



Bone Wells Associates

Economic & Planning Consultants



NORTH HERTFORDSHIRE DISTRICT COUNCIL

Employment Land Review

Part 2 Final Report Addendum:

**Note on Secretary of State's Proposed Modifications
to Housing and Employment targets**

Bone Wells Associates
Omnibus Business Centre
39-41 North Road
London N7 9DP

Tel: 020 7687 2020
Fax 020 7687 2023

February 2007

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1 INTRODUCTION

The existing reports

- 1-1 This note should be read in conjunction with the Consultants' completed studies of employment land needs in North Hertfordshire District, a Part 1 Report in January 2006 and the Part 2 Report in November 2006. The latter report is the most relevant, containing estimates of potential employment land needs in North Hertfordshire arising both from the internal growth of employment within the District and possible employment expansion in the adjacent District of Stevenage. Stevenage has adopted ambitious housing and employment targets, broadly reflecting proposals in the draft Regional Spatial Strategy (RSS), the accommodation of which could involve development of employment land sites within North Herts District.

Secretary of State's proposed changes

- 1-2 The Secretary of State's (SoS) proposed changes to the draft RSS¹ were made in December 2006. These followed the East of England Plan Panel Report (the "Panel")'s recommendations on improvements to the RSS² following an examination in Public (EIP). Since these can be difficult to follow (as some of the figures are given as amalgamations for several Districts and/or overspill areas) the tables below set out for employment and housing respectively the progression of changes from original draft RSS to Panel recommendations to SoS proposals. In the employment table the high jobs target adopted by Stevenage Borough, independent of RSS/SoS estimates, is also shown for comparison

Table 1-1 RSS, EIP Panel, SoS and Stevenage 'Aspiration' Employment Targets over 2001-2021 ('000)

	North Herts (2)	Stevenage (2)	East Herts (2)	Total
draft RSS (1)	<i>4,400</i>	<i>1,700</i>	<i>4,900</i>	11,000
EIP Panel	<i>4,400</i>	<i>4,700</i>	<i>4,900</i>	14,000
SoS	<i>4,400</i>	<i>8,700</i>	<i>4,900</i>	18,000
Stevenage 'aspiration'		14,800		18,000+

Source: See text and footnote references. (1) No Herts county breakdown provided other than 55,800 for county less Stansted area, hence district figures are based on Experian Business Strategies figures underpinning RSS – the "EG21+" projections. (2) Total not distributed to districts – breakdown in italics inferred by Consultants for testing employment land requirements.

¹ East of England Plan – Draft revision to the Regional Spatial Strategy (RSS) for the East of England, East of England Regional Assembly, December 2006.

² East of England Plan Report of the Panel, June 2006.

Table 1-2 RSS, EIP Panel and SoS Housing Targets over 2001-2021 ('000)

	North Herts	Stevenage	Total
draft RSS	7,800+8,000 (1)	6,400	22,200
EIP Panel	7,800+8,000 (2)	6,400	22,200
SoS	6,200 + (3)	16,000 (4)	22,200

Source: See text and footnote references. (1) the 8,000 being within "The Stevenage area". (2) 5,000 of the 8,000 comprising the proposed Stevenage West development. (3) included in Stevenage total. (4) Comprising 9,600 in Stevenage West and North Hertfordshire, and 6,400 in Stevenage District.

2 IMPLICATIONS OF CHANGES

Employment changes

- 2-1 In the Part 2 Report the Consultants assessed the employment land requirements for a number of employment growth scenarios, first as gross land need and second - taking account of estimated land supply - any net requirement over and above available supply. The scenarios examined included:
- i a North Herts District employment increase of 4,400 jobs as per Table 1-1
 - ii a higher North Herts employment increase of 13,200 jobs
 - iii Stevenage Borough alternative employment increases of 4,700 and 14,800 jobs
- 2-2 Employment land demand was a derived figure following a series of assumptions converting sector employment to B1-B2-B8 land use and assumptions on employment density. The gross land demand estimate for North Herts under the low (+4,400 jobs) growth scenario was negative – a reduction of 5.4 hectares calculated to be required over 2001-21.³ However, the revised SoS figures assumes growth in North and East Herts “is left about this [EG21 forecast] level of growth”⁴ the extra 7,000 jobs (see Table 1-1 above) among the three Districts assumed to be allocated all to Stevenage. Hence the SoS revisions require an employment land demand estimate to be made for the total 2001-2021 8,700 additional Stevenage jobs shown in Table 1-1.

