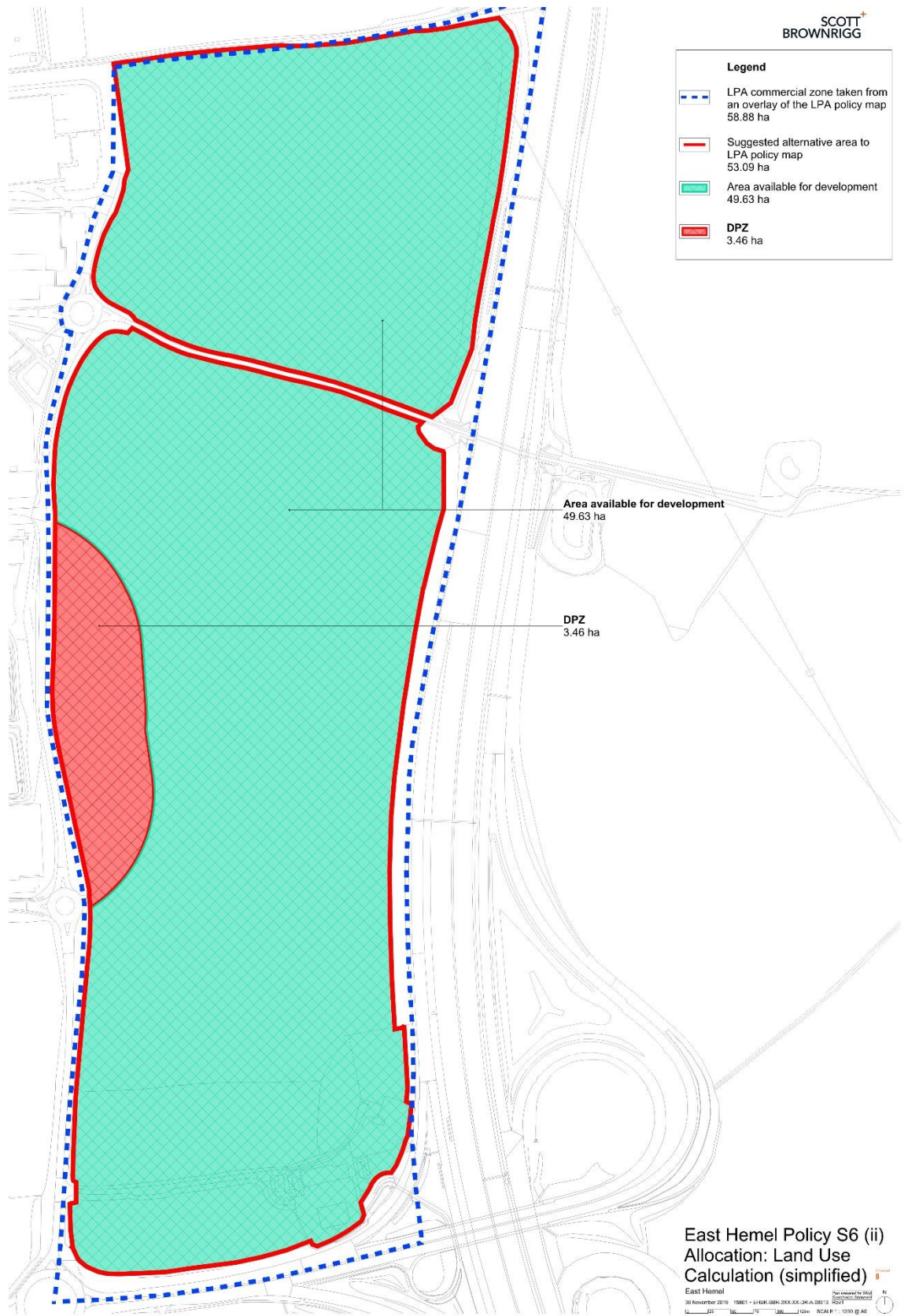


Figure 5 : Employment Area

7.0 Gypsy and Traveller Site

7.1 **Figure 6** shows the S6(ii) masterplan enlarged and focussed on the preferred Gypsy and Traveller site. This demonstrates how the site will be independently accessed from the north / south spine road and will be within easy walking distance of the local centre, primary school and Secondary School within S6(i).

