NORTH HERTFORDSHIRE DISTRICT COUNCIL

Employment Land Review

Part 1 Final Report

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GLOSSARY

Activity Rates – the number of people who are economically active aged 16 to 59/64 as a proportion of all working age people.
Annual Business Inquiry – an employer survey conducted in December of each year, recording a job at the location of the workplace.

BAU – Business as Usual (paragraph 2.28) – trend based projections assuming continuation of past policies
BWA – Bone Wells Associates

EBS – Experian Business Strategy
EEDA – East of England Development Agency
EEP - East of England Plan (para 2.27)
EERA – East of England Regional Assembly
EG21 – Enhanced Growth 21 (paragraph 2.28) – not a projection per se, but the number of additional jobs which need to be added to reach a particular GVA target.
EG21 + Enhanced Growth 21+ - including EERA additions of job aspirations of certain areas in the East of England to the EG21 projections
EIP – Examination in Public

GVA - Gross Value Added - Gross Domestic Product minus taxes less subsidies on production (para 2.27)

HCC - Hertfordshire County Council (para 2.16)
Hereditament – basic rateable value unit

Inter-departmental Business Register – a record of all businesses registered for VAT (excludes many small one person businesses with turnover under £55,000 VAT threshold) para 2.15

Job Densities – number of jobs in an area per resident of working age (16-59/64) para 2.18

LGCHF (para 4.5) – Letchworth Garden City Heritage Foundation
LQ - Location quotient – % of employment in any one sector of total employment (in an area) divided by the same % of employment in the same sector of total employment in another area, usually the whole country or region. (para 2.7)

NHDC – North Herts District Council (para 2.16)

ONS – Office for National Statistics (Para 2.1)

RSS – Regional Spatial Strategy (para 7.10)

SWOT - Strengths, Weaknesses, Opportunities, Threats (para 4.7)

VOA – Valuation Office Agency (para 3.6)

1. INTRODUCTION

Scope of Study

1.1 North Hertfordshire District Council commissioned a technical study on the current employment land supply within the District, to form part of the evidence base for the forthcoming Local Development Framework. The study is in two parts, the first concentrating on the existing land supply situation, the economic background in the District, and the implications of the draft regional plan; the second concentrating on future land requirements. In more detail the objectives of each part were set out as follows:

1.2 Part One

- Review the local economic conditions in the District;
- Identify and assess the current supply of sites for employment;
- Assess the levels of vacancy in the existing employment areas, and the demand for employment premises by market areas and segments;
- Identify sites which are unlikely to be required by the market or which are unsustainable for employment development; and
- Report on the implications of the East of England Plan employment growth levels for North Hertfordshire, as they stand in the draft version of the Plan.

1.3 Part Two

- Set a clear methodology for assessing employment floorspace needs over the periods 2001-2011, 2011-2016 and 2016-2021;
- Assess future requirements for employment, based on the East of England Plan;
- Consider particularly how the proximity of Stevenage and Luton to the District, and their employment growth, will impact on the District's employment land requirements;
- Establish quantitative requirements for employment land by market sector and location.

1.4 This report is concerned with Part One. The layout of the report follows the sequence of Part One Tasks set out above with a final conclusions chapter.

2. LOCAL ECONOMIC CONDITIONS

The population of the District

2.1 For the period 1991-2001, the ONS estimated the changes in population of North Herts and other Herts Districts as shown in Table 2-1. The District grew at a similar rate to the county and most Districts from 1991-2003, except East Herts, impacted by Stansted's growth.

Table 2-1 Population change in North Hertfordshire and other Hertfordshire Districts 1991-2003 ('000s)

Area	1991	1996	2000	2001	2003	91-03 %
Hertfordshire	**984.3**	**1,002.2**	**1,029.7**	**1,034.9**	**1,040.9**	**5.8**
Broxbourne	81.7	82.3	86.2	87.2	86.8	6.2
Dacorum	133.2	134.3	137.4	137.9	138.0	3.6
East Hertfordshire	117.3	123.0	127.8	129.1	130.8	11.5
Hertsmere	90.0	92.2	94.3	94.5	93.8	4.2
North Hertfordshire	***112.4***	***113.7***	***116.0***	***117.1***	***119.1***	***6.0***
St Albans	126.2	126.7	128.5	129.1	131.6	4.3
Stevenage	75.7	76.3	79.3	79.8	79.7	5.3
Three Rivers	79.0	80.6	83.2	82.9	83.9	6.2
Watford	74.9	77.6	79.8	79.7	79.5	6.1
Welwyn Hatfield	93.8	95.5	97.1	97.6	97.9	4.4

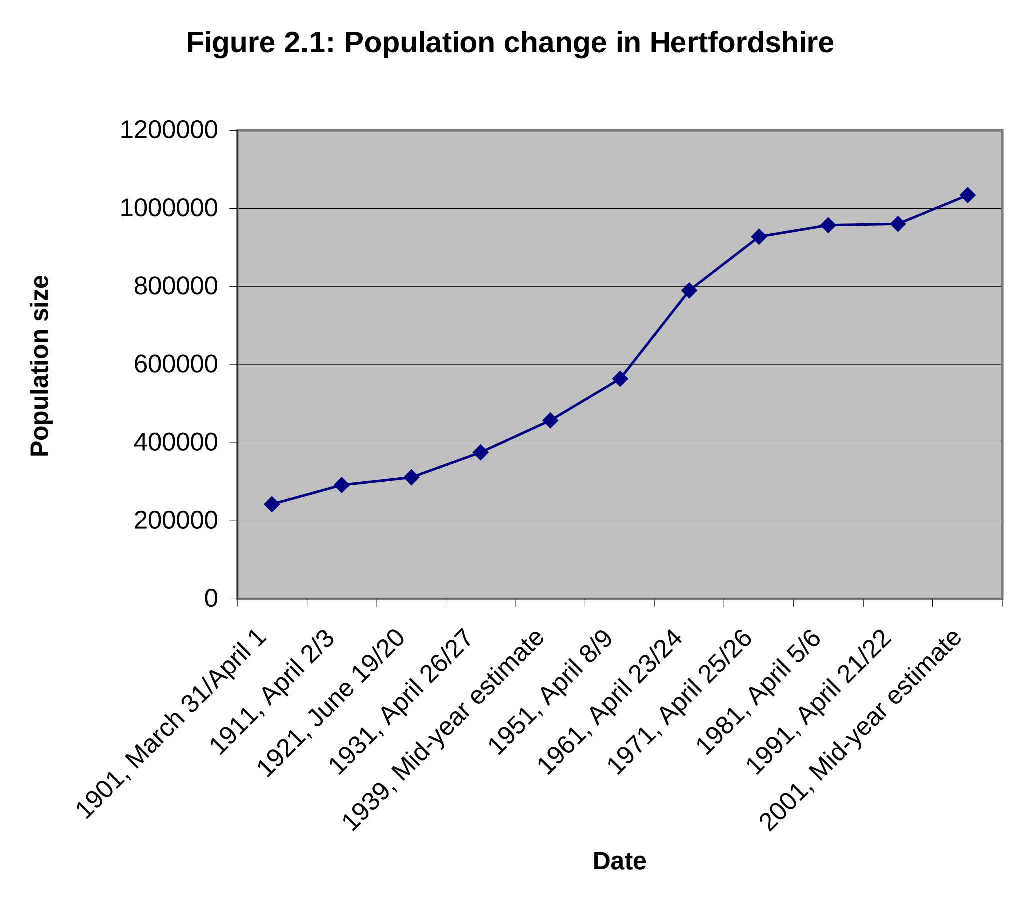
Source: ONS – data are mid year estimates. 2001 has been revised.

2.2 The long-term change context may be seen from Table 2-2 and Figure 2-1, showing how Herts population grew rapidly either side of the war but slowed after 1971.

Table 2-2 Population change in Hertfordshire County since 1901 *Source: ONS*

Year	Population	Increment	% pa
1901, March 31/April 1	242,889	28,287	1.25
1911, April 2/3	291,603	48,714	1.84
1921, June 19/20	312,148	20,544	0.67
1931, April 26/27	374,730	62,582	1.87
1939, Mid-year estimate	457,352	82,622	2.46
1951, April 8/9	563,256	105,905	1.78
1961, April 23/24	790,001	226,744	3.43
1971, April 25/26	927,156	137,155	1.61
1981, April 5/6	957,200	30,100	0.32
1991, April 21/22	960,564	3,300	0.03
2001, Mid-year estimate	1,034,900	74,336	0.7

Figure 2-1 Population change in Hertfordshire1901-2001



Source:ONS

Comparative employment change

2.3 Comparative changes of workplace employment for the East of England Region, Herts County[1], North Herts and the neighbouring Districts of Stevenage and Luton are shown in Table 2-3. The data shows how the District's total employment increased steadily over this period, from 48,000 in 1982 to 58,400 in 2002. Employment growth has accelerated, growing by 2,900 in the first decade, and 7,500 in the second (growth during the earlier period being inhibited by manufacturing decline). North Herts has grown at a slightly lower rate than the County and Region over the last 20 years, but considerably faster than its neighbours Luton and Stevenage, each of which have suffered major contractions of established industry at different times during that period.

[1] The increase in employment growth in Hertfordshire and its districts over 1992-2002, compared with 1982-92 is puzzling, although derived from official data.

Table 2-3 Workplace Employment change in East of England Region, Hertfordshire, North Hertfordshire, Stevenage and Luton, 1982-92-02 (‘000)

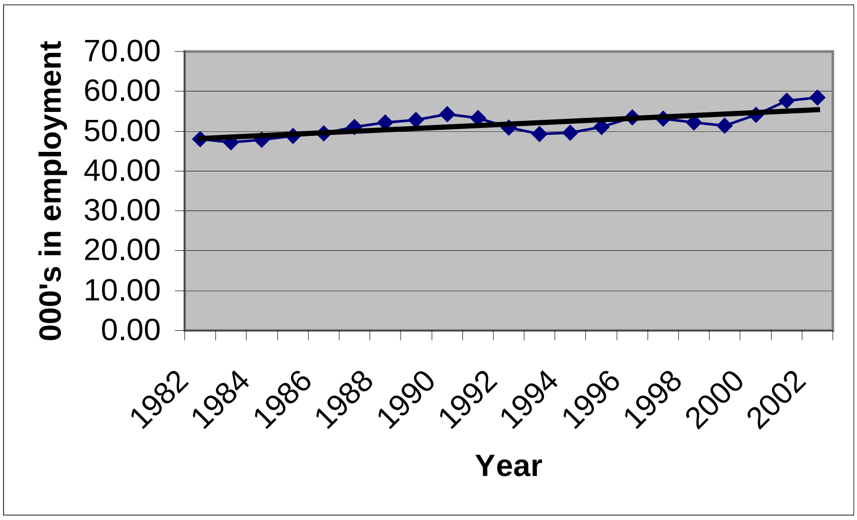
Area	1982	1992	2002	Change 82-92	Change 92-02	Change 82-02
East of England	2077.9	2302.6	2600.5	224.7 +10.8%	297.9 +12.9%	522.6 +25.2%
Hertfordshire	447.2	467.9	569.6	20.7 +4.6%	101.7 +21.7%	122.4 +27.4%
North Hertfordshire	**48.0**	**50.9**	**58.4**	**2.9 +6%**	**7.5 +14.7%**	**10.4 +21.7%**
Stevenage	40.0	39.5	44.2	-0.5 -0.1%	4.7 +11.9%	4.2 +10.5%
Luton	81.4	86.1	85.8	4.7 +5.8%	- 0.3 - 0.3%	4.4 + 5.4%

Source: Experian. Includes self-employed.

Note: These estimates are derived from the Annual Business Inquiry(ABI) and the Labour Force Survey (LFS), and have a different definition of workplace employment to the Census definition of workplace population. The former counts the multiple jobs undertaken by individuals, the latter does not, and there are other differences. Accordingly the sources produce a different figure. In Hertfordshire there are some inexplicable discrepancies, even allowing for differences in definition, however the ABI/LFS based estimates are the only source available that allows a trend based on annual estimates to be derived.

2.4 The increase in total employment for the District (10,400 jobs over 20 years) is probably flattering to actual performance, since the start year is a flat point on the business cycle and the end year seemingly towards the high end of the cycle. A trend analysis, which standardises for these cyclical changes (straight line in the figure), suggests that, on a linear trend basis, the ‘statistical’ increment of employment was about 7,200 jobs – see Figure 2-2.

Figure 2-2 Employment growth trend in North Hertfordshire 1982-2002



Source: consultants

trend growth slope per annum ('000 jobs)	0.362
20 years increment	7.235

Changes in employment structure

2.5 Workplace employment time series data for the District has been obtained for the period 1982-2002, arranged by 30 sectors (see summary extract in Table 2-4). It shows a typical 20-year fall in extractive and manufacturing employment although the latter appears to have increased slightly since 1992. Retailing, education and health have doubled their employment and large gains have been made in business and Other services (mainly personal services). The sharp decrease in public administration looks improbable, however. This may be a distortion due to accidents of postcode allocation of government jobs.

2.6 As a broad indicator of land demand, the decrease in manufacturing and only slight increase in wholesaling and transport suggests a slackening of traditional industrial B2-B8 land demand, while the expansion of business services confirms a move towards B1 land use. Public sector employment apparently experienced a significant decline between 1982 and 1992, but as noted above there is some doubt about the statistics for this change.

Table 2-4 Employment change in North Hertfordshire by broad sector, 1982-92-02 ('000)

SECTOR	1982	1992	2002	Change 82-92	Change 92-02	Change 82-02
Extractive	1.8	1.1	0.5	-0.7	-0.6	-1.3
Manufacturing	12.6	7.3	8	-5.3	0.7	-4.6
Construction	2.1	3.1	3.8	1	0.7	1.7
Retailing	3	5.8	6	2.8	0.2	3
Wholesaling	3.9	4.2	5	0.3	0.8	1.1
Transport	1.4	1.6	1.4	0.2	-0.2	0
Business services	6.2	8.7	10.2	2.4	1.5	3.9
Public admin/ defence	4.9	1.8	0.9	-3.1	-0.9	-4
Education & health	4.6	8.8	9	4.2	0.2	4.4
Other services	7.5	8.5	13.6	1	5.1	6.1
TOTAL	**48**	**50.9**	**58.4**	**2.9**	**7.5**	**10.4**

Source: Experian. Includes self-employed. Note that 2001 census data is not consistent with the Experian data.

2.7 North Hertfordshire has a reasonable share of advanced and higher growth activity, some which may be described as high technology (e.g. Johnson Matthey, The Automation Partnership) and some knowledge economy sectors in Business Services (e.g. UGS Ltd). Sectoral structure provides only a partial guide to this since high tech companies can be found in many mainstream or average growth sectors, but the District has a relatively high share of higher growth sectors, as indicated in the Location Quotient (LQ) analysis comparing North Herts with the East of England, set out in Table 2-5. This indicator shows the proportion of employment in a particular sector in North Herts divided by the equivalent proportion in the baseline comparator area (in this instance East of England). Thus business services in North Herts accounts for 18.7% of total North Herts employment and 12.99 % of East of England employment, giving a North Herts LQ of 1.44 (18.7÷12.99).

2.8 Highlighted are sectors with the highest location quotients in the North Hertfordshire area as compared to the East of England. These include a number of manufacturing sectors - Textiles & Clothing (3.99), Chemicals (1.87), Metals (1.66), and Other manufacturing (1.57). Several of these are more growth oriented than average, e.g. other manufacturing and speciality metals activity (Johnson Matthey). Business services has a slightly lower location quotient of 1.44 but provides 18.7% of the total employment, making it the most significant local cluster. The services structure shows North Herts to have lower than average public sector employment (public administration, health etc) and lower retailing and hotels and restaurants employment, but higher financial and business services employment. It indicates the role of the district as having a diversified economy with service strengths in business support activities rather than as a shopping or tourist magnet.

2.9 The District is host to important companies in leading sectors, including Johnson Matthey, The Automation Partnership, LDS Test & Measurement Ltd, and in the service sector, GE Life and several business management consultants. Although these are well known, there is a substructure of many small and medium businesses in high growth sectors that have provided a major contribution to the area's buoyancy. More details on company size etc are provided in paras 2.14-2.15.

Table 2-5 Location Quotients for North Hertfordshire 2001

Sector	North Hertfordshire		East of England		LQ
	Employment (000's)	% of Total	Employment (000's)	% of Total	
Agriculture, Forestry & Fishing	0.46	0.79	42.74	1.65	0.48
Oil & Gas Extraction	0.00	0.00	2.36	0.09	0.00
Other Mining	0.01	0.01	1.78	0.07	0.15
Gas, Electricity & Water	0.10	0.17	11.48	0.44	0.38
Fuel Refining	0.00	0.00	1.14	0.04	0.00
Chemicals	0.84	1.46	20.29	0.78	1.87
Minerals	0.04	0.06	8.49	0.33	0.19
Metals	1.48	2.58	40.19	1.55	1.66
Machinery & Equipment	0.81	1.41	41.45	1.60	0.88
Electrical & Optical Equipment	1.20	2.07	49.80	1.92	1.08
Transport Equipment	0.44	0.76	32.63	1.26	0.60
Food, Drink & Tobacco	0.23	0.40	44.13	1.70	0.23
Textiles & Clothing	0.99	1.71	11.17	0.43	3.99
Wood & Wood Products	0.07	0.13	14.11	0.54	0.24
Paper, Printing & Publishing	1.12	1.94	51.93	2.00	0.97
Rubber & Plastics	0.46	0.79	23.48	0.90	0.88
Other Manufacturing	0.91	1.59	26.26	1.01	1.57
Construction	3.96	6.88	190.17	7.32	0.94
Retailing	5.69	9.88	291.16	11.21	0.88
Wholesaling	5.10	8.85	186.86	7.19	1.23
Hotels & Catering	2.42	4.19	148.19	5.71	0.73
Transport	1.36	2.36	115.07	4.43	0.53
Communications	0.59	1.03	56.14	2.16	0.48
Banking & Insurance	2.03	3.53	85.00	3.27	1.08
Business Services	10.78	18.70	337.45	12.99	1.44
Other F&Bs	1.94	3.37	85.34	3.29	1.03
Public Admin. & Defence	0.81	1.41	95.97	3.69	0.38
Education	4.03	6.99	189.70	7.30	0.96
Health	4.14	7.18	238.86	9.20	0.78
Other Services	5.63	9.77	152.30	5.86	1.67
Total Employment	**57.64**	100	**2595.64**	100	1

Source: Consultants' calculations from Experian employment data.

Floorspace change

2.10 Changes in commercial and industrial floorspace provide complementary indicators of development speed and type. Data extracted from the Valuation Office Agency (VOA) records provide a picture of North Herts development in the context of County and other local areas. Table 2-6 and Figures 2.3-2.6 show, subject to variability of the data, trends in stock of industrial (factories and warehouses), commercial offices and retail floorspace in North Herts, the County and comparators Stevenage and Luton over a similar period as the employment change described above.

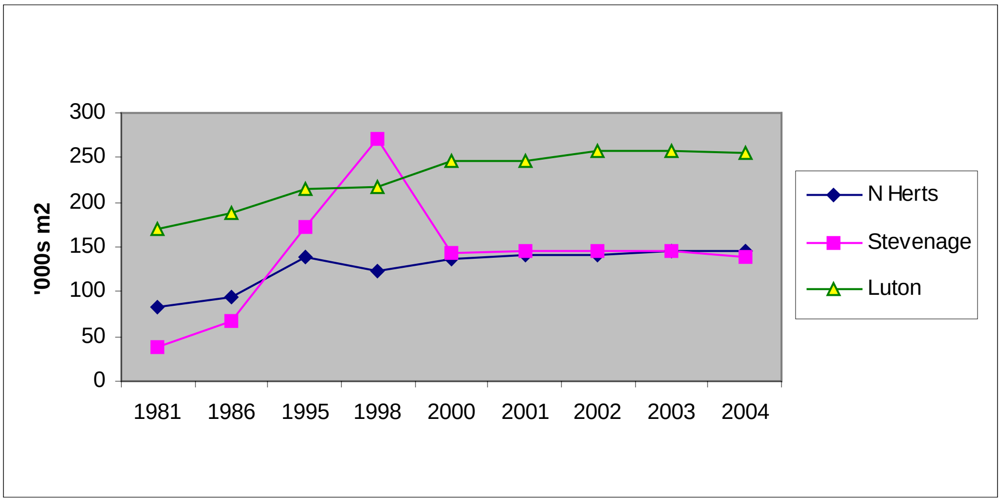
Table 2-6 Floorspace stock) in North Hertfordshire and comparator areas 1981-2002 ('000 sq m)

Sector/year		Hertfordshire	North Hertfordshire	Stevenage	Luton
Offices	1981	837	83	39	171
	1986	1011	93	67	187
	1995	1673	138	172	215
	1998	1915	124	*272*	218
	2000	1795	136	144	247
	2001	1868	142	145	246
	2002	1920	142	146	258
	2003	1974	145	146	257
	2004	1955	145	139	255
Factories	1981	4148	636	397	1378
	1986	3749	636	358	1334
	1995	*2000*	*311*	*231*	*537*
	1998	2900	411	287	705
	2000	2794	418	283	1009
	2001	2652	415	274	1008
	2002	2602	420	252	1399
	2003	2484	425	253	1319
	2004	2495	444	255	1318
Wareh'ses	1981	2051	188	147	371
	1986	2477	241	190	424
	1995	*2776*	*330*	*259*	*502*
	1998	2514	224	243	469
	2000	2789	252	253	444
	2001	2810	260	258	457
	2002	2866	267	264	462
	2003	3000	272	266	479
	2004	3142	287	262	496
Shops etc*	1981	1267	183	91	256
	1986	1333	187	98	264
	1995	1576	189	167	291
	1998	1869	207	188	308
	2000	1849	200	198	305
	2001	1879	205	202	303
	2002	1882	208	197	302
	2003	1915	209	266	302
	2004	1935	206	222	309

*Source: VOA. Data excludes government offices. Numbers in italics denote lower reliability, e.g. data for 1995, especially for factories, is understated. *Shops includes cafes, restaurants, banks, launderettes, hairdressers etc.*

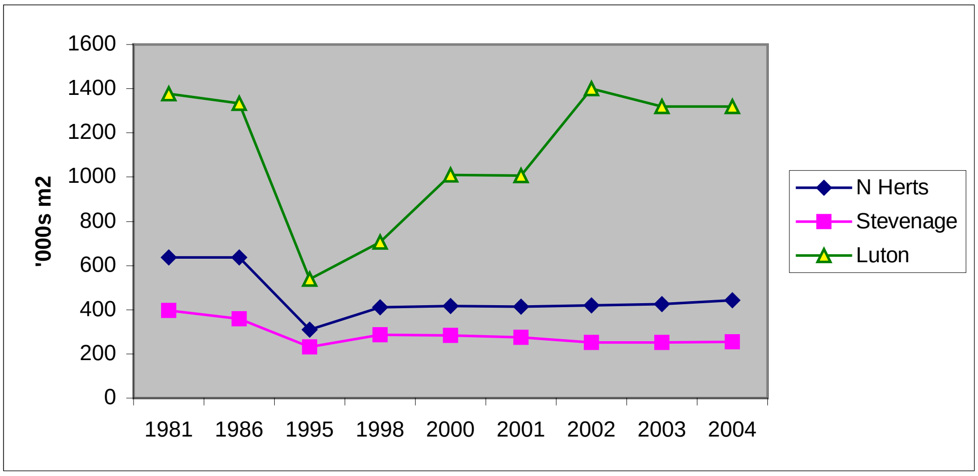
2.11 Table 2-6 and Figures 2-3-2-6 show how North Hertfordshire's floorspace growth has varied from the county average. For warehouses the District reflects county changes, with similar % increases but it has also, unlike the county, increased manufacturing floorspace. In terms of commercial property North Herts has lagged relatively on retail expansion (like Luton) but commercial office floorspace has grown more quickly.

Figure 2-3 Trends in commercial office floorspace growth 1981-2004



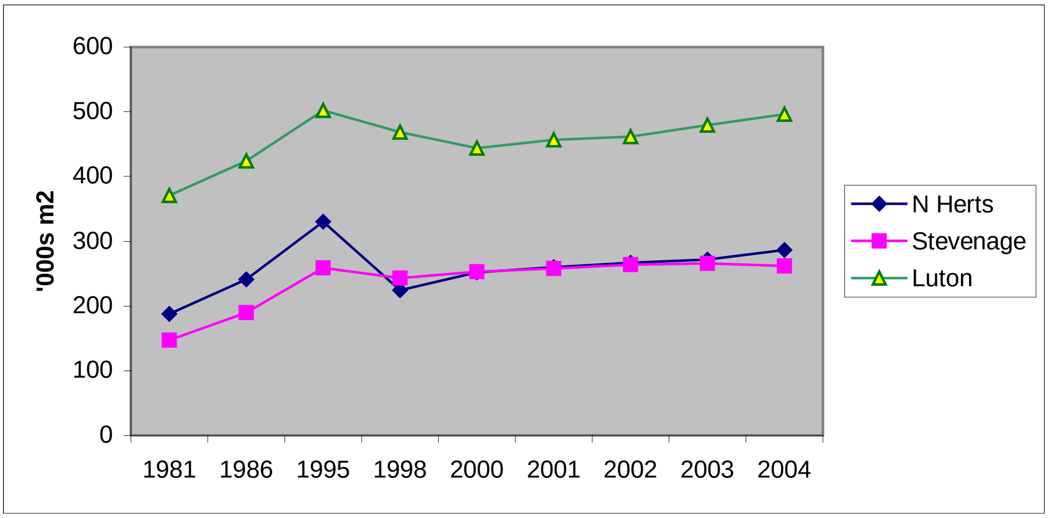
Source: Table 2-6

Figure 2-4 Trends in factories floorspace growth 1981-2004



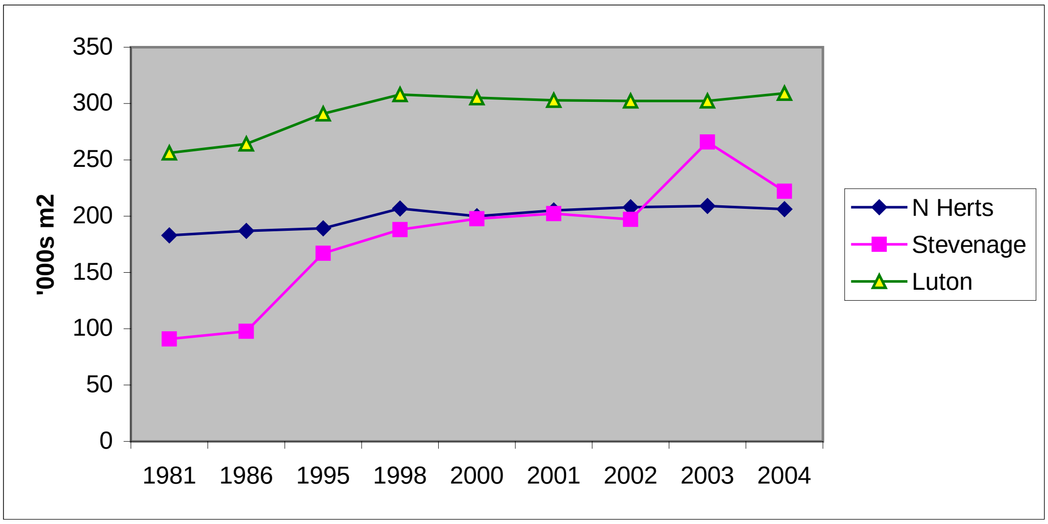
Source: Table 2-6

Figure 2-5 Trends in warehouses floorspace growth 1981-2004



Source: Table 2-6

Figure 2-6 Trends in shops floorspace growth 1981-2004



Source: Table 2-6

2.12 There are interesting comparisons with the neighbouring towns of Stevenage and Luton. Stevenage had less than half the commercial office space of North Herts in 1981, but had overtaken it by 2000. Taking government offices into account, not shown in the table, Stevenage had 307,000 sq m of all offices in 2004, compared with 171,000 sq m in North Herts. It is also clear that Stevenage has overtaken North Herts as a shopping centre, retail and retail services floorspace increasing 144% over the whole period, compared with just 13% in North Hertfordshire. Large retail parks have contributed significantly to this.

2.13 While Stevenage has advanced strongly over the last two decades, Luton by contrast has fared poorly. Despite being a larger centre it has had proportionately less office floorspace growth than North Hertfordshire and even slightly less retail floorspace growth.

Business dynamism and company size

2.14 Data is available both for the stock of businesses and rates of increase, measured by annual VAT registrations and deregistrations, providing some indicator of business dynamism. Other things being equal, local business buoyancy is suggested by stock of business, measured by numbers of businesses per capita, and growth in business stock. Table 2-7 shows how North Hertfordshire compares favourably with both the county and the East of England region as a whole for these indicators.

Table 2-7 Stock of businesses and growth of number of business units 1994-2004

Area	Stock of businesses at start of		Increase 94-04	Pop 1994-2003 ('000 mid year)	Businesses per '000 pop 1994-2003/4
	1994	2004			
East of England	161,575	182,890	1,315(+13.2%)	5,178-5,463	31.2-33.5 (+7.4%)
Hertfordshire	33,660	38,940	6,180(+18.4%)	995-1,041	33.7-38.3 (+13.3%)
North Hertfordshire	**4,230**	**5,145**	**915 (+21.6%)**	**113-120**	**37.4-42.9 (+14.7%)**

Source: ONS and consultants' calculations. Business numbers from VAT records may be partly understated due to uncertainty over VAT classifications.

2.15 Company size can be estimated from VAT and other ONS data – see Table 2-8. This shows that Herts county has a slightly larger average size of unit than the East of England, but less than the UK, while North Herts has a smaller average size of unit and only half the proportion of larger units than the county.[2] Relocations of large companies like Borg Warner away from North Herts have influenced this. Smaller than average company size may be viewed as favourable insofar as the vulnerability of the District to closures is reduced.

Table 2-8 Average size of VAT-based local business units 2003

Area	Total VAT based local units 2003	Jobs 2003 (000s)	Avge size of units (jobs)	Avge size of units as % of UK avge size	Proportion of units employing 250+ (%)
United Kingdom	2,057,390	29,849	14.5	100	0.48
East of E. Region	204,340	2,599	12.7	88	0.41
Hertfordshire County	42,970	569	13.2	91	0.54
North Hertfordshire	**5,450**	**58**	**10.6**	**73**	**0.28**

Source: ONS, EBS ,EERA Monitoring Report. Different sources, definitions and years are presumed to account for variations between figures in Tables 2.8 and 2.7.

[2] According the Inter Departmental Businsss Register (IDBR) North Herts had only 10 business units with 250 or more employees in 2004, compared with 15 in East Herts, 20 in Stevenage, 20 in Decorum, 25 in Hertsmere and 25 in Welwyn-Hatfield (source: East of England Monitoring Report 2004).

Unemployment, activity rates and job densities

2.16 These ratios provide further background on the relative position of the local economy. With regard to the former, NHDC Annual Monitoring Reports provide extensive information. These show how unemployment has been low and closely reflected the county average in recent years, with unemployment defined as 'claimant count proportions' falling to 1.5% or less in both county and district since 2000 – see Table 2-9. In comparison April 2005 unemployment in the East of England was 1.8% and in Great Britain 2.4% (Source: HCC Quarterly Unemployment Bulletin).

Table 2-9 Unemployment rates in Hertfordshire and North Hertfordshire 2000-2005 (April counts)

Year	Hertfordshire		North Hertfordshire	
	No	%	No	%
2005	8,931	1.4	990	1.4
2004	9,337	1.4	1,089	1.4
2003	9,337	1.4	1,089	1.5
2002	8,399	1.3	903	1.3
2001	7,078	1.1	757	1.1
2000	9,114	1.4	1,020	1.4

Source: NHDC Employment Monitoring Report 2004; HCC Quarterly Unemployment Bulletin.

2.17 Activity rates provide a further indication of economic buoyancy although these need to be used carefully. Table 2-10 compares trends of activity rates in North Herts, Stevenage and Luton from 2000 to 2004. The activity rate for North Herts has caught up and exceeded the regional average and is close to that of Stevenage. The rates are significantly higher than those of the region and the UK. The high activity rates for Stevenage reflect the socio-demographic profile of the town, i.e. with large employment choice, relatively young population and relatively low levels of tertiary education

Table 2-10 Activity rates 2000-2004

Year	North Hertfordshire	Stevenage	Luton	East of England	UK
Mar 99 - Feb 00	79.9	84.6	75.8	80.8	78.5
Mar 00 - Feb 01	82.7	88.1	76.3	81.8	78.3
Mar 01 - Feb 02	83.7	82.4	77.9	81.8	78.3
Mar 02 - Feb 03	83.8	88.7	76.2	81.5	78.3
Mar 03 - Feb 04	86.3	87.9	78	81.7	78.2

Source: Nomis local area labour force survey.

2.18 Job densities for the years 2000-2001-2002 have been calculated for Hertfordshire Districts as an indication of labour demand.[3] These are defined by the number of filled jobs in an area per resident of working age. Hertfordshire had an average job density so defined as 0.90 in 2002, changed little since 2000. For 2002 Stevenage's ratio is also high at 0.90, but North Hertfordshire's ratio is lower, at 0.80. This is close to the regional average of 0.81. It is perhaps an indication of slightly lower economic pressure than

[3] Unemployment Bulletin for Hertfordshire, HCC, April 2005.

experienced in other districts (Welwyn, Watford and Hertsmere are measured at 1.0 or over), but it does not appear to be a significant issue.

Skill levels

2.19 The District population has an above average skill level, with noticeably more people with NVQ3 and 4 than the county, and much better than the region, as shown in Table 2-11 Only 8% have no qualifications, cf. 15% in Great Britain.

Table 2-11 Qualification levels in North Hertfordshire District and other populations, 2001

Qualification level	North Hertfordshire (numbers)	North Hertfordshire (%)	Hertfordshire (%)	Eastern (%)	GB (%)
NVQ4 and above	28,000	38	29.8	23.2	25.2
NVQ3 and above	41,000	56.4	49.7	40.5	43.1
NVQ2 and above	51,000	70.6	68.1	61.1	61.5
NVQ1 and above	63,000	86.4	81.7	77.1	76
Other qualifications	4,000	5.5	7.5	8.2	8.8
No qualifications	6,000	8.0	10.8	14.8	15.1

Source: Local Area Labour Force Survey (Mar 2003-Feb 2004)

Earnings, household income, and housing affordability

Earnings

2.20 Selected earnings information from the New Earnings Survey provides some comparative information on District prosperity, and the latest Herts County Local Economy Assessment[4] shows as a 2003 snapshot the average full time earnings of workers and residents. Some interesting features include variation between residence and workplace-based incomes, as shown in Table 2-12. According to the former, North Herts has higher rates than Stevenage, although lower than the county. For workplace based rates Stevenage has higher wage rates than North Herts. It suggests that Stevenage employers are paying higher wages than those in North Herts, but that many economically active in North Herts are commuting to high paid jobs outside the district, probably London, hence on a *residence* basis many are enjoying higher incomes. It is perhaps surprising that even on a workplace basis North Herts is recorded as having lower average earnings than the UK, but if true it suggests that the local economy is wage-competitive.

[4] The economy - Hertfordshire Local Economy Assessment 2004.

Table 2-12 Gross average weekly full time earnings, Hertfordshire and other areas, 2003 (£)

Area	Residence based	Workplace based
UK	474	474
East of England	509	476
Hertfordshire	586	545
North Hertfordshire	**533**	**460**
Stevenage	472	532
East Hertfordshire	n.a.	486

Source: Herts LEA, op cit, extracted from New Earnings Survey 2003. Average hours worked differs slightly from place to place but this would not significantly affect the earnings averages

Household income and housing affordability

2.21 Household income in North Hertfordshire at £25,900 was exactly the same as the county average in 2004 (Source: Inland Revenue, quoted in East of England Monitoring report 2004, Table 4.27), and 18% higher than the East of England average of £22,000. Incomes in East Herts (£28,500) and St Albans (£30,500) were noticeably higher, but by contrast incomes were significantly lower in Stevenage (£20,600) and Luton (£18,600).

2.22 Housing affordability is often calculated as a ratio of house prices to income. By this yardstick North Hertfordshire scores relatively well on affordability, being better than the county average and having not a significantly less affordable ratio even than lower income towns like Stevenage and Luton – see Table 2-13.