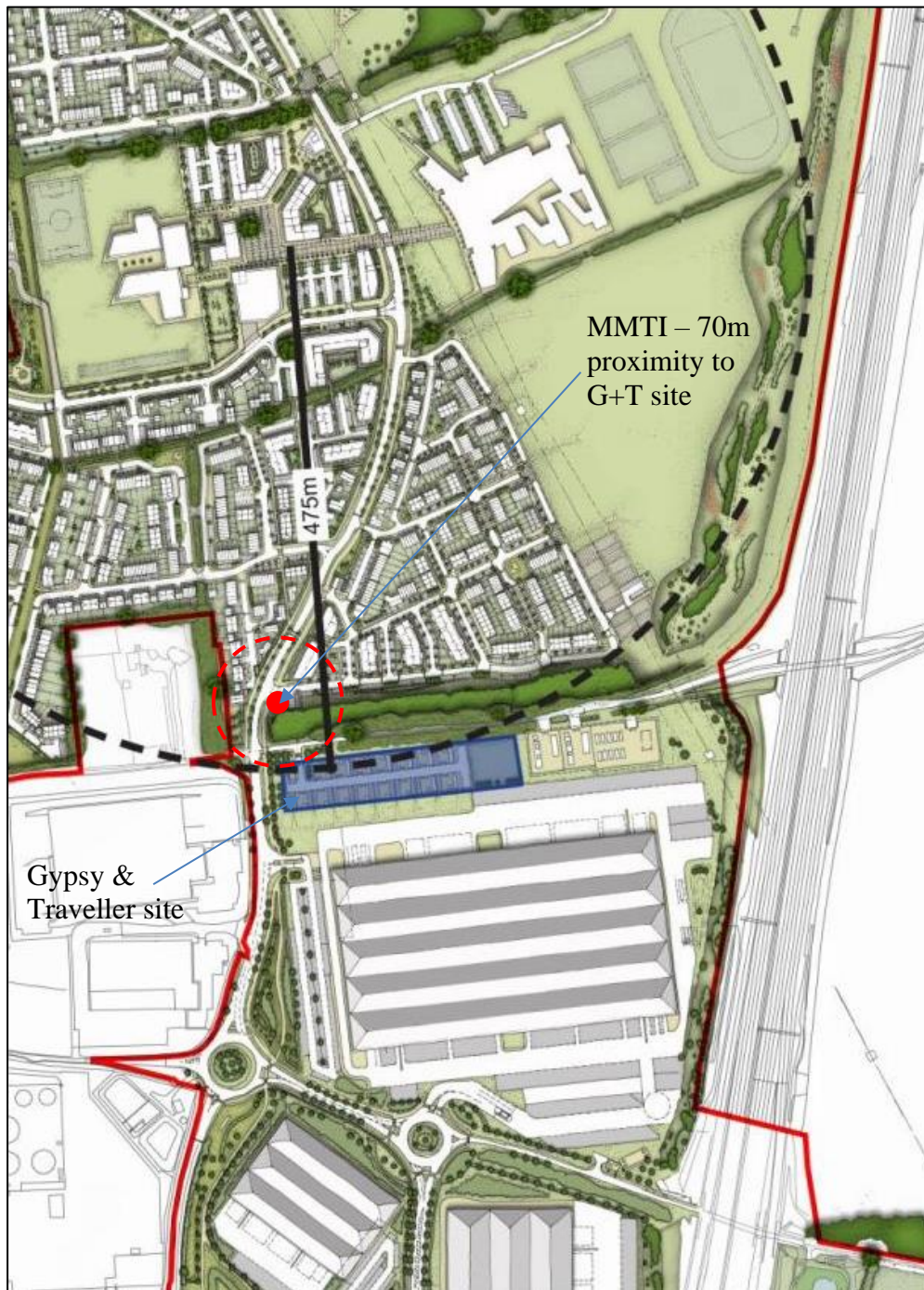


Figure 6 : Gypsy & Traveller Site

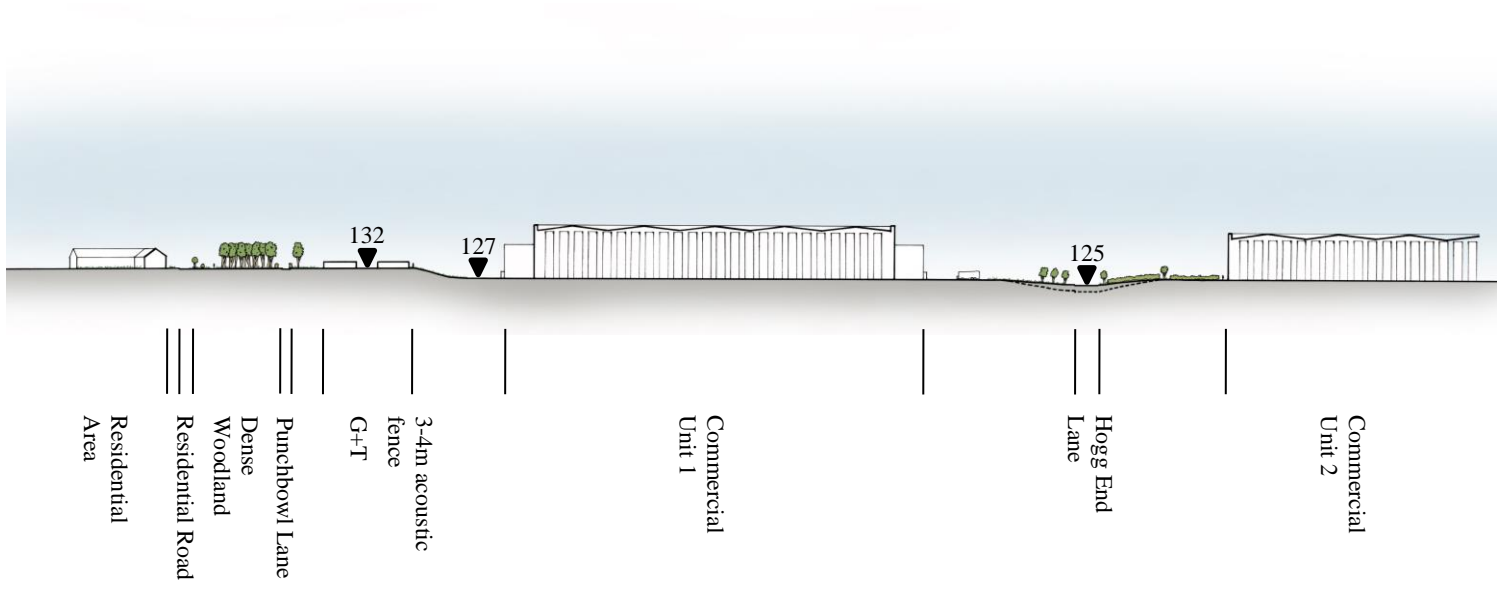


Figure 7 : Gypsy & Traveller Site Section

Appendix to the Briefing Note – HSE Email Dated 28 October 2019

From: <Gerry.Adderley@hse.gov.uk>
Date: 28 October 2019 at 16:26:56 GMT
To: <LucasA@rpsgroup.com>
Cc: <powellL@rpsgroup.com>, <lupenquiries@hsl.gsi.gov.uk>, <Stuart.Reston@hse.gov.uk>, <John.Birch@hse.gov.uk>, <Dave.Painter@hse.gov.uk>
Subject: RE: East Hemel - HSE advice on latest masterplan - October 2019 (D919)

Dear Andrew

Thank you for your email of 21 October 2019 and previous emails which included a letter from Lyn Powell dated 12 September 2019 and the revised Masterplan drawing ref. EHUK-SBR-1XX-XX-DR-A-08004 Revision 5.

I can confirm that HSE would not advise against the granting of planning permission for the proposed layout shown in drawing ref. EHUK-SBR-1XX-XX-DR-A-08004 Revision 5 on the following basis:

- a. the limitations on the use of Green Lane between Three Cherry Trees Lane and Boundary Way, and the occupancy of the sports facilities which will be provided within the middle zone, are as set out in Lyn Powell's letter of 12 September 2019, and
- b. all warehouse/office units which are located wholly or partly within the inner zone (Units 600, 700, 800, 900, 1501, 1502, 1503 as shown in drawing ref. EHUK-SBR-1XX-XX-DR-A-08004 Revision 5) will have fewer than 100 occupants, and no more than 2 occupied storeys.

Please note that any further pre-application advice from HSE on this proposal is likely to incur additional charges under our pre-application advice service.