Table 2-13 Average house prices, average household incomes, and housing affordability ratios, North Hertfordshire and comparator areas, 2004

Area	Overall average house price (£)	Average household income (£)	Ratio of house prices to income
Hertfordshire	235,828	25,900	9.11
North Hertfordshire	**209,200**	**25,900**	**8.08**
East Hertfordshire	239,518	28,500	8.40
Stevenage	145,169	20,600	7.05
Luton	136,440	18,600	7.34
Cambridge	220,226	18,700	11.78

Source: East of England Monitoring Report 2004, Table 4.27.

Commuting patterns

2.23 The impact of the proximity of Stevenage and Luton on the District's employment land requirements is a subject of the Part Two study. However, since commuting flows can reflect dependence on the economies of other areas it is useful to identify the principal movements from and to the district. Tables 2-14 and 2-15 identify the main movement trends for the census years 1991-2001.

How self-contained is North Hertfordshire?

2.24 In 1991, of the 43,870 jobs in North Hertfordshire, North Hertfordshire residents took up 66%. In 2001 there were 47,701[5] jobs in the area, of which local residents took up 63%. Commuting to North Hertfordshire has increased by 17.5% and commuting from North Hertfordshire has increased by 19% from 1991 to 2001. The gross increase in the number of commuters indicates that North Hertfordshire has become less self-contained in recent years – in common with almost all Districts in the country.

Balance of Flows

2.25 In 1991, 24,240 residents of North Hertfordshire commuted out of the area, whereas 15,070 commuted in. In 2001 there were 28,861 out-commuters and 17,709 in-commuters, so in net terms the District relies on other locations for much of its employment. A significant proportion of this is London commuting – 20% of all out-commuting – although there are substantial net outward flows to Stevenage and Welwyn-Hatfield. Interestingly, there are strong net inward flows from Bedfordshire, particularly mid Beds.

2.26 Both short and long distance commuting from North Hertfordshire has thus increased, with commuting to North Hertfordshire changing little from East Herts and Stevenage but more significantly from more distant locations, e.g. South Cambridge, rest of Beds and London. The net outflow of commuters to Stevenage has increased over the period while the net inflow of commuters from Luton has decreased.

Table 2-14 Commuting from North Hertfordshire District 1991-2001

Resident in North Hertfordshire, working in…	1991	2001	Change (%)
North Hertfordshire	*28,800*	*29,992*	*+ 4%*
Stevenage	5,370	6,399	+ 19%
East Hertfordshire	1,570	1,569	0%
Welwyn Hatfield	2,630	3,123	+ 19%
Rest of Hertfordshire	1,950	2,787	+ 43%
Luton	1,740	1,691	- 3%
Mid Beds	1,960	1,419	- 28%
Rest of Bedfordshire	480	640	+ 33%
South Cambridge	1,580	1,819	+ 15%
Rest of Cambridge	990	338	- 66%
London	4,690	5,690	+ 21%
Elsewhere	1,280	3,384	+164%
TOTAL	**53,040**	**58,853**	**+ 11%**

Source: 1991 census, 2001 census. 10% sample in 1991 grossed up to 100%.

[5] The figures in this paragraph are from the Census, so are not consistent with the ABI/LFS based estimates used elsewhere. See footnote to table 2.3

Table 2-15 Commuting to North Hertfordshire District 1991-2001

Working in North Hertfordshire, resident in…	1991	2001	Change (%)
North Hertfordshire	28,800	29,992	4%
Stevenage	3,500	3,405	- 3%
East Hertfordshire	700	745	6%
Welwyn Hatfield	610	688	13%
Rest of Hertfordshire	730	955	31%
Luton	900	1,082	20%
Mid Beds	4,220	4,732	12%
Rest of Bedfordshire	600	851	42%
South Cambridge	1,300	1,837	41%
Rest of Cambridge	650	718	10%
London	330	630	91%
Elsewhere	1,530	2,066	35%
TOTAL	**43,870**	**47,701**	**9%**

Source: As Table 1.14.

Future prospects

2.27 Projections of Gross Value Added and employment made by Experian have been prepared for the region, sub-regions (counties) and individual districts for the period up to 2021. As noted in Section 6 of this report, the higher growth alternative projection, which underlies the draft EEP, incorporated an additional job quantum for the county of 4,500 which reflected the Stansted effect. As this relates to the Harlow area, there is no additional (EEP-related) employment repercussion for North Hertfordshire.

2.28 All projections need to be treated with some caution, and this applies particularly at the district level, and even more so as there have been significant revisions of the Experian projections since 2003. Subject to these caveats the projections provide one measure for the study task of estimating future employment land requirements. For that work the consultants will have particular reference to the sectoral breakdown of the projections. For this review of the local economy the 'Business as Usual' (BAU) and 'Enhanced Growth 21+'(EG21+)[6] projections of aggregate employment are extracted for North Herts for the period 2001-2011-2021 with selected comparisons for other areas (Table 2-16).

2.29 Both BAU and EG21+ projections show a slowdown in the historic rate of growth summarised in Table 2-3. North Herts is projected to grow more slowly from 2002 to 2021 than the county, as it did 1992-02. [7]

6 Level of growth required to place East of England region in the top 20 EU regions by GVA per capita.
7 These projections have subsequently been revised in Chapter 5.

Table 2-16 Business as Usual & Enhanced Growth 21+ employment projections for Hertfordshire, Stevenage, North Hertfordshire, 2001-2011-2021 (‘000)

Area	2001	2011	2021	Change 2001-11	Change 2011-21	Change 2001-21
Herts County						
BAU	573.1	591.7	605.6	18.6 +3.2%	13.9 +2.3%	32.5 +.5.7%
EG21+	573.1	604.2	637.8	31.1 +5.4%	33.6 +5.6%	64.7 + 11.3%
Stevenage						
BAU	45.8	44.7	45.4	1.1 -2.4%	-0.7 -1.6%	-0.4 -0.9%
EG21+	45.8	45.6	47.5	-0.2 -2.2%	1.9 +4.2%	+1.7 +3.7%
North Herts						
BAU	55.9	56.6	57.8	0.7 + 1.3%	1.2 +2.1%	1.9 +3.4%
EG21+	55.9	57.8	60.3	1.9 + 3.4%	2.5 + 4.3%	4 .4 +7.9%

Source: Experian 2003 based forecasts

3. CURRENT SUPPLY OF EMPLOYMENT SITES

Overview

3.1 An inventory of employment land in North Hertfordshire was undertaken as part of a Hertfordshire County Council survey in 2000-2001 (referred to in this report as the HCC 2001 survey) assembling land details for each District.[8] A total of 247.4 HAs of employment land was identified, summary location and floorspace type characteristics of which were reported as shown in Table 3-1. For comparison the average distribution in the county is also shown. The survey was rather crude so the figures need to be treated as approximations rather than precise numbers.

Table 3.1 Employment land stock in North Hertfordshire, 2001 (HAs)

Use class	B1a office	B1b R&D	B1c light industry	B1 not known	B2	B8	B1/B2/ B8 mix	SG/ other	Total
HAs	17.0	0	9.1	32.9	66.7	20.3	36.8	64.5	247.4
%	6.7%	0%	3.7%	13.3%	27.0%	8.2%	14.9%	26.1%	100%
County %	13.1%	7.4%	6.0%	7.0%	13.6%	14.2%	23.9%	14.9%	100%
Location					**Town Centre**	**Edge TC**	**Other urban**	**Rural**	**Total**
HAs					3.1	7.8	231.1	5.3	247.4
%					1.3%	31.5%	93.4%	2.1%	100%
County %					2.8%	17.0%	70.9%	9.2%	100%

Source: HSP Technical Report 1, op cit.Talle SG – sui generis.

3.2 The District had 11.7% of all employment land in the county (11.3 % of population, 2001), with a more pronounced concentration of B2 manufacturing space and sui generis uses (totalling 53% cf. 28.5% county) and a rather lower proportion of B1 office space. There was also very little business space in town centres in North Hertfordshire. The high sui generis/other proportion, including retail, showrooms, auto uses, gyms, places of worship etc indicates that the District had somewhat less available land for mainstream employment uses than average. Of the 247 HAs of land, 216 HAs were allocated in the Local Plan[9] and 31 has been surveyed outside it.

3.3 Qualitatively the District had somewhat older stock than the average, with only 8% of the buildings judged to be 'very modern' (post 1990) as compared with 21% in the county as a whole. (Technical Report 1 op cit, Table 6.8).

[8] Reported in Hertfordshire Structure Plan Alterations 2001-2016,Technical Report 1, Employment Space Needs in Hertfordshire 2001-2016, HCC July 2002.
[9] North Hertfordshire District Local Plan, No2 with Alterations. Site areas are not specified in the Written Statement.

3.4 Under the old Structure Plan arrangements, North Herts had allocation of 216,000 m2 of employment floorspace, but this was severely cut to 97,000 sq m in 1993 following Secretary of State guidance.

Reconciliation of employment land – floorspace figures

3.5 The mix of land areas in Table 3-1 can be simplified by summing all B1 types together, and treating the whole of the mixed use category B1/B2/B8 as B8 (36.8 HAs) assuming that storage accounts for most of it. Adding to 'pure' B8 (20.3 HAs) one arrives at approximately 57 HAs for B8 land use as a whole – see Table 3-2. With this addition the 2001 use of employment land divides into four not dissimilar groups as follows:

Table 3-2 Broad employment land use summary from 2001 survey

Land use	HAs
B1	59.0
B2	66.7
B8	57.1
Other	64.5
Total	247.3

Source: Table 3-1

3.6 Taking two recent years for which data is available, with further assumptions on floorspace density and plot ratio[10], Table 3-3 demonstrates the broad correspondence of the three categories of *employment* (manufacturing wholesale/transport; business services, Experian data); with equivalent VOA *floorspace groups* (factories and workshops; warehousing/storage; offices); and *land use classes* (B2, B8 and B1, HCC survey).

3.7 The main inconsistency is between VOA factory and warehouse space, and employment-derived manufacturing and warehousing/distribution space, which are however very close if added together simply as industrial building. Allowing for the uncertainty over sui generis and other non-B uses, the table confirms the 2001 survey estimate of around 250 HAs of employment land, and the consultants' updated 2005 field survey, summarised in Table 3-4.

10 These ratios are broad brush, to provide approximate land estimates, and other ratios may be used.

Table 3.3 Derived estimates of employment land area in North Herts

Sector	Employment base		VOA floorspace base	
	2000	2002	2000	2002
	Manufacturing		**Factories/ workshops**	
employment	9,200	8,000		
Sq m/worker	34	34		
Sq m total	312,800	272,000	418,000	420,000
plot ratio	0.4	0.4	0.4	0.4
HAs total	78.2	68.0	104.5	105.0
	Wholesale & Transport		**Warehousing/storage**	
employment	6,500	6,400		
Sq m/worker	60	60		
Sq m total	390,000	384,000	252,000	267,000
plot ratio	0.4	0.4	0.4	0.4
HAs total	97.5	96.0	63.0	64.1
	Business Services		**Offices**	
employment	10,300	10,700		
Sq m/worker	19	19		
Sq m total	195,700	203,300	136,000	142,000
plot ratio	0.4	0.4	0.4	0.4
HAs total	48.9	50.8	34.0	35.5
Gross sq m	898,500	859,300	806,000	829,000
Gross HAs	224.6	214.8	201.5	204.6
Sui generis %	25%	25%	25%	25%
Gross with SG HAs	269.6	257.8	251.9	255.0
SG alone HAs	44.9	43.0	50.4	51.2

Source: Chapter 1 Tables 2-4,2-6, Experian data. Consultants. Sq m per worker assumptions adopted from English Partnerships/Arup Economics and Planning "Employment Densities, a simple guide", 2001. Plus assumed correspondence of B1/Offices with Business Services employment.

Methodology: Estimating Current Supply

Hertfordshire County Council Employment Land Study (2000-1)

3.8 The HCC 2000/2001 Employment Land Survey was used as the basis for the 2005 consultants' survey. Site area (hectares) was the physical measure of employment land for the study areas in the 2001 study, and this provided the most up to date measure of employment land area for North Hertfordshire. Rather than measuring each hereditament separately, the 2001 study aggregated hereditaments into groups, termed "parcels".[11] It was necessary to use the 2001 study geographical classifications, as these were the units of measurement of the site area figures available, and also to allow comparison between 2001 and 2005 results.

[11] Parcels could be large areas, e.g. a whole industrial estate.

Site Surveys

3.9 Site surveys were carried out in Employment Areas and other major industrial estates in the towns of Baldock, Hitchin, Letchworth, and Royston. The geographical units of measurement were the parcels (groups of hereditaments) defined in the HCC 2001 survey (see following section). All parcels were assessed separately, along with other sites nominated by NHDC. Guidelines used by site surveyors in the 2001 study were made available by HCC, and these were used as the basis of the 2005 site assessments so to ensure the greatest possible level of consistency.

3.10 The predominant characteristics of each parcel were assessed and recorded. In most cases there was more than one significant type of activity and/or building type, and in these cases all major uses were recorded, with the parcel's characteristics recorded as such. For a full list of the variables assessed on-site, a copy of the site survey form is provided in Appendix 1. (Instructions to site surveyors are shown in Appendix 2).

Interpretation of parcel information

3.11 As assessments were made only of the predominant characteristics of parcels, the results of the 2001 and 2005 surveys should be interpreted as qualitative. They reflect a judgement of the major characteristics of groups of hereditaments. Each record describes the predominant characteristics of the particular parcel as judged by the surveyor, hence minor characteristics within these parcels are not shown. This methodology means that quantification of results at the aggregate level should be treated with care.

Building completions /change of use between 2001 - 2005

3.12 The 2005 survey should identify changes since the 2001 survey. In most cases these occurred in the type of use within a given parcel. In principle these ought to match building completion records kept by HCC and NHDC, recording changes of use, additions, and losses of B-use land each year.[12] These records were used as an indicator of use change over the period within each parcel - site surveyors being able to verify these changes as a part of the on-site assessment.

3.13 Completions are included in the database, and have been used to assess whether land previously unrecorded (in the 2001 study) should be added to the total stock, and to measure the amount of land added or lost to B-use. They were provided by HCC for the years ending 31st March 2001, 2002, 2003, 2004, 2005 and NHDC for 2004 and 2005. As these records provided changes in floorspace (m^2) rather than land area (has), estimates of land area have been made using a plot ratio assumption for comparison with the parcel land area measurements.

Vacant employment land

3.14 The 2001 survey provided an indicator of "significant vacancy" (judged as more than 10% of buildings within a parcel vacant), as well as a description of the type of vacancy. The 2005 survey updates this indicator, as well as adding further vacancy data. The extra vacancy data is based on the Exemplas register provided by Hertfordshire Future. This describes buildings which are on local estate agents books (not necessarily all vacant), as

[12] HCC completions surveyed do not cover developments less than 235 m2.

at June 2005, by floorspace. The vacancy table in the database prepared from the survey provides the original floorspace figures, and also a land area vacant measurement calculated from these. The vacancy records have been coded to the relevant parcels where this is relevant, or to a classification describing the nature of its location: Town Centre; Urban, or Rural, where the vacancy is not part of a major employment or industrial area.

Current Supply of Employment Sites

3.15 Tables 3-4 –3-5 show the breakdown of parcels by their predominant uses in 2005. The use of parcels as the survey units and their classification according to the predominant use(s) produces a large number of classes, which reflect different combinations of B1 uses and sui generis and other uses. This approach was established in 2001, retained in the intervening years and retained also in the present survey. It does not produce a clear picture of the pattern of employment land in the District or of changes in the pattern (although uses are very mixed on the ground) but it was necessary to retain this methodology to enable comparisons with the 2001 survey.

Table 3-4 Parcel Area by predominant type of B-use, Baldock, Hitchin, Letchworth, Royston, North Hertfordshire 2005 (HAs)

	B1	B2	B8	SG Other	B1/B2	B1/B8	B2/B8	B1/B2 /B8	B1/SG Other	B8/ SG Other	B1/B8/ SG Other	B2/B8/ SG Other	B1/B2/ B8/SG Other	Completely vacant parcel	**Total B-use**
Baldock	0.97	0.00	0.00	4.28	1.42	2.70	0.00	0.00	1.35	0.00	0.00	0.00	0.00	0.00	**10.72**
Hitchin	15.65	5.18	8.84	19.68	0.00	13.88	0.00	0.00	3.39	0.00	0.00	1.58	0.00	0.00	**68.21**
Letchworth	13.32	5.15	6.52	15.70	11.03	32.41	1.16	19.82	9.26	0.96	0.00	0.00	0.00	1.28	**116.61**
Royston	6.65	0.55	2.46	7.57	13.51	6.39	0.00	5.29	0.67	0.00	3.64	0.00	3.58	0.00	**50.31**
North Hertfordshire	**36.59**	**10.88**	**17.82**	**47.23**	**25.96**	**55.39**	**1.16**	**25.11**	**14.67**	**0.96**	**3.64**	**1.58**	**3.58**	**1.28**	**245.85**

Source: Consultants

Table 3-5 Table description of B1-uses within areas where B1 use is a predominant activity, Baldock, Hitchin, Letchworth, Royston, 2005

	Baldock		**Hitchin**		**Letchworth**		**Royston**		**North Herts**	
	Land area (ha)	**% of total**	**Land area (ha)**	**% of total**	**Land area (ha)**	**% of total**	**Land area (ha)**	**% of total**	**Land area (ha)**	**% of total**
All predominantly B1 area[1]	6.44	60.1	32.92	48.3	85.84	73.6	39.74	79.0	164.95	67.1
B1a	-	-	17.35	52.7	42.81	49.9	9.72	24.5	69.88	42.4
B1b	-	-	-	-	-	-	-	-	-	-
B1c	4.12	64.0	8.69	26.4	9.76	11.4	3.97	10.0	26.54	16.1
B1 mixed use	2.32	36.0	6.89	20.9	33.27	38.8	26.05	65.5	68.53	41.5
Of which										
B1a/B1b	-	-	-	-	*6.99*	*21.0*	-	-	*6.99*	*10.2*
B1a/B1c	*0.74*	*31.9*	-	-	*16.56*	*49.8*	*6.79*	*26.1*	*24.08*	*35.1*
B1b/B1c	-	-	*6.10*	*88.5*	-	-	-	-	*6.10*	*8.9*
B1a/B1b/B1c	*1.58*	*68.1*	*0.79*	*11.5*	*9.72*	*29.2*	*19.26*	*73.9*	*31.36*	*45.8*
Non predominantly B1 area[2]	4.28	39.9	35.29	51.7	29.49	25.3	10.58	21.0	79.63	32.4
Vacant sites	-	-	-	-	1.28	1.1	-	-	1.28	0.5
Total	**10.72**	**100.0**	**68.21**	**100.0**	**116.61**	**100.0**	**50.31**	**100.0**	**245.85**	**100.0**

Source: Consultants. Notes: 1Includes area that is solely predominantly B1 use and areas where predominant use is a mix of B1 and other uses.2 Non-predominantly B1 area is the sum of all parcels which have a predominant use which is not totally or partially B1 use

3.16 However some broad observations can be made from the tables:

- In 2005 nearly half the employment land in the District was in Letchworth, over a quarter in Hitchin, a fifth in Royston and less than 5% in Baldock.
- Totally vacant parcels account for 1.28 has or 0.5% of the total employment land in the District; there are clearly further areas of vacant land which do not register as the predominant use in their parcel (this is one of the weaknesses of the original methodology)
- No parcels are classed as predominantly B1b (R&D/Laboratories/Studios) again potentially misleading as these exist but are concealed within the dominant use, and 16.1% of the land area is in predominantly mixed-use parcels.
- B1 uses, on their own or mixed with other uses, account for 67.1% of the employment land area in the District and within that total parcels classified as predominantly B1a (offices) account for 42.4% of the land area.
- The overall land area has changed only slightly; a fall of 1.45 hectares, but the scale of change may have been artificially damped or concealed by the parcel system of measurement.
- The parcels that have been classified to a single use have all declined in total area between 2001 and 2005, some heavily; the parallel growth in mixed use parcels might lend support to the theory that overall loss of employment land (i.e. B class uses) has been heavier than the figures reveal.
- The decline in area has been particularly heavy in B2 (general industry) parcels (-55.8 hectares), which has been only partly offset by an increase in the area of B1/B2 parcels (+2.3 hectares). This reflects the decline in industry, which has been experienced across the UK.
- B8 parcels have also declined in area by 2.5 hectares, but mixed B1/B8 parcels have increased from 8.1 hectares to 55.4 hectares. This reflects the national growth in distribution activities.
- Mixed B1/B2/B8 parcels have also increased in area, by 20 hectares.

3.17 Table 3-6 shows changes over 2001-5. Overall it is not possible to discern the total net change in areas devoted to individual B classes or even to the B classes as a whole because of the significance of mixed-use parcels that include sui generis activities and other uses as well as B uses.

Table 3-6 Comparison of employment land survey results, North Hertfordshire, 2001, 2005 predominant use (HAs)

		2000		2005	
		Number	%	Number	%
B1a		17.0	6.9	15.5	6.3
B1b		0.0	0.0	0.0	0.0
B1c		9.1	3.7	5.9	2.4
B1 mix		32.9	13.3	15.2	6.2
B2		66.7	27.0	10.9	4.4
B8		20.3	8.2	17.8	7.2
SG Other		64.5	26.1	47.2	19.2
	B1/SG Other	…	…	14.7	6.0
	B8/ SG Other	…	…	1.0	0.4
	B1/B8/SG Other	…	…	3.6	1.5
	B2/B8/SG Other	…	…	1.6	0.6
	B1/B2/B8/SG Other	…	…	3.6	1.5
B1/B2		23.7	9.6	26.0	10.6
B1/B8		8.1	3.3	55.4	22.5
B2/B8		0.0	0.0	1.2	0.5
B1/B2/B8		5.0	2.0	25.1	10.2
Vacant parcel		…	…	1.3	0.5
Total B-use		**247.3**	**100.0**	**245.85**	**100.0**

Source: Hertfordshire County Council, 2002; BWA/SPA, 2005.
Notes: Where B1 sub-classes a, b, and c, were recorded in the 2005 survey as predominant uses within a parcel, this was usually mixed with another B-use, or as a mixture of B1 sub-classes. Therefore the 2005 results for these figures are derived figures based on the total predominant B1 use area figure, pro-rated with the overall B1 sub-class split calculated in Table 3.5. The SG/ Other mixed classes were not quantified in the 2001 survey, which records parcels as totally, or non SG/ Other predominant. In the 2005 study, SG/ Other land use had become more common, and this is reflected in the extra categories in this year.

Land supply distribution

3.18 A crude assessment of distribution can be made relating estimated employment land stock in North Herts towns to each town's population or labour force. At this broad brush level census population is a sufficient proxy, and Table 3-7 sets out a simple ratio of employment land per '000 population in the four North Herts towns.

Table 3-7 Employment land (HAs) per '000 population, North Herts towns

Town	**Population 2001**	**Employment land 2005**	**Empl land/'000 pop**
Hitchin	30,360	68.2	2.25
Letchworth	33,690	116.6	3.46
Baldock	9,260	10.7	1.16
Royston	14,290	50.3	3.5
Total	**87,600** (1)	**245.9**	**2.81**

Source: 2001 census/NHDC website(population); Table 3.5. (1) excluding rural areas.

3.19 The distribution brings out the very low per capita provision of employment land in Baldock. Being located adjacent to Letchworth, the latter may be presumed to provide opportunities for Baldock, but nevertheless is likely to involve some longer journeys.

Completions of new development 2001-05

3.20 Tables 3-8–3-9 show completions of development by use type as estimated by HCC survey in the period 2001 to 2005. The levels change greatly from year to year so a five-year period is probably the bare minimum period to give an indication of trends. Subject to this caveat features that stand out from this record include:

- The gross amount of development[13] completed in the three broad use classes (Table 3-8) was similar over the five-year period: 9,117 sq.m. of B1 per annum, 8,252 sq.m of B2 space and 6,250 sq.m. of B8 space. It might be expected that both office-based and distribution services would be developing on a significantly larger scale than industry, but they are not. This is consistent with demand evidence for North Herts space that the office sector is poorly developed and that the industrial estates are not well located for distribution
- Within these overall figures, for the Districts (Table 3-9) Baldock experienced a net loss of B1, but a similar gain of B8, Royston was the most buoyant town with significant gains in B8 completions, Hitchin has lost some B8 development, but gained significant amounts of B1 space and Letchworth has experienced little net change of employment floorspace.

Table 3-8 Annual and average business floorspace completions in North Herts, 2001-2005 (sq m)

Use		2000/01	2001/02	2002/03	2003/04	2004/05	2000/05	Avge p.a.
B1	Incr.	2467	25978	921	5043	11178	45587	9117
	Decr.	11356	5728	2584	6527	5403	31598	6320
	Net	-8889	20250	-1663	-1484	5775	13989	2798
B2	Incr.	13297	16977	0	6414	4574	41262	8252
	Decr.	1098	16391	2379	3276	2338	25482	5096
	Net	12199	586	-2379	3138	2236	15780	3156
B8	Incr.	6319	11132	2793	1308	9697	31249	6250
	Decr.	6917	9140	0	875	3606	20538	4108
	Net	-598	1992	2793	433	6091	10711	2142
B1+B2+B8	Incr.	22083	54087	3714	12765	25449	118098	23620
	Decr.	19371	31259	4963	10678	11347	77618	15524
	Net	2712	22828	-1249	2087	14102	40480	8096

Source: Herts CC. Note that developments under 235 sq m excluded.

13 Excluding small sites below 235m2.

Table 3-9 Net business floorspace completions by town in North Herts, 2001-2005 (sq m)

Land Use Class	Baldock	Hitchin	Letchworth	Royston	North Herts – 4 towns
B1	- 2,432	+ 5,600	- 216	+ 225	+3,177
B2	0	+ 1,236	+ 744	+ 635	+2,615
B8	+ 2,181	- 1,556	0	+6,647	+7,272*
Total	**- 251**	**+ 5,280**	**+ 528**	**+7,507**	**+13,064**

*Source: HCC. * Does not appear consistent with Table 3-8 net change.*

3.21 In principle the summary completions for the District should cross check with VOA net stock change figures set out in Table 2-6, but this is only partially the case. The nearest comparisons at time of this report are for the 5 year periods, start April 2001-end March 2005 (HCC) and April 2000-April 2004 (VOA) as follows (Table 3-10).

Table 3-10 Comparison of HCC completions and VOA net stock change 2000-2005 (sq m)

Use	Completions 2001/5 gross	Completions 2001/5 net	Stock change 2000-2004
B1/Offices	45,600	14,000	9,000
B2/Factories	41,300	15,800	26,000
B8/Warehouses	31,200	10,700	35,000
Total floorspace	118,100	40,500	70,000

Source: Tables 2-6 and 3-8

3.22 In principle net rather than gross completions may be thought to correspond most closely with VOA stock change, and looking at a slightly longer VOA time series, office development would appear to be of the same order of magnitude as net office completions. (Given major annual fluctuations and the time series differing by one year, significant differences could in any case arise simply on those grounds). However, it appears more likely that 'real' industrial stock development (VOA factories + warehouses) corresponds more closely to gross completions (HCC B2 + B8), i.e. 61,000 sq m cf. 72,000 sq m in Table 2-10. This may not be surprising as we suspect that much of the classification out of B2/B8 (the recorded decreases), is to uses like sui generis/retail warehousing/builders merchants/auto trades etc, where the building is still an industrial shed and rated as such by the Valuation Office.

3.23 In order to assess the rate at which the stock of premises is being replaced in North Herts, we have estimated, from the Valuation Office Agency data presented in Chapter 2 and from our own estimate of floorspace based on land area and plot ratio the total current floor area in B uses as approximately the 876,000 sq m figure in Table 2.6. The completions records indicate a gross increase of floorspace of 23,600 m2 per annum 2001-5, a decrease of 15,500 sq m and a net increase of 8,100 sq m shown in Table 3-8.

3.24 The gross increase represents about 2.8% of the stock in 2003, (the mid year, Table 2-6) the gross decrease about 1.8% and the net increase some 1.0%. A gross decrease of 1.8% implies that the stock is being replaced or at least demolished once every 55 years, which is very low for industrial and commercial buildings, which have typically had a life of 25 years (changes in types of economic activity and in production methods probably mean that replacement rates should be much higher than once in 25 years). To the extent that this decrease reflects changes of use rather than demolition, it indicates an even lower rate of replacement. The net increase in floorspace of 1.0% p.a. is probably compatible with current economic growth rates after making allowances for changes in the efficiency of utilisation of floorspace.

4. MARKET DEMAND AND VACANCY

Market demand: quantitative estimates

4.1 A number of approaches to the estimation of demand for employment space have been used:

- One commercial agent with a substantial share of the lettings and sales market has provided records of their transactions in the period 2002-4 for the four towns.
- We have examined changes in employment and floorspace in recent years.
- The completions records presented in the last chapter provide additional evidence

4.2 Table 4.1 brings together a number of figures on employment and floorspace change from the first chapter. The picture that emerges from the table can be summarised:

Table 4-1 Demand analysis

Total employment change ('000s)	**1982**	**2002**	**% change p.a.**	**% change 1982-02**	**Projected to 2016**	**F'space per wkr**	**F'space req'd (sq m)**
North Hertfordshire	48	58.4	0.99	21.7	67	18.6	1,246,000
Hertfordshire	447.2	569.6	1.22	27.4	675		
Stevenage	40	44.2	0.5	10.5	47.4		
Sector employment change							
Manufacturing	12.6	8	-2.25	-31.8	5.82	18.6	108,252
Wholesaling	3.9	5	1.25	28.2	5.95	46.5	276,675
Transport	1.4	1.4	0	0	1.4	46.5	651
(Sub-total above three)							384,992
Business services	*6.2*	*10.2*	*2.52*	*64.5*	*14.45*	*18.6*	*26,877*
Public admin/defence (1)	*4.9*	*0.9*	*-8.12*	*-81.6*	0.28	18.6	5,208
Education & health	4.6	9	3.41	95.7	14.39	18.6	267,654
Other services	7.5	13.6	3.02	81.3	20.63	18.6	383,718
Floorspace change (sq m)	**1981**	**2004**	**% change**	**% change 1982-02**	**Projected**		
North Hertfordshire			**p.a.**		**to 2016**		
Offices	83,000	145,000	2.42	73.5	191,786		
Factories	636,000	444,000					
Warehouses	188,000	287,000					
Factories & warehouses	824,000	732,000	-0.58	-12.6	671,206		

Source: Consultants (1) Shown in italics as there is doubt over the accuracy of the 1982-2002 nos.

- Overall employment in the District grew about 1% p.a. in the period 1982-2002; if this rate were maintained to 2016 the resulting workforce might, if it were all accommodated in conventional floorspace at, conservatively, 18.6 sq m. per worker, require about 1.24 million sq m. This compares with the total floorspace in offices, factories and warehouses in 2016 (on projected growth rates) of 0.86 million sq m. The difference is partly accounted for by the large numbers of employees accommodated in other types of premises e.g. shops, hospitals, schools, garages etc. If the aggregate floorspace changes are projected to 2016, the floorspace required in 2016 is about the same as that in 2004, some 0.86 million sq m, the increase in offices being offset by the decline in industrial space.

Within the overall change in the requirement there are significant sectoral shifts:

- Manufacturing employment has declined at 2.25% p.a. 1982-2002 and floorspace in factories has declined by 195,000 sq m. over the period 1981-2004 (1.55% p.a.)
- Employment in wholesaling and transport grew from a lower base at 0.95% p.a. 1982-2002, whereas warehousing floorspace increased 1.7% p.a. 1981-2004.
- The increase in office employment (business services), 2.52% p.a. matches the increase in office floorspace (2.42% p.a.) in the last two decades of the last century
- The proportion of sui generis and other non-B use floorspace on estates appears to have been relatively stable since 2000-2001
- The shift away from industrial space towards office premises might indicate a shift from industrial estates towards town centres or business parks. The next section will however reveal no clear pattern of office development in the four towns.

4.3 Table 4.2 shows the summary of the transactions (in sq ft as provided) recorded by one local agent in the period 2002-4 in the four towns. The records have been grossed up by reference to the agent's estimate of their share of the market in each of the towns; caution should be used in interpreting the data, especially in relation to Letchworth, where an estimated 65% of the market is held by Letchworth Garden City Heritage Foundation (LGCHF), from whom no information on take-up was available.

Table 4.2 Take-up of employment space, 2002-4, four towns, North Hertfordshire, sq.ft. & no. of transactions

Industrial/warehousing	**Letchworth (2)**	**Royston**	**Baldock**	**Hitchin**	**N Herts**
Take-up 2002-4	149,537	67,600	2,000	269,520	488,657
Average take-up p.a.	49,846	22,533	667	89,840	162,886
Agent's market share %	19	60	50	65	
Grossed up take-up p.a.(3)	262,346	37,556	1,333	138,215	439,450
No. of transactions 2002-4	35	5	2	42	84
Average transaction size	4,272	13,520	1,000	6,417	5,817
No. of transactions >10,000 sq.ft.	4	1(1)	0	9	14
Offices					
Take-up 2002-4	0	2,260	0	43,025	45,285
Average take-up p.a.	0	753	0	14,342	15,095
Agent's market share %	19	60	50	65	
Grossed up take-up p.a.		1,256	0	22,064	23,320
No. of transactions 2002-4		2	0	22	24
Average transaction size		1,130	0	1,956	1,887
No. of transactions >5,000 sq.ft.		0	0	1	1

Source: Local agents, Consultants' estimates Notes (1) One transaction was of 52,000 sq.ft. (2) Figures susceptible to error: 65% handled by LGCHF, for whom no records available. (3) Annualised rate of take up (second line).

4.4 Letchworth and Hitchin dominated the industrial/warehousing market in this period, their transactions accounting for 91% of the district market, which would have been much higher but for one single transaction of 52,000 sq.ft. in Royston. There were few (14) transactions over 10,000 sq.ft. and these were all bar one in Letchworth and Hitchin.

4.5 In the office market the only significant number of transactions was in Hitchin, 22 out of the 24 in the district. There will have been some under-recording in Letchworth as the only significant office premises are in LGCHF's portfolio (Spirella, Nexus and Focus 4), but the scale of activity will nevertheless have been small.. There was only one recorded transaction over 5,000 sq.ft. indicating, as the next section confirms, that North Herts serves a mainly local market.

4.6 The completions data presented in the last section (Table 3-8) showed a similarity between the annual rates of completions for B1 (9,117 sq m/pa) and B2 (8,252 sq m/pa), with rather less B8 (1,939 sq m/pa). It would have been expected that the rate for B2, general industry, would be lower or even negative in net terms, because of the continuing decline in industrial activity. While this may reflect the low rates of development in the office sector it may have more to do with the lack of differentiation of B2/B8 and the light industry element of B1, which covers most modern industrial activity.

Market demand: qualitative evidence

4.7 Two agents active in commercial and industrial markets in North Herts gave extended interviews on the performance and prospects of the industrial and office markets in the four main towns of North Herts. The comments are summarised in a SWOT analysis in Appendix 3.

4.8 There is little difference between the towns in terms of rents for industrial (including warehousing) space. The only difference is that in Baldock the level of activity is so low that it is impossible to define a typical rent. In all the towns there is a premium attaching to the rent for smaller premises (smaller than 1,000 sq.ft.). A general comment is that demand has shifted very much in favour of buying rather than renting for industrial occupation; the building might form part of the business owner's pension fund or be retained as an investment.

4.9 Baldock, Hitchin and Letchworth all operate in the A1 corridor market, whereas Royston is oriented towards the S Cambridge/A10 market. The A1 and A505 give Letchworth and Baldock good access, but Hitchin suffers from poor access within the town to the main industrial estate. Some tenants in Letchworth are reported to be critical of LGCHF's estate management and development policies and practices; we understand the Foundation is now preparing a strategy for industrial redevelopment in order to upgrade their offer (both modernisation and change of use).

4.10 Royston has seen a recent recovery of interest in premises in the town, particularly from three large occupiers: Hamley's, Automotive Partnership and Safeline and there is continuing demand for space and redevelopment from Johnson Matthey. Royston differs in drawing from a Cambridge market, where it can offer a price advantage over Cambridge.