Regards

Gerard Adderley

Health and Safety Executive
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We are moving to
2 Callaghan Square,
Cardiff, CF10 5AZ
from 28th October 2019

Appendix 2

Vectos Transport Infrastructure Report

St Albans District Council Local Plan EiP

East Hemel Transport Infrastructure Design and Development

03 December 2019

131121/N70

Introduction

1. This note summarises how the infrastructure proposed in the East Hemel/Maylands area has been developed and the role that TCE and their consultant team (primarily Vectos) have played in that development.
2. The starting point for this note is the Maylands Growth Corridor Study (MGCS) which was undertaken by SADC, Dacorum Borough Council, Hertfordshire County Council (HCC), the Herts LEP and Highways England which commenced in 2015. TCE became involved during the period of the study and was a member of the Steering Group. They also provided key technical input on scheme development.
3. The purpose of the MGCS was to investigate the infrastructure required to serve existing and proposed developments in the Maylands and East Hemel area. The study conclusions are summarised in a "Prospectus" which is included at Appendix 3 of the Infrastructure Delivery Plan within the Local Plan Evidence Base.
4. Vectos had a key input to this exercise in describing the quantum of development and traffic that would be generated by the proposed East Hemel development and the design of suitable mitigation, in particular the Spine Road through the development from Redbourn Road in the north to Hemel Hempstead Road in the south and improvements to Breakspear Junction and Junction 8 of the M1.
5. The Prospectus was agreed by the sponsoring parties with a view to being taken forward for further design development and for discussions on funding and implementation.
6. TCE, through Vectos, took forward the design of the agreed highway works in association with preparation of a planning application for the East Hemel Development. A number of rationalisations were required to the design and in particular:
 - The need to move traffic away from the HSE protection zones around the Buncefield oil depot. Hence the introduction of a new north/south spine road through the commercial area and retention of the existing Green Lanes for access and buses only;
 - Comments from the Design Review Panel and other stakeholders on the proposed layout for the commercial area and, in particular, the east/west element of the Spine Road to allow a more holistic business campus development in the southern section of the commercial area;

- Future proofing of the Junction 8 proposals to allow for a north-south link road between Junction 8 and Redbourn Road on the east side of the M1 (within TCE land ownership);
 - Adjustments to allow for detailed information on the location of the BPA pipeline becoming available .
7. The above has led to the proposed works shown on **Drawing No. 131121/A/54** attached.
 8. In parallel with the above design development the Enterprise Zone and Crown Estate also agreed to jointly fund the detailed design of an element of these works at a cost of circa £6M. These works, referred to as the “Breakspear Project” are shown at **Drawing No. 1331121/A/ 137** attached. It should be noted that these works include provision of a pedestrian/cyclist bridge over the A414. The funding allowed the detailed design to progress significantly earlier than would have been the case in the normal course of events which would have been after the grant of planning permission. The reasoning for this significant investment was to facilitate early delivery of the works (particularly the Breakspear junction improvement and the commercial Spine Road) and allow funding discussions to progress on provision of Junction 8.
 9. The “Breakspear Project” design work commenced in September 2019 and is progressing with the aim of having a completed and approved design in 2 years time ie September 2021. This would allow these works to be tendered soon after this with the potential for implementation in 2022.
 10. It should be noted that the above works will be included in the East Hemel planning application as detailed matters ie for determination. The application will also include the connections of the Spine Road to B487 Redbourn Road in the north and A4147 Hemel Hempstead Road in the south in detail thus facilitating early delivery of the entire Spine Road.
 11. In parallel with the above, Vectos have also been working with the stakeholders and in particular HCC and Highways England on progressing the modelling of the development proposals and the infrastructure provision. The modelling has been undertaken using the Hemel Hempstead Paramics Model (HHPM) which is a detailed microsimulation model of Hemel Hempstead which covers the area shown on the following page.
 12. Two primary tests are being carried out as follows:
 - The Core Test which assesses the impact of the East Hemel development assuming all committed (ie permitted) developments that might affect the study area progress;
 - Cumulative Test which considers, in addition to committed developments, prospective development coming forward in relevant Local Plans.
 13. The Cumulative Test uses growth that is derived from HCC’s COMET model which is a County-wide model that is used to predict overall levels of growth due to planned