4.11 The demand for premises is almost entirely local, which partly reflects the nature of the offer: there are few developers assembling significant sites for larger buildings and there are several sites which have been vacant for some years, for lack of site assembly and servicing, e.g. the gasworks site in Hitchin, the former training centre and the former power station in Letchworth. The offer in Baldock is particularly limited. The completion of the A505 by-pass may improve the marketability of sites near the north eastern end of the by-pass, but there is a risk that it will enable potential takers to ignore the town, especially if the property offer is not improved. The lack of significant development schemes is contrasted with the Stratton Business Park in Biggleswade, where land was assembled by the County Council and the sites then serviced and marketed by a range of developers; the scheme has attracted approximately 50:50 manufacturing:distribution firms.

4.12 The local nature of the demand is illustrated by a recent development in the much larger competing centre of Stevenage, where 16 units were developed and taken up, all by firms from within 15 miles radius

4.13 Significant sectors and the major firms in the area in the past have included:

- Engineering e.g. formerly Borg Warner and Cam Gears
- Electronics e.g. formerly ICL in Letchworth

4.14 Stevenage with BAe and Marconi has historically been the hub for engineering and electronics in the area. Whilst the firms have left or shrunk, many of the skills are still available in the local market.

4.15 Key changes in the nature of the demand for industrial premises have been:

- Increasing demand for freeholds rather than rental premises.
- Some firms looking for better quality premises which will make a favourable impression on clients and visitors. Some firms also looking for a business park location.
- Some firms looking for flexible terms, either ownership of the freehold or shorter leases, to match a shorter business planning horizon which may be related to completion of a particular contract.

4.16 The office market is even more limited and poorly developed, Nexus and Spirella being exceptional cases of speculatively offered space. The slow letting of the Focus 4 building in Letchworth illustrates the limited demand for office space. All the towns suffer from competition from larger towns such as Cambridge, Stevenage and St Albans. Competition from Stevenage may increase if the West Stevenage development goes ahead, together with the expansion of the town centre.

4.17 A major factor in the weakness of North Herts as an office location is the weakness of the town centres, perhaps with the exception of Hitchin. Town centres are typically attractive for office employers offering good accessibility by different modes, a pool of labour and shops and services for staff. There is reported to have been a number of cases of offices, for example offices over shops, being converted to residential use. With the scale of recent development there is beginning to be some caution in the residential market: for example in Hitchin, a town of 35,000 population, there are understood to be approximately 600 apartments under construction or committed.

Vacancies

4.18 The land survey indicates that only some 0.5% of employment land is in totally vacant parcels. This certainly understates a conventional understanding of the extent of vacant land and premises, because there are many parcels with extensive vacant areas that do not register in the above total.

4.19 Table 4-3 shows the pattern of vacant floorspace by type of premises and by town from 2002 to 2005. “Vacant” space is taken from the Exemplas data, which strictly records space that is being marketed, most of which will be vacant. The vacant floorspace is compared to the total floorspace recorded by the Valuation Office Agency. In the industrial/warehousing sector the table shows quite high overall rates of vacancy (over 11% in 2004) and very large areas of vacant space in the individual towns in particular years e.g. Letchworth 464,000 sq.ft. in 2005, Baldock 306,000sq.ft. in 2004 and Baldock and Royston both peaking at around half a million square feet.

4.20 The total for Royston has come down over time, reflecting the recent recovery in demand for space there that has been reported. The total for Baldock has dropped dramatically from its peak of over 300,000 sq.ft. The total for Letchworth has risen over the period, probably reflecting the growing vacancy of space being considered for redevelopment or change of use.

Table 4-3 Properties available by type, by town, 2002,2003,2004,2005 (sq m)

Industrial/Warehouse Properties (B1, B2, B8 & B2/B8)	**Jan-02**	**Jan-03**	**Jan-04**	**Jan-05**
Letchworth	27,474	17,601	23,267	43,109
Baldock	1,114	13,429	28,405	5,801
Hitchin	11,338	8,745	20,197	11,713
Royston	23,548	17,651	8,140	11,348
Total	63,474	57,427	80,009	71,971
VOA Total Stock	702,739	721,732	719,732	n/a
Vacant % of Total	9	8	11	n/a
Office Properties (B1a)				
Letchworth	6,278	5,638	7,401	8,552
Baldock	455	0	223	500
Hitchin	12,632	10,750	11,806	13,431
Royston	304	198	520	233
Total	19,670	16,587	19,950	22,716
VOA Total Stock	169,937	172,936	143,946	n/a
Vacant % of Total	11.6	9.6	13.9	n/a

Source: Vacant premises: Exemplas Records Total stock: Valuation Office Agency

4.21 In the office sector the overall scale of vacant space is surprising given the weakness of office markets in the towns. It is not clear where nearly 9,500 sq m of vacant office space is located in Letchworth (2005), given that Focus 4 contains only 2,045 sq m and that there is little or none in the town centre; the implication is that a lot of office space has been created in the industrial estate. The low levels of vacancy in Royston and Baldock reflect the poorly developed office markets in those towns.

4.22 Overall there appear to be quite high levels of vacant buildings in both office and industrial/warehousing sectors. However given the lack of modern, higher quality space, it is likely that much of this space is nearing the end of its life and ripe for redevelopment.

5. SURPLUS EMPLOYMENT SITES

Introduction

5.1 Sites unlikely to be required by the market or which are unsuitable for employment development are identified partly from a quantified supply and demand analysis and partly from other methods including analysis of trends (planning permissions and completions), discussions with agents, and miscellaneous sources such as ad hoc studies carried out by the local authority, urban capacity studies etc. While the detailed quantification process – assessing demand by period 2001-2011-2016-2021 – forms part of the Part Two study, (taking account of the findings of the East of England Plan Inquiry Panel), a provisional estimate was made in Section 3 on the basis of broad trends. This Chapter considers possible surplus employment land/sites from a number of sources, including an internal District Council study[14], a consultants' town centre-retail study[15] and other sources including the Housing Capacity study [16]and informal discussions with Development Control officers.

Recent employment land transfers and possible changes

5.2 Discussions held with NHDC officers (see Appendix 4) identified employment land that has been transferred to other use or has been suggested as potentially suitable to do so, although planning permission had not (at the time) been obtained. Table 5-1 provides a summary of actual transfers and potential transfers of employment land to other uses based on discussions with local planning officers in the District.

5.3 The table shows that the amount of land formally transferred from employment use since 2001 is quite modest, some 8 HAs. A smaller amount of land has been allocated to residential and other uses which was not actually designated as employment land (4 HAs). However, the amount being considered, as potentially releasable is similar to these transfers – approximately 7 HAs from allocated and 4 HAs from non-allocated employment land. In the light of projected increases in demand, some of this may need to be retained.

[14] Assessment of Housing Potential in Employment Areas, NHDC 2004.
[15] Town Centre and Retail Study, North Herts District Council, Nathaniel Lichfield & Partners, 2004.
[16] North Hertfordshire Housing Capacity Study, Halcrow Fox, 2003.

Table 5.1 Actual and potential transfers from employment land to other uses, since 2001 (HAs)

	A	B	C	D	TOTAL	E
Location/Parcel No.	Actual transfers from allocated employment land*	Potential transfers from allocated empl. land	Actual transfers from non-allocated employment land*	Potential transfers from non-allocated empl. land		Possible relocation
Hitchin						
Lipha (Site 1/007)	0.23	1.4			1.63	
A&B Glass/Cooks way	2.16				2.16	
Station Approach (Site 1/022)		1.58			1.58	
Paynes Park TC			0.75		0.75	
Walsworth Road (FJ W)			0.65		0.65	
Wm Ransome site			1.6		1.6	
Priory (Site 1/024)			0.97		0.97	
Sub total	**2.39**	**2.98**	**3.97**	**0**	**9.34**	
Letchworth						
Irvine bdg (Site 1/028)	0.55				0.55	
Neosid (Site 1/025)	2.26				2.26	
Site 1/048 + Skill Centre		3.01		3.45	6.46	
Bridger Pack (Site 1/050)	0.30				0.30	
Council Dep (Site 1/032)		0.96			0.96	
Ford garage TC				0.37	.0.37	
Sub total	**3.11**	**3.97**		**3.82**	**10.90**	
Baldock						
Icknield Way (Site 1/062)						1.35
Sub total						
Royston						
Dalgety	2.3				2.3	
Sub total	**2.3**				**2.3**	
TOTAL	**7.80**	**6.95**	**3.97**	**3.82**	**22.54**	**1.35**
Other sites (1)						
Transco (1/006)		***10.09***			***10.09***	
Charlton Rd car parks			***0.45***		***0.45***	

*Source: Consultants discussions with planning officers * with planning permission for residential/other. (1) Not allocated employment land but potentially important sites for such use.*

NHDC study and other sites identified: evaluation

5.4 Appendix 5 contains a schedule of 19 sites from the NHDC assessment and other sites which have been reported to BWA/SPA by various parties as possible candidates for change of use or redevelopment for residential purposes. (A number overlap with the sites discussed with Council officers, above). We have evaluated these against a set of criteria related to their marketability and sustainability as sites for employment use:

- Whether the site is occupied (and the nature of the occupiers) or vacant.
- Its marketability either in its present state or its marketability for redevelopment as an employment site (score out of 10, 10 being best).
- A number of sustainability criteria:
- Job creation potential – absence of factors limiting the potential of the site (score out of 10).
- Social inclusion – within 400 m of a bus stop served at least four times an hour in the rush hour (yes or no).
- Reducing the need to travel – significant residential area within 800m of site (yes or no).
- Reducing the need to travel – positive or negative impact on the strategic distribution of employment opportunities within the town (positive, negative or neutral)
- Reducing the need to travel – shopping centre with at least convenience store, chemist and takeaway within 800m of site (yes or no)

5.5 The main findings from this analysis can be summarised:

- Some sites are well occupied and there would be considerable disruption and cost to the firms concerned to relocate them e.g. the Icknield Way area in Baldock, Parcel 1/062.
- One or two sites are sufficiently large to offer the opportunity to create a new character and quality of development e.g. the Skill Centre group of sites in Letchworth, which could be redeveloped to provide space for large industrial units or a business park or it could become a residential area. The choice between uses should be driven by the overall need for land for different uses.
- The main factor that detracts from the marketability of sites for employment use is the proximity of residential areas, where there is a risk of nuisance being caused to residential neighbours e.g. the Neosid site in Letchworth and the Cooks Way/Sharps Way sites in Hitchin. This impediment can however be reduced by design and by other controls on industrial activities.
- Only one site is constrained in terms of its job creation potential, the Ling Dynamics site in Royston, which is intensively developed and offers little scope for expansion.
- All the sites apart perhaps from the site on the Royston Road in Baldock are sufficiently served by local buses.
- All are within walking distance of residential areas.
- Site 1/062 in Baldock (Icknield Way), which is the only industrial site in the northern part of the town has been identified as contributing to the strategic distribution of employment opportunities within the town. , Retention of sites of this type tends to run counter to the normal approach of removing uses that do not conform to the surrounding pattern of uses; it should nevertheless be considered as a means of reducing the need to travel.
- Some of the sites do not have ready access to local shops e.g. sites on Blackhorse Road in Letchworth.

5.6 This analysis needs to be weighed in the balance alongside other factors in deciding which sites to transfer to other uses.

5.7 A number of employment sites were identified as possible residential development sites in the Housing Capacity Study undertaken by Halcrow Group Ltd for NHDC in May 2003:

- The Skill Centre and part of the adjacent site in Letchworth.
- A site on the Royston Road in Baldock (No 6006 in the Halcrow identification system) which did not however appear in their schedule of retained sites.
- The Neosid site in Letchworth.
- The North Herts Homes Depot site in Letchworth.

Sites identified in Retail Study

5.8 The recent town centre and shopping study commissioned by the District Council (op cit) investigated a number of possible sites for new development or redevelopment, including leisure development, as part of the study. This was by definition looking at sites for retail and leisure use rather than office/B1 use but in principle some of these might be suitable for such uses where either retail or leisure demand is insufficient or the Local Plan allows for mixed use in town centres.

5.9 Nothing significant was identified in Baldock and only small sites in Royston. However, it is understood that possible rationalisation and redevelopment of town hall and other public buildings in the centre could provide space for some office development in Royston.

5.10 Some larger sites were identified for retail-leisure use in Letchworth and Hitchin. These included Gernon Road in Letchworth (already with office uses) and 5 other sites with a total capacity of some 11,000 sq m. Even more sites were identified in Hitchin, a total of 9 sites with a capacity of around 22,000 sq m.

5.11 A number of these sites are in prime retail locations and would not be suitable for office use unless retail demand fell much more than expected. Most however are in secondary locations and office use is suggested on upper floors. Supposing about a third of the space (say 12,000 sq m) was available for office use, the sites could accommodate 700 jobs at 17 sq m per job. This is purely an indicative figure, and redevelopment may be contingent on retail demand, but suggests that there is some town centre capacity for employment use outside allocated land.

6. IMPLICATIONS OF DRAFT REGIONAL PLAN

Draft Regional Plan Policies and Targets

6.1 The Draft Regional Plan policy E2 contains targets for job growth between 2001 and 2021 for all parts of the region, although the degree of local specificity is variable from place to place There are no targets for districts as such, and no specific target for North Hertfordshire District in particular. In Hertfordshire the Plan targets are as follows:

Stansted/M11 sub-region (part)	-	8,900
Rest of Hertfordshire	-	55,800

6.2 In fact the figure for the Rest of Hertfordshire was calculated as a residual, after deduction of the job growth judged appropriate for the Hertfordshire portion of the Stansted/M11 sub-region from a county total. This seems to imply that targets for districts in Hertfordshire are extremely approximate to a point where they offer almost no practical guidance on the jobs to be accommodated within any particular district, since 55,800 jobs are to be allocated between ten districts. This is apparently deliberate to allow for the various local employment land reviews to provide a more detailed basis for the local distribution of target job growth, as explained in the Draft Plan's supporting text to Policy E2:

> "Given the dynamics of economic growth, the varying assumptions about density vacancy rates and 'churn' in the market (take up of employment sites in the market place), policies must allow some flexibility and not be prescriptive. Proposals in local development documents for employment land supply need to be indicative and allow some 'spaceless growth' (job growth without the need for land allocations). Such flexibility needs to be accompanied by clear monitoring procedures and targets. Within this context EERA will work with EEDA and local partners to produce guidance on the production of 'indicative' district-level targets for job growth, and will also apply the 'plan, monitor and manage' approach to identify any required changes in policy or targets." (paragraph 6.14)

6.3 The other significant guidance in the Draft Plan is to be found in the policy for the Stevenage sub-area, which states:

> Policy SV1: regeneration of Stevenage
> The strategy is to deliver a new vision for Stevenage as an employment and housing growth area and a strong centre allied with physical, social and economic regeneration. It will be delivered by local development documents, supported where necessary by master or action area plans and prepared by the two district councils and the county council, and by a strong new delivery mechanism to deliver the following strategic priorities:
>
> • an urban extension to the west, and possibly to the north, to provide 14,400 dwellings in the wider Stevenage area;
>
> • substantial employment growth in a form that links effectively into the existing urban form and respects flight path, environmental and other constraints.
>
> Joint local development documents or master planning studies will need to define the limits elsewhere and ensure that the proposals can deliver sustainable development in relation to transport, social and environmental infrastructure.

6.4 and:

> The strategic location for growth is an urban extension to the west, and possibly to the north, to provide, in combination with urban capacity in the town, a total of 14,400 dwellings in the wider Stevenage area and substantial employment growth in a form that links effectively into the existing urban form and respects flight path, environmental and other constraints. Joint local development documents or master planning studies will need to define the limits elsewhere and ensure that the proposals can deliver sustainable development in relation to transport, social and environmental infrastructure. (paragraph 5.151)

6.5 On the face of it, therefore, the implication of the Draft Plan jobs targets for North Hertfordshire is that the District is free to determine an appropriate jobs target to plan for, subject to a multi-lateral negotiation at some time in the future. Indeed it would be open to North Herts to argue simply that its proposed allocations are adequate to accommodate a reasonable range of jobs growth without any specific selected level. There is also an implication that the share of the rest of Hertfordshire's target going to parts adjacent to Stevenage would be rather higher than trend growth.

Projections Underlying the Draft Regional Plan

6.6 However, despite the vagueness of the Draft Plan it is possible to infer an indicative target based on the method of derivation of the E2 targets. This is set out in a working paper for the Economic Development Task Group: *RES and RPG14 – Employment, Labour, Population and Housing to 2021*. This paper sets out how a job growth scenario known as EG21-plus (as set out in Table 2-16) was derived from the projections by Experian Business Strategy (EBS) of 2003 for enhanced growth, based on the region reaching top 20 regional GVA per capita in Europe by 2021. The EG21-plus scenario was derived by adding known job aspirations in particular areas to the EG21 scenario, and then deducting a notional proportion of the job aspirations to avoid double counting. The EG21-plus regional total of 421,500 jobs growth became the E2 regional target.

6.7 EG21-plus projected job growth 2001 to 2021 for the whole of Hertfordshire of 64,700 is also identical to target figure in Policy E2, which is 4,500 above the underlying EBS EG21 projection for Hertfordshire. This 4,500 equates almost exactly to the 4,400 additional jobs growth added to EG21 in the Harlow sub-region to reflect growth aspirations there, after allowing for those already counted in EG21. Hence it can be concluded that the jobs target for the rest of Hertfordshire is essentially the EBS EG21 projection. This means that the EG21 projections for the rest of Hertfordshire districts, which are available at a district level, provide a reasonable disaggregation of the Draft Plan's target for these areas, subject to the caveats below. The EG21 projections by sector are set out in Table 6-1.

6.8 A number of caveats need to be made about these district projections:

- First, there is inherently more uncertainty about such projections at the district level than at higher levels. In effect they are an allocation of county level projections to districts according to their existing economic make-up. In reality there could be significant departures from this spatial allocation reflecting supply constraints, property prices, new infrastructure etc. Indeed such departures might be encouraged by policy bringing about redistribution within counties or between counties, including the policy for the Stevenage area.
- Second, the base data for jobs relating to Hertfordshire is less reliable than for most other areas, particularly because there is a large discrepancy between the Census estimate of jobs and the estimate based on the Annual Business Inquiry.
- Third, successive revisions have varied considerably as to the jobs growth projected, especially so for Hertfordshire, and furthermore, different forecasters have significantly different views about future job growth in the county.

- Fourth, Stevenage's aspirations for growth, and the Draft Plan policy for the sub-area, would increase job growth in North Hertfordshire to balance population growth, especially if employment sites are difficult to accommodate within Stevenage's boundaries – subject, of course, to the fact that aspirations may not be achievable in practice.
- Finally, Enhanced Growth scenarios are not projections of what is likely to happen, but simply indicate how many extra jobs have to be added to reach a particular GVA per capita target, without any position on achievability. They would require new policy interventions to make them happen.