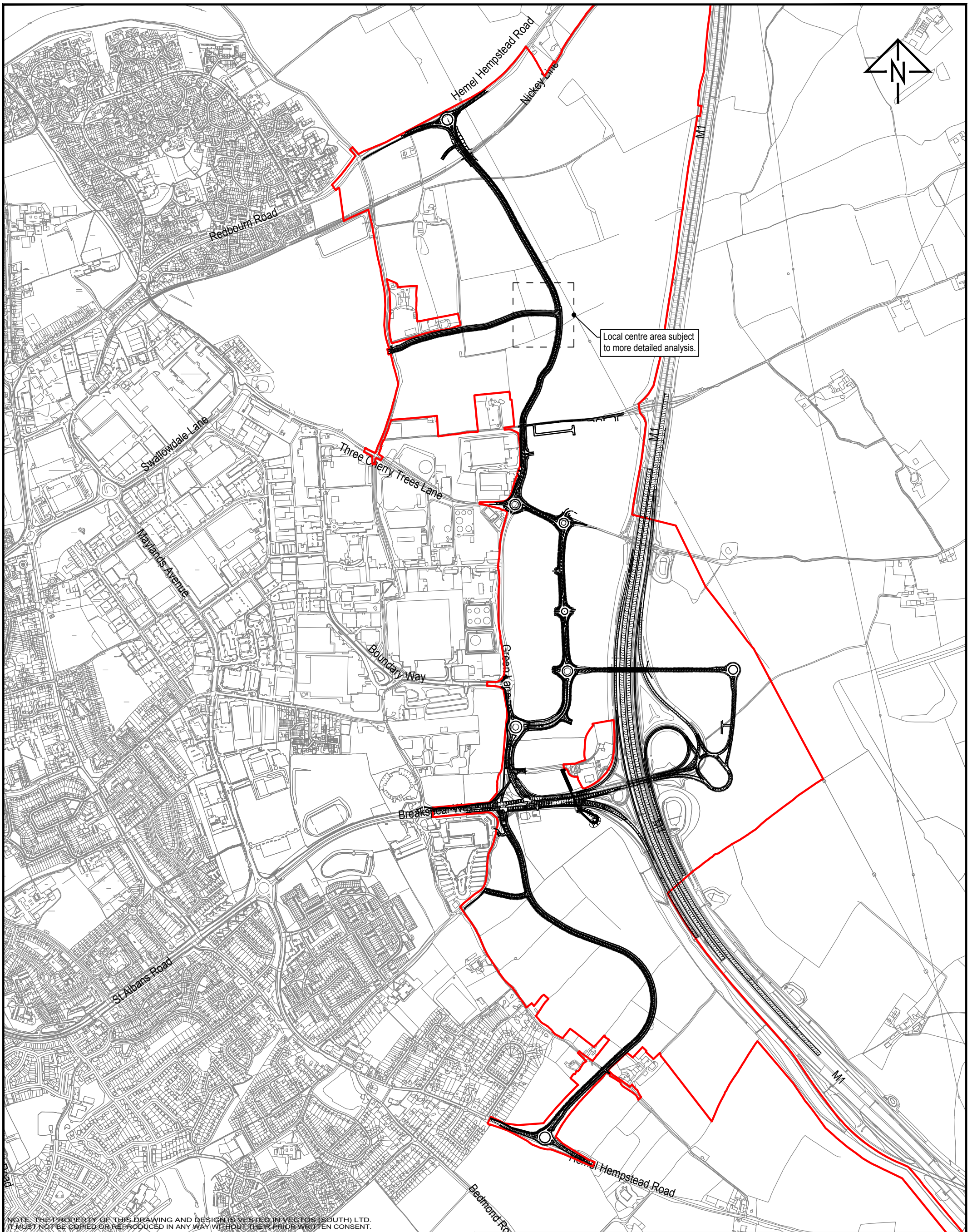
development. Therefore, the outputs from the Paramics models are consistent with the COMET testing but give a more detailed analysis for the Hemel Hempstead area.

14. Testing has been undertaken assuming SADC's proposed Local Plan growth to 2036 and also as a separate test assuming other prospective growth in the area consistent with HCC's COMET 4 model run.
15. The above detailed testing has demonstrated that the proposed strategic infrastructure as described above is suitable for the development proposed. To cater for the planned growth in the area the works will be introduced in a phased manner with the Spine Road, including Breakspear junction improvement, delivered early within the East Hemel development scheme (and therefore early within the Local Plan period) with the Junction 8 enhancement being delivered around the mid-point of the Local Plan period.

HHPM Area



DRAWINGS



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REV	DETAILS	DRAWN	CHECKED	DATE
A	Roadnames and hatching added.	KB	DB	10.07.2018
B	Commercial area routing updated.	TF	MdC	07.08.2018
C	M1 bridge crossing amended.	TF	MdC	08.10.2018
D	Spencers Park hatched area removed.	KB	MdC	29.01.2019
E	Layout updated.	TF	MdC	04.02.2019
F	Spencers Park added to key.	TF	MdC	19.02.2019
G	Northern and southern layout updated.	TF	MdC	01.05.2019
H	Layout updated to suit.	TF	MdC	13.05.2019
J	Layout updated to suit.	TF	MdC	24.05.2019
K	Highways layout progressed.	TF	MdC	05.06.2019
L	Highways layout progressed.	KB	MdC	22.07.2019
M	Latest highways layout.	TF	MdC	04.09.2019
N	Access routes added.	KB	MdC	11.09.2019
P	Highways layout progressed.	PP	MdC	01.10.2019

Notes:
 1. This is not a construction drawing and is intended for illustrative purposes only.
 2. White lining is indicative only.