Table 6-1 EG21 projections for jobs in North Hertfordshire by sector

Sector	Number of jobs ('000s)			Growth in jobs ('000s)		
	2001	2011	2021	2001-11	2011-21	2001-21
Agriculture, Forestry & Fishing	0.703	0.400	0.383	-0.303	-0.017	-0.320
Other Mining	0.005	0.003	0.003	-0.003	0.000	-0.003
Oil & Gas Extraction	0.000	0.000	0.000	0.000	0.000	0.000
Food, Drink & Tobacco	0.217	0.164	0.129	-0.054	-0.035	-0.088
Textiles & Clothing	1.071	0.821	0.696	-0.250	-0.126	-0.375
Wood & Wood Products	0.073	0.065	0.066	-0.008	0.001	-0.007
Paper, Printing & Publishing	0.989	0.803	0.555	-0.186	-0.249	-0.435
Fuel Refining	0.000	0.000	0.000	0.000	0.000	0.000
Chemicals	0.841	0.713	0.592	-0.128	-0.121	-0.250
Rubber & Plastics	0.449	0.364	0.317	-0.085	-0.047	-0.131
Minerals	0.038	0.022	0.015	-0.016	-0.006	-0.023
Metals	1.553	1.035	0.656	-0.518	-0.379	-0.897
Machinery & Equipment	0.784	0.451	0.228	-0.334	-0.223	-0.557
Electrical & Optical Equipment	1.090	0.947	0.939	-0.143	-0.008	-0.151
Transport Equipment	0.394	0.161	0.067	-0.233	-0.094	-0.327
Other	0.892	0.745	0.440	-0.147	-0.305	-0.453
Gas, Electricity & Water	0.148	0.098	0.089	-0.049	-0.009	-0.058
Construction	4.535	4.750	5.015	0.215	0.265	0.480
Wholesaling	5.570	5.230	5.348	-0.340	0.118	-0.222
Retailing	5.749	6.065	6.473	0.315	0.408	0.724
Hotels & Catering	2.752	2.362	2.632	-0.390	0.270	-0.120
Transport	1.297	1.181	1.176	-0.116	-0.006	-0.121
Communications	0.613	0.518	0.550	-0.096	0.032	-0.064
Banking & Insurance	2.080	1.932	1.930	-0.148	-0.001	-0.149
Other Financial & Business Services	1.883	2.130	2.409	0.247	0.279	0.526
Business Services	9.940	11.215	12.902	1.275	1.687	2.962
Public Admin & Defence	0.804	0.706	0.700	-0.097	-0.006	-0.103
Education & Social Work	3.791	4.548	4.744	0.757	0.196	0.953
Health	3.650	4.569	4.851	0.919	0.282	1.201
Other Services	4.007	5.766	6.438	1.759	0.672	2.431
Total Employment	55.919	57.764	60.344	1.845	2.580	4.425

Source: EBS

6.9 Table 6-2 sets out some comparative estimates of past jobs and projections for North Hertfordshire to illustrate some of the uncertainties with the figures. It compares the Census figure for the number of employed people by place of work in both 1991 and 2001, and the same figures, increased by 5% to allow for double jobbing and other factors to give a closer estimate of the actual number of jobs those workers represent, and for comparison with the jobs figures in the Business as Usual (BAU) and Enhanced Growth (EG) forecasts by EBS. First of all, it is clear that there is some uncertainty about the starting level of jobs in 2001 (the EBS forecasts for each year refer to the year end, and consequently the 2000 figure is closest to the Census date) with a discrepancy of some 4,000 on the latest estimates. This is nearly as much as the total growth to 2021 in the original EG21 projection (the one underlying the Draft Plan). Secondly it is clear that the more recent, updated BAU and EG jobs projections are much higher. The new BAU forecast projects jobs growth more than five times, and the new EG scenario an increase three times, the original EG projection. The reasons for these discrepancies and differences are to do with revisions to past data and changes of view about the future prospects for particular industries.

6.10 A reasonable conclusion is that the quantum of jobs growth is very uncertain, and that the outlook in five years time might be quite different. On the basis of the figures now available, it might be reasonable to plan to accommodate the most up to date BAU projected growth of nearly 11,000 jobs, allowing for an upwards margin of uncertainty of, say, +20%. This would however be inconsistent with the Draft Plan target.

Table 6-2 Estimates and projections for jobs in North Hertfordshire

	1990/1	2000/1[1]	2001	2021	Change 2001-2021
Census	52,480	47,701	n.a.	n.a.	n.a.
Census + 5%[2]	55,104	50,086	n.a.	n.a.	n.a.
EG 21 (03)	53,865	53,781	55,919	60,344	4,425
EG 21 (updated 2004)	54,226	54,139	57,636	70,825	13,189
BAU (03)	53,865	53,781	55,919	57,754	1,836
BAU (updated 2004)	54,226	54,139	57,636	68,432	10,796

Source: Census 1991 and 2001, Experian Business Strategies (EBS)
Notes: 1. Figures from EBS for 2000 are for year end and correspond most closely to the Census. 2. Census employment by place of work figures do not allow for people doing more than one job and various other minor exclusions. Addition of 5% gives a rough adjustment to correspond to estimates of jobs in the BAU/EG series, derived from data for employees by workplace and self employed estimates.

Implications for balance of jobs and workers

6.11 It is not straightforward to look at the balance of workers and jobs within North Hertfordshire because the District does not represent a coherent travel to work area. Examination of the 2001 Census data of travel to work indicates that residents of North Hertfordshire mainly work in the District (51%), followed by Stevenage (11%), and London (10%), with no other individual area represented above 3%. Likewise, workers in North Hertfordshire are mainly drawn from within the District (63%), followed by Mid Bedfordshire (10%) and Stevenage (7%), with other areas individually represented below 3% (see Tables 2-14, 2-15). As the only other district that features as both a significant source of, and destination for labour, and furthermore, because the proposed major expansion of population in Stevenage and around it within North Hertfordshire is a major feature of the Draft Regional Plan, it makes sense to look at North Herts and Stevenage together to get a rough idea of how the balance of workers and jobs would develop with the plan targets. The most up to date Chelmer projection for the economically active population (mid variant) estimate what the dwellings growth targets mean for the resident workforce, whilst the EG21 projections underlying the E2 employment targets provide jobs growth. The balance is set out in Table 6-3. Some adjustments are made to allow for workers with more than one job (“double jobbing”) and the exclusion of the relatively small numbers working over the age of 74 who are not included in the Chelmer projections.

6.12 This appears to show that there is a reasonable balance in 2001, with a small excess of workers over jobs of around 3% of the resident workforce, but that this increases substantially over the plan period to about 13%. It should be borne in mind that the starting position shown by this comparison is probably misleading because the 2001 jobs estimates is high in comparison with the Census, which indicates a net out-commuting level in 2001 of about 9,000 (9% of the resident workforce). In other words, the Draft Plan policies would add to an already significant level of net out-commuting from the area. Jobs would need to grow by some 19,000 (a third of the Rest of Hertfordshire target) between 2001 and 2021 in the two districts, simply to maintain the existing absolute level of net out-commuting.

Table 6-3 Balance of workers and jobs under the Draft Regional Plan policies

Workers	**2001**	**2011**	**2021**	**Change 2001-2021**
North Hertfordshire	60,751	68,740	74,702	13,951
Stevenage (1)	41,540	44,461	46,002	4,462
Total	102,291	113,201	120,704	18,413
Less unemployed @ 2.5%	99,734	110,371	117,686	17,953
Plus double jobbers @ 5.0%	104,720	115,890	123,571	18,850
Jobs				
North Hertfordshire	55,919	57,764	60,344	4,425
Stevenage	45,751	45,594	47,461	1,709
Total	101,670	103,358	107,804	6,134
Balance (workers minus jobs)				
North Hertfordshire	6,275	12,609	16,132	9,857
Stevenage	- 3,225	- 77	- 366	2,859
Total	3,050	12,531	15,766	12,716

Sources: Anglia Polytechnic University (Chelmer) population projections for economically active population (mid variant), March 2005; EBS total employment projections EG21 scenario, 2003. Notes: balance calculated as workers less unemployed plus double jobbers (and allowance for workers over 74) less jobs.(1) No expansion of Stevenage beyond the borough boundary is taken account of here, the numbers referring solely to workers/employment within Stevenage.

7. Conclusions

The local economy

7.1 North Hertfordshire is a prosperous district, which has experienced employment growth and unemployment close to the county average, although average weekly earnings, both residence and especially workplace based, are somewhat lower than the county average. House prices are also rather lower than the county average. For the great majority of these measures North Hertfordshire performs better than Stevenage and Luton.

7.2 Industrially the district has held onto much of its manufacturing during the last decade, following significant decreases in this sector during the 1980s. It has relied for growth however on services, particularly business and other services. Other sectors with an above the regional average representation include metals, textiles and clothing, and chemicals. With a smaller than average unit size (for the region) the business sector is less susceptible than most areas to closures.

Employment floorspace and land supply

7.3 The stock of industrial floorspace (factories and warehouses) fell during the 1980s and 90s from over 800,000 sq m to around 700,000 sq m, since when it has remained fairly constant. Commercial office floorspace increased significantly up to the mid 90s but since then has stayed fairly static, as has that in both Stevenage and Luton. Expressed in land supply terms, total employment land over the last five years has correspondingly been fairly stable, but its use is difficult to break down with precision, partly due to the predominant pattern of very mixed B1-B2-B8 activity and partly because of the significant amount of sui generis uses.

7.4 The best statistical indicator of change is probably Herts County Council surveys of completions which, while showing substantial year to year volatility, reveal a net expansion of about 3,000 sq m per year of B1 and B2 space, and 2,000 sq m per year of B8 space, over 2001-2005. Within the four towns, 98% of the net floorspace growth took place in Hitchin and Royston.

Market demand and vacancies

7.5 Bringing together the completions records, other statistical data and discussions with agents, a picture of market demand emerges with *Letchworth* experiencing a range of development activity among various B1, retail and sui generis uses, as well as some more traditional B2/B8 activity, very much concentrated in the main industrial estate area; *Hitchin* capturing most of the new office development; and *Royston* attracting most of the District's warehousing/distribution activity. *Baldock*, which in any case does not have much employment land, has been relatively quiet.

7.6 The main findings of this review of the demand for industrial and office premises in North Herts are:

- The most *important* centres are Letchworth and Hitchin (but the most *active* sectors are Hitchin and Royston); Royston, operating in a different local market, has seen increased levels of activity recently, probably due to the price competitiveness compared with the Cambridge area
- The demand in both markets is local, say within 15 kms of the towns.
- At this local level the demand is a product of the offer, which is very limited in the office sector and quite limited in the industrial sector, especially for larger or better quality premises.
- Competition comes from the nearby larger centres, especially those nearer to London/M25 and Cambridge. This competition may increase if, for example, West Stevenage and the town centre are fully developed as currently planned.
- The office market is weak in all parts of the District. To some extent this may reflect retail weakness of smaller centres like Letchworth and Royston, which reported poor trade performance in the recent retail study carried out by Nathaniel Lichfield & Partners (op cit), and which are vulnerable to trade leakage to larger centres.
- There is some evidence that the District has also attracted less distribution activity than it might have been able to. These, and offices are the fastest growing of the three main property sectors on a national level..
- The main potential for growth in employment and property is in the office sector, but poor supply, partly related to the weakness of the town centres, apart from Hitchin, may well inhibit the ability of North Herts to share in this growth.
- Some of the key changes in the nature of the demand for premises that need to be reflected in the renewal of the stock (regardless of any overall net change in the size of the stock) include:
  - Increasing demand for freeholds
  - A desire for better quality premises, sometimes in a business park type of setting.
  - A move towards more flexible occupancy terms.

With regard to vacancies the land survey indicates that only some 0.5% of employment land is in totally vacant parcels, but this is considered an under-estimate as there are parcels with extensive vacant areas that do not register in the survey count. From Exemplas records an average of around 9% of industrial property and approaching 12% of office property has been vacant over 2002-2004, suggesting that much of the space is low quality and ripe for redevelopment.

7.7 The decision on the amount of land required for employment in the future will be a combination of projections and policy choices e.g. about offering more opportunities for local residents to work locally and so reduce the need to travel.

Implications of draft Regional Plan

7.8 As far as the draft RSS is concerned, there is no District employment target for 2021, only a county total of 64,700. However, an inferred figure based on Experian projections produced earlier for EERA (Experian 'Enhanced Growth 2021' 2003) was 60,300 jobs, increasing from 55,900 jobs in 2001. These were aspirational, above a trend level projection, and come with a number of caveats, the most important being the level of uncertainty attached to District-level projections. That uncertainty has been underlined by subsequent revisions to the projections, which have the effect of increasing the quantum of estimated growth over 2001-2021 quite significantly. It would be premature, on this basis for North Hertfordshire to start planning to accommodate a much larger quantum of additional employment.

7.9 A major contributor to the higher employment projections are higher forecasts for business services, affecting both the county and the district, which have significant representation of such activity. Given that much of this does seem likely to occur, there are implications for North Herts regarding land provision, e.g. that there should be much more focus on town centre provision, a relatively new departure for the District. The alternative would be to identify potential business park land in a sustainable location,. Freestanding office developments are much less likely to be sustainable.

7.10 A further uncertainty for North Herts concerns the potential growth of Stevenage, which would on present plans largely be implemented within North Herts' boundary if approved. Although resisted by the District, it has been included in the draft RSS (East of England Plan) and implies additional employment growth in North Herts. This makes planning for future employment provision in the District extremely difficult at this stage. Formally however, the preparation of estimates based on EG21 figures is consistent with the draft Plan and therefore provides a basis for provisional assessment of land requirements

The balance of jobs and workers

7.11 Because North Herts does not form a recognisable travel to work area, it shows a rather artificial jobs: workers balance, it being more realistic to assess this relationship when Stevenage is included. Using Chelmer demographic estimates consistent with draft RSS, there is a reasonable commuting balance for the combined North Herts-Stevenage Districts in 2001, but a much larger gap opening up by 2021. The gap is much reduced under the (2004) revised Enhanced Growth employment projections, although that may be considered largely 'accidental'.

7.12 Looking at North Herts by itself, only 51% of North Herts residents work in the District and only 63% of jobs in the District are filled by local people; projections presented in Chapter 6 indicate the jobs deficit increasing from 6,275 in 2001 to 16,132 in 2021, implying a significant increase in net out-commuting

Potential surplus employment sites

7.13 Given the (provisional) projection of demand for employment land, indicating that a similar amount is likely to be required by 2016 as presently in use, the consultants believe that the Council needs to be very cautious in releasing substantial amounts of land for other use. The general buoyancy of the local economy, and its favourable prospects, underpin the projection. Furthermore since demand for space at the level of districts is very much influenced by supply, and there is evidence of weak supply in two key sectors (offices and distribution), the need for caution in releasing large amounts of employment land for other uses is even stronger. In view of the uncertainty over employment projections, and in advance of further consultations on District level employment with EERA (see below), the consultants' judgement is that there are few significant sites that can be identified as surplus to requirements for employment use at this stage.

7.14 As revealed by Table 5-1, a limited amount of employment land has been transferred from employment use in recent years. Some has been lost from non-allocated sites but potentially much larger areas have been earmarked for possible change of use, basically to residential, from both categories of land. Many of these are small, and individually make little difference to the land supply if given consent to residential. In support of this, the significant levels of vacancy indicated by Exemplas returns implies a degree of additional capacity of employment land stock.

7.15 At this point the consultants feel there is some merit in turning the process round, i.e. rather than set out a list of sites which may now be given up, it is more important in the short run to highlight sites, s to be retained (there may even be a case for identifying new employment sites in order to improve the offer). These include at least pending the outcome of Stage 2:

- Transco site (10.1 HAs). Not a designated employment area but because of its large size, its loss would have some significance for potential employment provision. If access could be improved, it constitutes a major employment land reservoir. There is currently a bid for ODPM's Growth Area Fund to improve the capacity of the main traffic light junction at Grove Road, Cadwell Lane and Wilbury Way. If the application for the GAFII funding is successful, then works will be carried out to improve the junction to the extent that a large part of the Transco site will be released for employment purposes.
-
- Parcel 1/062, Baldock (Icknield Way). (1.35 Has) In a good area of the town for employment use, where there is very little industrial/employment land of any sort.
- Station Approach, Hitchin (Site 1/022) (1.58 HAs)

Other larger sites which might have been retained for employment use include the Neosid and Skills Centre sites. However, both are well located for residential use and it is accepted that these will both now be developed for residential.

7.16 It is suggested that larger sites like 1/062 be retained, at least until the EIP process has reported, or alternatively, sufficient equivalent floorspace can be made available elsewhere, notably in the town centres especially Hitchin, Letchworth and Royston. A number of small and medium sites in these centres, which have been identified in the town centre and retail study, offer opportunities for small B1 development. The arithmetic is relatively straightforward: a site of 2-3 HAs can comfortably accommodate 1,000 B1 jobs at business park standards, so the provision of offices at alternative sites capable of holding this employment may need to be assessed. In the case of the Transco site, a provisional allocation of part of the site for sports use would be compatible with this strategy since it could safeguard land for possible employment use in the long term.

Issues for the Part Two study

7.17 The principal issue or objective, for the Part 2 study, as set out in the original Part 1 Brief, was the review expected to be required as a consequence of the East of England Plan of *revised employment targets*, following the EIP and the report of the Panel. Since this time EERA has announced (at the EIP) that it intends to discuss with groups of each authorities their individual employment targets following the EIP. Although the resulting targets, which are to be negotiated, will not have statutory force, they will provide employment targets which authorities can use for their employment land planning exercises. The timing is not clear. The work of the Part 1 study has also highlighted further issues relevant to Part Two. In summary, the issues and objectives may be set out as follows:

a. <u>from the original brief:</u>

- Set clear methodology for assessing employment floorspace needs over the periods 2001-2011, 2011-2016,2016-2021. *These will deploy the methodologies developed by the consultants for transposing employment projections to floorspace and land requirements,*
- Assess future requirements for employment, based on the East of England Plan. *The sequence of events is described above. With regard to the numbers themselves, these will require to take account of the recent Regional Forecasts projections prepared for the region on behalf of GO-EAST. These are different to the Experian (EG21) projections set out in this report. However, although higher for the region as a whole, they are lower for Hertfordshire.*
- Consider the proximity of Luton and Stevenage and their employment growth. *As noted in this report, the analysis to date has explicitly excluded "extra-territorial" expansion of Stevenage employment in North Hertfordshire.*
- Establish quantitative requirements for employment land by market sector and location.

b. <u>arising from the Part 1 Study:</u>

- Assess desirability of upgrading one or two of the town centres, especially increasing provision for B1 office accommodation.
- Develop an improved survey methodology in place of the current parcel-based system to identify land use types and vacancies accurately.
- Examine measures to redress the prospective commuting imbalance.