East Hemel Hempstead

Overall Highway Strategy

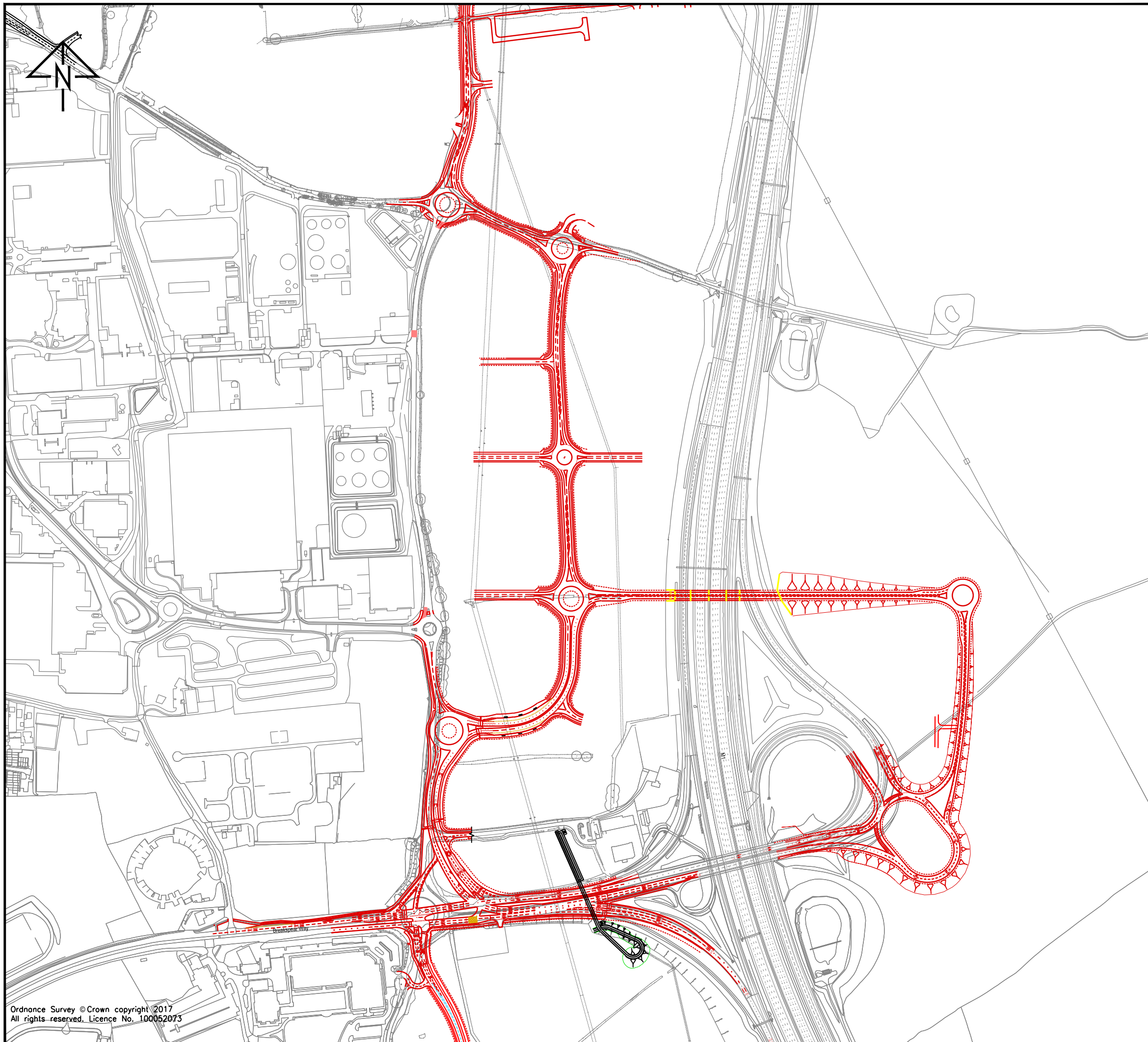
DRAWN: TF CHECKED: MdC DATE: 07.06.2018 SCALES: 1:12,500 at A3

The Crown Estate



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REV.	DETAILS	DRAWN	CHECKED	DATE