7.18 Of these latter issues the first is arguably the most pressing with respect to North Hertfordshire's self-contained growth. As noted in our conclusions, there is likely to be strong pressure in North Herts (irrespective of Stevenage expansion) from growth in business services, reflecting general buoyancy in service activity. This will need to be accommodated and sites in sustainable locations merit priority. The most suitable areas are probably town centres, especially Hitchin, although there may be some scope in other centres e.g. Letchworth. If this is accepted, and it may tie in with other factors like the retail weaknesses identified in the recent Nathaniel Lichfield & Partners shopping study, it may be necessary to develop an office strategy for the district.

7.19 The third issue, while very relevant to policy development, will inevitably be strongly influenced by the question of Stevenage expansion (and to a lesser extent, of Luton). Until these questions are clarified it will be premature to consider this in detail. However, if higher employment targets are confirmed, this will exacerbate the existing imbalance.

APPENDIX 1

NORTH HERTFORDSHIRE EMPLOYMENT LAND STOCK STUDY 2005: ASSESSMENT FORM

NORTH HERTFORDSHIRE EMPLOYMENT LAND STOCK STUDY 2005 - ASSESSMENT FORM

District Council: North Hertfordshire

Map/Site Ref. No

Employment Area:

Location Address:

Town:

Site Area (Ha):

PART ONE:

A: AREA CHARACTERISTICS

1. Location

Location	Town Centre	Edge of Town Centre	Local Centre	Other Urban	Rural	Employment Area

2. Area Description, Primary Uses

Area Type	Offices	Specialist Park (R & D)	Business Park	Industrial/ Trading Estate	Start-Up / (Seedbed Units)	Distribution Centre	Mixed	Other Individual or Vacant Site

3. Approximate Age

Age Band	Pre 1900 *(Period)*	1900-1960 *(Old)*	1960-1980 *(Dated)*	1980-1990 *(Modern)*	Post 1990 *(Very Modern)*	Mixed

4. Approximate Size Band

Average Size of Units	Small <235 m2	Medium 235-1000 m2	Large >1000 m2	Mixed Units	N/A

5. Existing Primary Uses

Use Class	B1a Offices	B1b Research & Development	B1c Light Industry	B1 Use *(Split not known)*	B2 General Industry	B8 Storage & Distribution	Other *Eg. Sui Generis*

6. Vacancy

Is there a problem with vacant land / buildings in this area? **Yes** ☐ **No** ☐

If **'Yes'** please give details

B: PLANNING STATUS

1. Employment Commitments

LP /TP Ref. No	Decision Type	Current Status	Type of Development	Floorspace (sq. m)		
				Existing	Demolition	Proposed

2. Local Plan Status

Local Plan	Local Plan Site Ref	Policy Ref	Comment
Adopted			
Emerging			

C: CURRENT SITE CONSTRAINTS

Type of Constraint		Details / Comments
Physical		
Buildings		
Access (Physical)		
Accessibility		
Parking		
Planning		
Ownership		
Operational		
Surrounding Area Eg. Residential		
Other (please state) Eg. Contamination		

D: ESTIMATED LIFE EXPECTANCY

How long, would you estimate, before the existing site or buildings will be redeveloped?

	Short Term (1 –5 years)	Medium Term (5 – 10 years)	Long Term (10 – 15 years)	Very Long Term (15+ years)
Reasons:				

PART TWO:
E: DISTRICT ASSESSMENT

1. Would you like to change the type(s) / mix of space the sites provides by 2016? If '**No**' go to question 4

Yes	
No	

2. If '**Yes**' what type(s) of space would you like to see provided?

3. If so over what time-scale?

	Short Term (1 –5 years)	Medium Term (5 – 10 years)	Long Term (10 – 15 years)	Very Long Term (15+ years)
Reasons:				

4. Is there any scope for the intensification (or lowering of the density) or refurbishment of floorspace within the site?

Yes	
No	

5. If **'Yes'** please specify

6. Which of the following actions would you consider necessary, to achieve your aspirations for the site?

Action		Comments
Structure Plan		
Local Plan Policy		
Development Brief		
Economic Development Strategy(Local/Strategic)		
Local Transport Plan Proposal		
Public Transport (Buses)		
Obligations		
Parking and Traffic Restrictions / Relaxations		
Other (please state)		

PART THREE:
F: MARKET VIEW

View of the agents/team on the potential of the site for:

Uses
Redevelopment
Intensification
Other
Notes to explain view:

PART FOUR:
G: SUSTAINABILITY ASSESSMENT:

1. Generating wealth or jobs:
   (Tick box for each site)

Low density	Medium density	High Density	Very High Density	Notes:

2. Social Inclusion

Proportion of the **employment area** within 400 metres of a bus stop (with a service that runs at least 4 times an hour at peak times)

%	Notes:

3. Environmental impact

The population within 800 metres of the pedestrian entrances to the employment area

Population	Notes:

The distance from the pedestrian entrances to the employment area to the nearest local parades which include at least a convenience store, a chemist and a takeaway shop.

Distance	Notes:

APPENDIX 2

NORTH HERTFORDSHIRE EMPLOYMENT LAND STOCK STUDY 2005: ASSESSMENT FORM GUIDELINES

APPENDIX 2 NORTH HERTFORDSHIRE DISTRICT EMPLOYMENT LAND STOCK ASSESSMENT STUDY - 2005 ASSESSMENT FORM GUIDELINES

As it is the intention to talk each district through the Assessment Forms the following notes are only meant as a general reminder of how the forms should be completed and to offer some examples of the idea behind each section. If you are in any doubt please just ask!

The questionnaire has been developed to be as user friendly as possible! Each box that is completed will have it's own connecting field in a database. Written responses will be coded. This will enable a detailed analysis of all the data (please see attached examples).

General Site Information

Employment Area: to be completed if the site/area has a local/estate name.

Locational Address: the address of the site (e.g. the name of the street the site can be accessed from).

Map/Site Ref. No: this reference number will be unique to each employment site and will be illustrated on the map(s)

Site area: this will be calculated by the County by using the GIS site area polygons.

Part One

Section A: Area Characteristics

Not required to complete in the field for existing site parcels. Roll-over from 2000 survey, complete for new sites identified from completions.

This section of the survey aims to gather factual information on each site (e.g. the area characteristics, planning status, current and potential constraints).

1. Location

Tick the box that best describes the area that the site is located in. If the site is a designated local plan Employment Area, then both the Employment Area <u>and</u> its location should be entered.

Town/Urban Centre A site within a Local Plan defined town centre area. The core area of a Town/Urban Centre.

Edge of Town Centre A location within easy walking distance. These

	distances may vary dependant on the size and facilities available in the Town/Urban centre.
Local Centre	A site within ‘easy’ walking distance of a local neighbourhood centre area (i.e. an area with amenities that can meet everyday needs).
Other Urban	A site within an urban settlement but not included within any of the above (e.g. an individual site that is surrounded by housing and is isolated from any similar employment uses).
Rural	An area that is washed over by Green Belt or in a rural area beyond the Green Belt.
Employment Area	A site within an identified Local Plan Employment Area.

2. Area Description, Primary Use(s)

Make note of this for each site parcel in fieldwork. There are existing (2000) records which will probably not have changed, but the 2005 survey will benefit from an additional assessment. In most cases it is expected that the results will be the same.

Tick the box that best describes the primary use(s) within the site. If there is more than one primary use, then both the mixed box <u>and</u> the primary uses should be entered.

Industrial/Trading Estate	B1(c) ‘Light Industry’ and B2 ‘General Industrial. A group of three or more units.
Offices(s)	B1(a) ‘Offices’. A single or a group of offices.
Business Park	B1 (a, b & c), Offices, Research and Development and Light Industrial (‘clean uses’). A group of three or more units.
Specialist Park (R and D)	B1 (b) Specialised Park (e.g. Science Park, Research and Development, Laboratories, High Tec).
Start-Up (Seedbed Units)	Seedbeds/start up units (e.g. shared reception conference facilities but individual small units).
Distribution Centre	B8 ‘Wholesale Warehouses, Distribution Centres’. A storage or a distribution centre.
Mixed	As it implies.

Other e.g. individual units or vacant sites.

3. Approximate Age

Make note of this in fieldwork, this can also be derived from 2000 results (Roll over from 2000, plus 5 years).

It is appreciated that it is not that easy to accurately determine the age of many buildings in employment use. The dates and terms ‘period’/’old’/’dated’/’modern’/’very modern’ are only meant as a guide. If there is more than one predominant age of building on the site, then both the mixed box <u>and</u> the predominant age categories should be entered.

4. Approximate Size of Band

Make note of this in fieldwork, this can also be derived from 2000 results.

Tick the box that best describes the size of the primary unit(s) within the site. The sizes are only meant to be used as a guide (no measuring is required!). If there is more than one predominant size of unit on the site, both the mixed box <u>and</u> the predominant unit sizes should be entered. If the site has yet to be developed (i.e. there are not buildings) then the last box, not applicable should be entered.

5. Existing Primary Use

Make note of this in fieldwork, this can also be derived from 2000 results. This is very similar to question 2, but categorises uses by 1987 use class.

Tick the box that best describes the existing ‘current’ primary use(s) on the site. These follow the Use Class Order 1987 definitions. If there is more than one predominant use on the site, then both the mixed box <u>and</u> the predominant primary uses(s) should be entered. Other .e.g. Sui Generis means for example motor trade or retail warehousing.

6. Vacancy

In the 2000 survey, this was treated as a tick box, y or n, depending on the 10% threshold mentioned below. For 2005 we will mark all vacancies on the supplied maps, and make our own judgement on the significance of the vacancy level. Mark a Y or N as a “flag up” in fieldwork, and we can analyse this further later.

Again no measurement is required! The figure 10% is only a guide (10% being accepted as allowing for natural turnover). This section is to be completed when there is an apparent or know vacancy problem on the site.

Section B: Planning Status

This section aims to provide details of the planning status on the sites by providing details on both the employment commitments as of the 1st April 2000 and current and emerging local plan policies.

(Desk work, from commitments data) This to be recorded as a separate table, using "as at"2005 figures

1. Employment Commitments

This section is to be completed by each district taking the base date of the 1st April 2000.

Use commitments figures from NHDC, as at April 2005

(Deskwork, from planning legislation)

2. Local Plan Status

This section is also to be completed by each district. The comment's section should be completed where there are specific local plan requirements for the site.

Section C: Site Constraints on Current and Potential Uses

Note any apparent constraints in site surveys, these can be classified to the categories below in the data entry stage

The purpose of this section is to identify any known constraints, both current and potential on the site. Some examples have been given below. It also asks the district to estimate the 'life span' of the <u>current use</u> of the site.

1. Site Constraints on Current and Potential Uses

Physical	Is there any part of the site that can not be used for employment purposes? For example the topography of the site (i.e. steep slope) or fixed built features such as gas holders or electricity substations.
Building	Are any of the buildings on the site a constraint to either the current or any future occupiers? For example the building is not suitable for current occupier requirements. This may include the internal fabric of the building (i.e. if it requires refurbishment).

Access (physical)

Are there any perceived problems with the general access both on and off the site? For example do the current access arrangements restrict the size of vehicles that can enter/leave the site.

(This will be considered in SD section – can be updated here if necessary)

Accessibility

A separate piece of work, using GIS buffer zoning will be undertaken by HCC to determine the accessibility of each site with regard to the distance of the site to;

(i) primary road network and motorway junctions;
(ii) transport facilities (proximity and frequency of rail and bus services and cycling facilities); and
(iii) town/neighbourhood facilities.

This section is meant to pick up any local factors that may act as a constraint to the sites accessibility, that would not be apparent from this GIS exercise. For example peak hour congestion.

Parking

Are they any parking constraints both on and off the site which may be perceived as a constraint? For example is there adequate parking provision on the site (i.e. there is no obvious overspill on to the surrounding roads). Also whether there are parking restrictions within the surround area (e.g. St Albans there is a parking zone) which may be perceived as a constraint.

Planning

Are there any planning constraints on the site? This applies to both planning policy and development control. For example is the site within a designated Conservation Area or are any buildings Listed.

Ownership

Are there known ownership constraints? For example are the current owners preventing the site coming forward for redevelopment or is there a problem of assembly before the site can be redeveloped.

Operational

Are they any known operational constraints? For example if a current use needs to be removed/relocated before the site can become available for employment purposes.

Surrounding Area	Is the development/redevelopment of the site constrained by an adjoining use? For example an industrial unit within a residential area.
Other (please state)	For example if the site has been contaminated.

D: Estimated Life Expectancy

Any notes regarding derelict buildings, vacancies etc should be made on site surveys.
SPA to estimate this in the following framework from this, market assessment with estate agents, and local plan provision / planned infrastructural developments etc.

The dates given are only meant as a guide.

Short Term	Within the next 1 – 5 years (approximately until 2005). For example, a site that has a current planning permission or it is being actively marketed.
Medium Term	Within the next 5-10 years (approximately until 2011). For example, a site that may have a constraint preventing it from coming forward in the short term but the constraint is such (i.e. a lease or it is part of a phased development) that it can be overcome before 2016.
Very Long Term	After the next 15 years (approximately Post 2016). For example a site that may currently have a constraint (i.e. contamination) that the district does not believe will/can be overcome before 2016.

Part Two: District Assessment

Most of this section will be completed in light of market view research and overall site assessment. However, some parts in this section should be noted in fieldwork:

Is there scope for intensification (or lowering) of the density, or refurbishment of the floorspace within the site? (This will feed into the sustainability section also.)

The value of this section is not clear. Presumably the issue is whether the site could be refurbished to improve the quality of the premises or whether it could be redeveloped in order to increase the density of development (i.e. increase the total floorspace without using additional land). The intensification would have to be measured by reference to standard plot ratios for all estates, which could be derived from planning policy/development control standards and from agents' interviews.

Section E: District Assessment

This to be completed in the light of site assessments, market view research, and plan analysis, and from early findings. This section will be a product of more systematic assessment, and applied knowledge/expertise (SPA/BWA)

This Section is a more descriptive exercise, which asks each district to evaluate whether they would like to change the ***current type*** of employment space on the site. It also asks the districts to identify the actions they consider necessary (e.g. revision to Local Plan Policy) to achieve their aspirations for the site.

For Question 6 'Which of the following actions would you consider necessary to achieve your aspirations for the site' the following guidelines may be useful;

Structure Plan Policy	Please identify policies/supporting text from the currently adopted Structure Plan that you feel may need to be amended to achieve your aspirations (e.g. Policy 14 'Development for Employment Needs' or Policy 15 Key Employment Sites).
Local Plan Policy	Please identify policies/supporting text from your adopted or emerging Local Plan that you feel may need to be amended to achieve your aspirations.
Development Brief	Please identify if a Development Brief will be required to achieve your aspirations giving an indication of estimated timescale for preparation and the main issues/factors that will need to be addressed within the Brief.

Economic Development Strategy	Please identify what amendments you would need to make to the existing local/strategic economic development strategies to achieve your aspirations (e.g. a resource shift).
Local Transport Plan Proposal	Please identify what amendments you would need to make to the existing Local Transport Plan proposals, which affect your district.
Passenger Transport	Please describe what passenger transport facilities you consider will be required (e.g. a contribution towards a new bus route).
Obligations	Please state what activities/facilities you may need to be secured through planning obligations.
Parking and Traffic (Restrictions/Relaxations)	Please state whether a restriction or relaxation is required and why.
Other (please state)	For example the compulsory purchase of a site because of ownership constraints.

Part Three

Market View

This section will require (as a first step) aggregation of the site parcels into larger groups, which will be largely based on the existing employment areas.

The pilot study indicated that there were two possible types of market view that could be sought;

- Site specific market views. Individual sites that the district knows or perceives that there is a problem with.
- Groupings of sites with similar characteristics that the district is seeking a general market view on.

Market Criteria

The 2000 questions focused on the redevelopment or refurbishment potential of the land, which is a rather limited market perspective.

It is suggested that, in order to be able to arrive at assessments of which sites might be declared unwanted for employment purposes (on either sustainability or market grounds) a wider test is used:

- ***Given prevailing rents and prices for land/premises of this type in the town, is this parcel likely to be worth more or less than or the same as the average for the town; reasons for "more or less than" responses to be given.***

This information should be gleaned from SPA's interviews with agents and surveyors.

View of the agents/team on the potential of the site for:

- Uses
- Redevelopment
- Intensification
- Other
- Notes to explain view:

Part Four – Sustainable Development

These will be applied to aggregated areas the same as for the Market View section. These will be based on existing Employment Areas, with additions where necessary.

Main information to collect on site surveys:
- ***Mark bus stops on map***
- ***Note frequency of bus route / number of busroute***
- ***Mark location of local parades, and types of shops***

See details in boxes below as to how this is to be used.

Sustainability

The four planks of sustainability are conventionally:
- Generating wealth or jobs
- Enabling all sections of the community to have access to the benefits of the project
- Conserving or, better, enhancing the environment
- Stewarding natural or man-made resources.

Generating wealth or jobs

The first could be answered by reference to the likely job density in different classes of employment premises:
- Very high density: call centres, restaurants
- High density: offices, hotels, food superstores
- Medium density: industrial (all unit sizes), R & D, science park users, cultural attractions
- Low density: warehousing, cinemas, amusement and entertainment centres, sports centres, private sports clubs, retail warehousing.

These classes are derived from the Report "Employment Densities: A Full Guide", English Partnerships, by Arup Economics & Planning, July 2001

Enabling all sections of the community to have access to the benefits of the project

Access in the case of jobs is about two main sets of issues:
- Physical accessibility by different forms of transport, especially public transport.
- Skills and aptitudes, which cannot be assessed in the present study.

  It is suggested that the measure be: the proportion of the employment area that is within 400 metres of a bus stop on a service that runs at least four per hour in the rush hours. It will be necessary to plot bus stops and service frequencies on site.

Conserving or, better, enhancing the environment & stewarding natural or man-made resources.

The obvious candidate for inclusion here would be the use of brownfield or greenfield sites. However by definition all the sites will be brownfield, so this is not worth recording.

An alternative measure is the conservation of resources through reduction in the need to travel, the largest generator of travel demand being the journey to work and the next probably being either journeys in the course of business, which are extremely difficult to predict/measure, or trips by staff to procure goods or services (e.g. shopping or buying meals).

It is suggested that the following two measures be used:

- The population within 800 metres of the pedestrian entrances to the employment area.
- The distance from the pedestrian entrances to the employment area to the nearest local parades which include at least a convenience store, a chemist and a takeaway.

Changes not Requiring Planning Permission

A number of changes, that are to be recorded in the survey, can take place without planning permission e.g. minor developments, some changes of use, some site constraints. Surveyors need to look for this type of evidence.

APPENDIX 3

DEMAND EVALUATION – SWOT ANALYSIS

APPENDIX 3 DEMAND EVALUATION – SWOT ANALYSIS

Letchworth	Strengths	Weaknesses	Opportunities	Threats
Industrial/warehousing £5 psf second hand, 10-20,000 sq.ft. Rising to £7 for smaller (< 1100 sq.ft.)units.	Good communications: A1, A505 Range of space available to meet requirements. N end of estate new.	(Reported by tenants) Lack of commercialism on part of Letchworth Heritage Foundation & slowness in exploiting advantage of large landownership.	Icknield Way: mixture of old and new premises – potential for redevelopment. LGCHF producing strategy for industrial estate - redevelopment for modern premises and change of use.	Transfer of 10 hectares to residential
Offices £12-14 p.s.f.		Not an office location, even above shops. Spirella and Nexus converted as exceptions by Heritage Foundation. Ditto Focus 4 new build (HF) 22,000 sq.ft. on market three years and no takers. Weak town centre of awkward size in the hierarchy.		Competition: Stevenage
General				
Comments				

Hitchin	Strengths	Weaknesses	Opportunities	Threats
Industrial/warehousing £5 psf second hand, 10-20,000 sq.ft. Rising to £7 for smaller (< 1100 sq.ft.) units.		Poor access from A1 and across town to industrial estate. Little external demand, even from Letchworth. Industrial estate is cul-e-sac creating rush hour queues.	Gas works site, but a secondary location because of the poor access. Capacity limited by traffic signal controlled junction.	
Offices Max £15 p.s.f. more likely £10-12 p.s.f.		Very few purpose built offices. Some 2-5000 sq.ft. buildings. Offer is mainly premises above shops. Firms obliged to take premises in Wilbury Way (IE) (GE Life at the Priory is the exception; subject to remote decision making of GE Life in US). Development not viable at £15 p.s.f. Stronger town centre than others in District: multiples, restaurants, independents.		Competition from stronger markets e.g. Cambridge, St Albans
General				
Comments				

Baldock	Strengths	Weaknesses	Opportunities	Threats
Industrial/warehousing Limited market evidence on rents.	Well located relative to A1, A505. Better premises on parcel 1/061, which will gain from by-pass.	Little supply in 10-20,000 sq.ft. range. Low grade premises & environment.	By-pass will improve attractiveness. Potential industrial site east of Parcel 1/061, near new by-pass junction (ex-CC smallholdings)	Risk that, with by-pass people go past & ignore the town
Offices	One or two larger office buildings	No recent office development. Little supply. Limited demand. Weak town centre.	By-pass may change prospects. A pleasant coaching town, currently spoilt by HGV's through town centre; by-pass will improve potential.	Competition: Stevenage
General				
Comments				

Royston	Strengths	Weaknesses	Opportunities	Threats
Industrial/warehousing £5 psf second hand, 10-20,000 sq.ft. Rising to £7 for smaller (< 1100 sq.ft.) units.	Recent recovery in take-up, was weakest town in N Herts. New firms/developments: • Hamleys distribution 80,000 sq.ft. (from Saffron Walden) • Automotive Partnership 60,000 sq.ft.(from Cambridge) • Safeline 20,000 sq.ft.(from Ashwell) • Occupier-led	Remote from main N Herts towns. Limited demand for premises for rent.	Draws from S Cambs market, e.g. for small units. Cost advantage over Cambridge which attracted e.g. Automotive Partnership to Royston. Wrenbridge have option to purchase site (W on plan) for industrial development. Vacant T-shaped site,	Competition from Cambridge

	developments but sites available for them. Demand for premises for sale. Continuing demand from Johnson Matthey for additional facilities.		developer awaiting occupier. Development & expansion requirements of existing firms.	
Offices £10-12 p.s.f.		Not an office location. Some offices above shops, but some of these recently converted to residential. Weak town centre.	Town Hall site, several owners; consultants developing brief for site.	Competition from Cambridge
General				
Comments				

APPENDIX 4

POST 2001 EMPLOYMENT LAND TRANSFERS AND POTENTIAL ADDITIONAL SITES

POST 2001 EMPLOYMENT LAND TRANSFERS AND POTENTIAL ADDITIONAL SITES

Changes and updates since the 2001 County Council employment land survey were discussed with development control officers and other sources. The note below summarises the information obtained.

Hitchin: commitments and developments since 2001

Generally there has not been any great pressure for office or other employment site development. For example, the take up of office accommodation in the 3 /4 storey office block on Walsworth Road opposite the station, although now fully occupied, has been slow. On the other hand, actual losses of allocated employment land to residential or other uses have been small.

The two allocated sites to have changed in use since 2001 are the Lipha site on Cadwell Lane, measuring 0.23 hectares, and A & B Glassworks, Cooks Way (Site 1/021). The former is part of Site 1/007and has been given outline consent for 24 flats. (The development is required to contribute £56,000 to upgrading the junction of Cadwell Lane with Grove Road and Wilbury Way.) The whole of Site 1/007, comprising 1.63 hectares, (including M & J Plant Hire), could ultimately go for residential, adding another 60 units. The latter has been given permission for 96 residential units, (on a site of 0.7 hectares excluding the Ashe frontage site). However, if the whole allocated area of Site 1/021 were to be given over to residential this would represent a loss of an additional 1.46 hectares of employment land.

A number of other allocated employment sites are being, considered for change of use, namely:

1. Station Approach (Site 1/022), comprises a former quarry site with a mix of low key B1, B2 and B8 employment uses – (plus night club and kindergarten). Currently pre-application advice has been sought for residential to be serviced with ‘cliff’ access off Benslow Lane.. However, we would recommend thi s be retained as employment land at this time.

2. The Transco site (Site 1/006), could, at some time, be lost from public utility use for the relocation of the Hitchin Football Club and the allocation of the remainder for employment purposes- given that most of the plant has closed down. But there remains the critical issue of access to the site from the Grove Road, Cadwell Lane and Wilbury Way traffic light junction. This could be possibly resolved by the construction of a ‘Stotfold Relief Road’. This might also enable the segregation of residential traffic from employment traffic accessing the employment area as a whole (Site 1/006 to Site 1/019). This would at the same time ease the congestion at the Cadwell Lane / Grove Road junction. Although there is little demand for new industrial land in the town, the new access could allow for the servicing of an extended area of employment land – which in turn could, at some future time, facilitate possible land swaps, as for example other employment uses from Site 1/021. If the current Growth Area Fund application to ODPM is successful (GAFII bid), then works will be carried out to the junction which will release a large part of the Transco site for employment development.

A number of substantial non-allocated employment sites have been given permission for residential since 2001. These include:

1. Paynes Park town centre ‘backland’ (builders merchant) site, measuring 0.75 hectares for mixed residential / office development. Current detailed application being considered for 148 dwellings.

2. F J Warren site on Walsworth Road, has been given outline permission for about 100 dwellings. Negotiations are now taking place on the submission of a detailed application.

3. William Ransom site, on Whinbush Road, near town centre, comprising some 1.6 hectares. It is now being developed by Bellway Homes for 169 housing units (mostly flats). Ransom, herbal goods manufacturers, have now moved out to Site 1/003.

4. Two small former car park sites on Charlton Road have been given permission for housing: One, adjacent to Site 1/023, measuring 0.05 hectares, formerly belonged to National Mutual. The ther, which was formerly a public car park situated to the North side of Charlton Road, measures 0.4. hectares,.

5. Priory site, (Site 1/024), comprising historic fabric formerly used as offices by National Mutual, has been given consent as a conference centre. Although indicated as an allocated employment site, there is a query as to whether this was included as allocated employment land in 2001. In the attached table it is shown as having lost its employment land designation in 2001, while subsequently receiving planning consent for change of use to a conference centre. In any event, the actual site still effectively remains in employment use.

Letchworth Garden City: commitments and developments since 2001

Letchworth Garden City Heritage Foundation has a controlling interest in most Letchworth Garden City land. Overall, the Heritage Foundation has been very successful in facilitating the redevelopment / restructuring of redundant factory sites into smaller, better serviced B1, B2, B8 units, as for example the development of the Letchworth Business Park, and Business Centres East and West.

In a similar vein, the following employment sites have been given permission for redevelopment of employment use, without loss or gain of allocated employment land:

1. Former Metal plating works, (Site 1/037): Permission granted for redevelopment for B1 and B8 uses

2. Dempster site, (Site 1/030): Permission granted for redevelopment of B1 uses.

3. Ascot Trading Estate, (Site 1/030). Permission to redevelop for B1 and B8 use.

4. The Spirella building, (Site 1/026) Former factory, converted for managed office and complementary functions.

While the LGCHF and District Council have been actively considering the change of use of a number of allocated employment sites, the only sites to have changed use since 2001 belonged to the Irvine Parachutes factory, (Site 1/028), off Icknield Way: Of this, 0.2 hectares one site has been given over to the development of a Sikh place of worship with a Community Centre. (see Boyer Planning statement February 2005), and 0.35 hectares for the development of another site for a relocated church.

Nevertheless, the following allocated employment sites are being considered for change of use to residential:

b) Neosid site on Icknield Way, a former factory comprising 2.26 hectares, (Site 1/025). now has resolution to grant permission subject to a S106 agreement for 134 residential units   A case could be made for keeping it in employment use as the last remaining industrial site in that area but it is accepted that it will become residential.

a) Skill Centre plus Site 1/048: These together total 6.46 hectares. An application has yet to be made for the redevelopment of the former training centre and associated industrial fabric for approximately 200 residential units, subject to the adjacent Site 1/047 being kept in employment use

b) Former Bridger Packaging factory, part of Site 1/050: Comprising 0.3 hectares, the Council have resolved to approve an application for 77 units in a high density development, subject to section a S106 agreement.

c) Former Council depot, Icknield Way Site 1/032: Main functions have transferred to Site 1/034, providing opportunity to develop housing units on the disused site 1/032.

d) In addition to the former Bridger Packaging factory noted in b) above, some consideration has been given to a more extensive area of Site 1/050, comprising some 3 hectares to the west of Pixmore Avenue, to possibly be re-allocated for a mix of uses including employment. However, such a proposal is no more than tentative at this stage. .

Within the town centre, there is very little office use over shops or backland sites that either have been, or in future might be, transferred to residential use. However, one exception might be the car showroom on Station Road, which could be considered appropriate for residential development.

The Heritage Foundation has recently published ambitious proposals to redevelop parts of the town centre which, if built, would include increased employment in both retail and additional leisure uses as well as new residential accommodation.

Baldock: commitments and developments since 2001

No designated employment site has been given consent for non-employment use since 2001. However, in the case of Site 1/062, measuring 1.35 hectares, much of the fabric is in need of renewal. Given the current pressure for residential redevelopment, the NHDC might accept a deal whereby existing employment uses are transferred along Royston Road, adjacent to Site 1/061.

In the town centre there is very little existing office over shops. The only major office is that of North Herts Homes accommodated in 'Manor House' on the High Street. Nevertheless, there is constant pressure on small backland sites to be redeveloped for residential, as indeed is the case with 'opportunity' sites, such as nos. 13 (junction of Clothall Road and South Road) and 14 (Cambrai Farm, south of Clothall Road).

While the Tesco superstore is now diversifying into various areas of non-food, retailers in the town centre are fearful of the impact of the planned bypass, currently under construction

Royston: commitments and developments since 2001

Only one employment site, that of Dalgetty, located within Site 1/080 off Orchard Road, has been given consent for change of use for residential since 2001. The site, measuring 2.3 hectares, now forms part of an existing residential cul-de-sac.

Otherwise there has been a continuing demand for employment land. To accommodate this, the Local Authority is contemplating a modest future extension of employment land in North Eastern Royston, in an area within the bypass, bounded by Sites nos. 1/070, 1/073, 1/074 and 1/075, the by-pass and Ivy Farm. Within this area, and contrary to the District Plan, Royston Labels has recently been given permission for the development of a factory site.

Johnson Matthey is the main employer in this area, with production of catalytic converters growing at the expense of precious metals. Currently JM are bringing more of their headquarter functions into the area. Other new businesses which have recently expanded or established themselves comprise, Hamleys (distribution depot), Nobel Metals (part of JM), Mint Marketing, Jewsons (which took over an existing builders yard), Thermal Engineering (which has extended its premises) and Ling Dynamics

The town centre has little potential for change of use to residential - other than modest changes of use above shops; most of the buildings are listed. However the Town Hall site could be considered for mixed development including residential use.

Summary conclusions

Overall, the amount of allocated employment land that has actually been given consent for change of use for non-employment uses since 2001, is modest. In terms of the sites discussed above (see Table 5-1 in main report) it totals some 7.8 hectares.

Nevertheless, in the case of Hitchin and Letchworth, there are substantial land use changes being currently considered. In terms of Hitchin, this could amount to some 5 hectares if the whole of Cooks Way were to be taken account of. However, this would be offset if a large part of the former Transco utility site (10 ha) were to be brought into employment use notwithstanding that a lesser proportion may be used at some later date, if the football stadium were to relocate to the Transco site. In addition to this, another 3.97 hectares of non-allocated employment land has been given consent for residential use since 2001.

Similarly Letchworth is currently considering the reallocation of 4 hectares of allocated employment land to accommodate the development of a possible 470 residential units, together with another 3.8 hectares of non-allocated employment land, principally for residential use.

As will have been noted, the picture in Baldock and Royston is somewhat different; that of Baldock by reason of its small area of allocated employment land, and that of Royston by reason of a possible higher level of demand in relation to supply of employment land.

APPENDIX 5

POSSIBLE SITES FOR CHANGE OF USE - EVALUATION

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Site identification	Site area & Occupied (O) or vacant (V), brief details of occupiers	Market Assessment • Marketability in present state • Marketability/viability for redevelopment	Sustainability A. Job creation - any factors that limit the density of employment: • In present state • On redevelopment	Sustainability B. Social inclusion: within 400 metres of bus stop served at least four times an hour in rush hour. Yes or No	Sustainability C1. Reducing need to travel: significant residential area within 800m of site Yes or No C2 Positive (P) or negative (N) impact on strategic distribution of employment in town.	Sustainability D. Reducing need to travel: shopping centre with at least convenience store, chemist and takeaway within 800m. Yes or No.	Other comments including suitability of site for housing.
Baldock							
Parcel 1/062 Site 1	O – owner-occupier firms	8 – owner occupier market	9	Y	Y P	Y	Some dated premises, but 3 firms have invested in buildings, poor access road, intensification potential
East of Parcel 1/061 Site 2		9 – owner-occupiers & investors	9	N?	Y P	N	
Letchworth							
Icknield Way, DC depot, parts of parcel 1/030 on S side Site 3	O – N Herts Homes Depot & Offices, underoccupied.	6 – adjoining residential	9	Y	Y Neutral	N	Underused – tbc.
Black Horse Road, Geo W King, 1/034 Site 4	O – may be underused	9	9	Y	Y Neutral	N	Rover is/was major client
Neosid site Site 5	V - 2.21 has	6 – adjoining residential	9	Y	Y P	Y	
Skill Centre A Site 6	1.93 has – O, break-up of former factory	)) 9 - interesting scale for redevelopment	9	Y	Y Neutral	Y	Potential for new character of development: business park, residential, large units.
Skill Centre B Site 7	2.22 has - V	))		Y		Y	
Skill Centre C Site 8	0.50 has – Part O	)		Y		Y	
Birds Hill A Site 9	1.13 has)O – B1,B2,B8 & VB	)) 8	9	Y	Y Neutral	Y	
Birds Hill B Site10	2.01 has)	)					
Birds Hill C	0.34 has. E part	6 – adjoining residential	9	Y	Y Neutral	Y	

Site 11	V; W part break-up for small units						
Royston							
Parcel 1/066(?), Lumen Road estate Site 12	1.43has.	8 – owner-occupiers	9	Y	Y P	Y	Secondary location, but OK for owner occupiers.
Ling Dynamics Site 13	0.85 has - O	8 – owner-occupiers	7 – limited expansion potential	Y	Y P	Y	
Hitchin							
Cooks Way/Sharps Way A Site 14	0.36 has – O: Data Centre	9 – modern premises	9	Y	Y P	N	
Cooks Way/Sharps Way B Site 15	0.68 has – V + Transco + small units	7 – adjoining residential	9	Y	Y P	N	
Cooks Way/Sharps Way C Site 16	0.96 has – V A&B Glass plng applic for residential	7 – adjoining residential	9	Y	Y P	N	
Walsworth Road Site 16	0.65 has – O: FBH Fichet Ltd	9 – for customer-facing business	9	Y	Y P	Y	New building on site for Credit Card Systems firm.
Cadwell Lane A Site 18	1.56 has) Part occupied depot, part vacant bldg.	7 - near residential	9	Y	Y Neutral	N	
Cadwell Lane B Site 19	0.24 has) As A	Ditto	Ditto	Ditto	Ditto	Ditto	

NHDC Housing Potential in Employment Areas survey starts from a requirement to find 17has of employment land to change to residential use (HCC/SP Alterations). It looks at sites only from the perspective of how suitable they might be for residential development. The above analysis adopts a different stance which derives from the NHDC Brief: identification of sites unlikely to be required by the market or which are unsustainable for employment development.

Our analysis will also need to be informed by the aggregate balance: more or less land needed for employment. We need to examine the HCC/SP policy/conclusion (lose 17 has) carefully before arriving at our aggregate assessment