CLIENT:
The Crown Estate

PROJECT:
East Hemel Hempstead

DRAWING TITLE:
Project Breakspear

SCALES:
NTS at A3

DRAWN: TF CHECKED: MdC DATE: 03.12.2019



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Appendix 3

Savills report on employment forecasting

East Hemel – Evidence Base Review and Forecasts

Savills, November 2019

1.1. Key Findings

- 1.1.1. The 2019 SWH Economic Study by Hatch Regeneris is an update to the same 2016 study and is the most recent local authority evidence base document and forecast for St Albans and Dacorum BC.
- 1.1.2. Both the 2016 Strategic Local Plan (SLP) and the 2018 Regulation 19 Local Plan were informed by the 2016 South West Hertfordshire Economic Study by Hatch Regeneris, making it an influential document in the allocation of employment use categories. However, a comparison with the 2019 South West Hertfordshire Economic Study (Hatch Regeneris) found that there is a large degree of variability between the two driven primarily by:
- Inaccuracies with their 2016 Study.
 - A different methodology / approach taken in the 2019 Study.
 - Changing economic / market conditions since 2016.
- 1.1.3. It is highly possible that the pattern of demand could change again, which illustrates the risk in tying inflexible employment mix for a 16 year plan period.
- 1.1.4. The discrepancy has led to an overestimation of future employment growth (in the 2016 study), and substantially different findings across the three property markets sectors:
- **Office based sectors:** jobs growth is predicted to be much lower in finance and insurance, professional services and business services. Cumulatively the 2017 forecasts used in the 2019 report estimate that these three sectors will create 6,000 jobs between 2016 and 2036. This is 14,000 fewer jobs than the 2014 forecast which is a significant change. This is also much lower than past rates of growth in these sectors which have created 13,000 jobs in the last ten years alone.
 - **Warehouse based sectors:** jobs growth is forecast to be 3,000 lower in the land transport and wholesale sectors which tend to require warehouse space for storage and distribution.
 - **Industrial sectors:** there is little change between the forecasts for the manufacturing sector which is the main driver of demand for industrial space according to Regeneris forecasts.
- 1.1.5. Given this variability in forecasting, placing rigid splits between different B-Class uses may place an artificial ceiling on the subject site's development potential.
- 1.1.6. Beyond the amendments to adjust for overestimates, there were other key differences with the 2019 study:
- The national economic outlook has changed with a lower forecasted growth rate.
 - It uses a different method for converting industry sectors to use class, instead of professional judgement. The 2019 study matches IDBR data to the VOA non-residential database at the 4 digit SIC code. The result is a different distribution of space across sectors than the previous analysis (e.g. B1a/b is spread across a wider range of sectors).

- Only 30% of manufacturing jobs are located in B1c/B2, compared to the original assumption of 90%. 31% of manufacturing jobs are located in B1a/b which indicates that a high proportion of manufacturing jobs are actually located within office premises in SWH.
- 41% of all jobs are estimated to require B class space. This is 7% less than the 2016 study.

1.1.7. While the 2019 SWH Economic Study's use of historic market trends is in our view an improvement over the reliance on the EEFM in the 2016 study, the variation between the 2016 and 2019 forecasts illustrates the need for flexibility in planning for different B-Class development at East Hemel. In addition to this, markets for different types of space can fluctuate over time.

1.1.8. In addition, the 2019 study caveats the requirement for substantial B1a development at East Hemel, which is expected to have an extended take up period due to its out of centre location and lack of public transport. With regards to the provision of office development within East Hemel, the South West Herts Economic Study Update – Emerging Draft (2019) concludes:

'In our view there is a risk in relying on large scale development in this location as the sites are poorly served by public transport (particularly rail) which is a key requirement for strategic office uses. There is also uncertainty about the timing for new development to come forward. If new office development did not come forward there would be an undersupply of office space in the FEMA. (page 120)'

1.2. Analysis and Discussion

1.2.1. St Albans DC and Dacorum BC, along with other councils within the South West Herts FEMA, have commissioned this research to analyse recent economic and property market trends, consider scenarios for future growth and future supply of employment space and land.

1.2.2. Preceding the 2019 update of the South West Hertfordshire Economic Study (2019) Regeneris undertook a 2016 study.

1.2.3. It supersedes two previous documents which also contain employment land forecasts:

- 'South West Hertfordshire Economic Study', Oxford Economics and Regeneris, 2016
- 'St Albans Economic Development and Employment Land Evidence', St Albans Policy Team, Draft, April 2016.

1.2.4. The study identifies four different office and industrial forecast scenarios, which provide a varying view of future employment land demand.

1.2.5. Three of the four scenarios utilise the East of England Forecasting Model (EEFM), based on employment and labour force scenarios:

- **Employment led scenarios** - using adjusted EEFM 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. This scenario has drawn upon the 2019 SHMA and its findings in relation to future population growth.
- **Higher growth scenarios** - this is also an employment led scenario but assumes a higher rate of growth.

- 1.2.6. A **trend based scenario**, based on historic office and industrial net take up trends, provides an alternative estimate of future demand for industrial and office land.
- 1.2.7. The inaccuracies in the 2016 study led to an overestimate of future employment growth and floorspace forecasts for different employment markets outlined in **Table 1** below.
- 1.2.8. **Table 1** compares the 2016 and 2019 studies. It illustrates that there is a large degree of variability and margin for error when undertaking land use forecasting.
- 1.2.9. Considering that markets for different types of space can fluctuate over time, recommending rigid splits between different B-Class uses may place an artificial ceiling on the subject site's development potential.

Table 1 Comparison of Demand, 2016 (2013-36) and 2019 (2018-36)

	Office (B1a)		Manufacturing (B1c and B2)		Warehouse (B8)	
	Total	Per Annum	Total	Per Annum	Total	Per Annum
SWH 2016	461,300 sq.m	20,100 sq.m	-122,400 sq.m	-5,300 sq.m	133,600 sq.m	5,800 sq.m
SWH 2019 (Preferred Scenario)	180,000 sq.m	10,000 sq.m	152,000 sq.m	8,600 sq.m	329,500 sq.m	18,300 sq.m
Difference	-281,300 sq.m	-9,900 sq.m	+274,400 sq.m	+13,900 sq.m	+195,900 sq.m	+12,500 sq.m

Source: South West Hertfordshire Economic Study, 2019

- 1.2.10. There is substantial variation between 2016 and 2019 forecasts and also amongst the different scenarios contained within the 2019 report.
- 1.2.11. A key reason for this variance is the use of adjusted EEFM model forecasts in the 2019 SWH update uses, due to sector level inaccuracies identified in the 2014 EEFM forecasts. Regeneris believe the EEFM 2014 overestimates jobs, and has adjusted the model outputs downwards. However they have caveated these adjustments as 'crude' and 'should be used with caution' (page 70). This impacted the sectors in the following ways:
- **Office based sectors:** jobs growth is predicted to be much lower in finance and insurance, professional services and business services. Cumulatively the 2017 forecasts used in the 2019 report estimate that these three sectors will create 6,000 jobs between 2016 and 2036. This is 14,000 fewer jobs than the 2014 forecast which is a significant change. This is also much lower than past rates of growth in these sectors which have created 13,000 jobs in the last ten years alone.
 - **Warehouse based sectors:** jobs growth is forecast to be 3,000 lower in the land transport and wholesale sectors which tend to require warehouse space for storage and distribution.
 - **Industrial sectors:** there is little change between the forecasts for the manufacturing sector which is the main driver of demand for industrial space according to Regeneris forecasts.
- 1.2.12. While the 2019 SWH Economic Study's use of historic market trends is in our view an improvement over the reliance on the EEFM in the 2016 study, the variation between the 2016 and 2019 forecasts illustrates the need for flexibility in planning for different B-Class development at East Hemel.

1.2.13. While thoroughly investigating different methods and recommending the most robust method is a good approach to testing scenarios, it does demonstrate that there is a large degree of variability and margin for error. Considering that markets for different types of space can fluctuate over time, recommending rigid splits between different B-Class uses may place an artificial ceiling on the subject site's development potential.

1.2.14. The South West Herts Economic Study Update – Emerging Draft (2019) also specifically considers East Hemel in its future potential supply of office development, however notes:

'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....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. The site is likely to be attractive to footloose office occupiers with a car-based workforce that need to serve clients in dispersed markets (e.g. 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. (page 110)'

1.2.15. This mirrors our own analysis which suggests that significant B1a development on the site will have an extended take up period due to its out of centre location and lack of public transport. With regards to the provision of office development within East Hemel, the South West Herts Economic Study Update – Emerging Draft (2019) concludes:

'In our view there is a risk in relying on large scale development in this location as the sites are poorly served by public transport (particularly rail) which is a key requirement for strategic office uses. There is also uncertainty about the timing for new development to come forward. If new office development did not come forward there would be an undersupply of office space in the FEMA. (page 120)'