Housing and population changes

- 2-3 The Part Two study explored potential employment (and hence land) implications of housing targets through a different procedure unrelated to, and not comparable with, the employment-land calculations described above. The process commences with the assumed dwellings increase, converts this to households and thence to the economically active population, and finally derives an assumed jobs total from this estimate and an assumed commuting balance in the target year. As with the direct employment approach, a variety of assumptions have to be made, not only regarding the % of population who are economically active but for unemployment, double jobbing etc.
- 2-4 The tabulation set out in the Part 2 Report is adapted below in Table 2-1 for the reduced SoS North Hertfordshire District housing target of 6,200 dwellings. Table 2-2 shows estimated growth in 2001-21 jobs in North Hertfordshire comparing the original 7,800 net additional dwellings to the 6,200 dwellings target, keeping all assumptions relating to household size, activity rate etc the same. (There is no reason that any of these should change on account of a relatively small reduction in dwellings and population). As the table shows, the inferred employment increase in North Hertfordshire falls from 9,340 to 7,640 jobs.

³ For the higher + 13,200 employment increase a net increase in land demand was generated, the amount being sensitive to the assumed structure of employment.

⁴ SoS Decisions on Panel Recommendations, p. 68.

Table 2-1 Possible employment growth 2001-2021, based on activity rates and EIP Panel /SoS dwellings increase assumptions

	Increase in dwellings – 7,800			Increase in dwellings – 6,200		
	2001	2021	Change 01-21	2001	2021	Change 01-21
Dwellings (1)	49,940	57,740	7,800	49,940	56,140	6,200
Occupied dwellings @2.5% vacant	48,690	56,300	7,610	48,690	54,740	6,050
Households (incl. sharing) (2)	48,880	56,530	7,650	48,570	54,960	6,070
Average HH size	2.37	2.35	-0.02	2.37	2.35	-0.02
HH population (2)	115,850	132,850	17,000	115,350	129,160	13,780
Non-HH population (2)	1,550	1,780	230	1,550	1,730	190
Total population (3)	117,400	134,630	17,230	116,900	130,890	13,970
Economically active (53%) (4)	62,220	71,350	9,130	61,960	69,370	7,400
Unemployed (2.11%) (5)	1,310	1,510	200	1,310	1,460	150
Resident workers	60,910	69,840	8,930	60,650	67,910	7,250
Balance (net commuting) (6)	-11,150	-11,150	0	-11,150	-11,150	0
Jobs less double jobbers (7)	49,760	58,690	8,930	49,500	56,760	7,250
Jobs	52,070	61,410	9,340	52,070	59,710	7,640

Source: (1) Census 2001, NHDC 2001-2021; EIP Panel 2001-2.1; SoS revisions. (2) Consultants based on Chelmer. (3) Based on Chelmer 2003-based dwellings led population projection. (4) Experian 2003 projection. (5) Census 2001 statistics for North Herts. (6) Census 2001 (7) Based on Experian figures.

Employment land stock and land demand implications

2-5 Table 2-2 replicates the summary table of employment land supply in North Hertfordshire set out in the Part 2 report. This shows total estimated land supply to be 34 hectares. This is compared with land demand over the short and long term in Table 2-3, the additional employment increase scenarios set out in blue. For each scenario gross employment land demand is estimated straightforwardly by interpolation from North Herts and Stevenage calculations made in the Part 2 Report for, respectively, the 4,400 and 9,720 job increases for North Herts and the 4,700 and 14,800 job increases for Stevenage.

Table 2.2 Available and potential employment land in North Hertfordshire, 2006

Land category	Sq m/Has	Designation	Location	Availability/year
EAMR identified sites(1)	9,100/ 1.81	B1/B2	L, H, R	2006
EAMR pl commitments (2)	20,100/ 5.8	B1/B2/B8	L, H, R, B	2006
Baldock reserve site (3)	24,800/ 6.2	B1/B2/B8?+	B	2007+
Other ad hoc sites (4)	54,800/13.32	B1/B2/B8?+	L,R	r.2007+ ps. 2011
Transco site (5)	20,000/ 5.0	B2/ B8	H	2008 ?
Town centre potential (6)	20,000/ 2.0	B1a	L, H, R	redevl. sites
Estates redevelopment	?	B1/B2/B8	L, H	steady (7)
Total	148,800/34.13	B1/B2/B8	L, H, R, B	

Source: Consultants. (1) EAMR sites. (2) EAMR permissions/commitments excluding identified sites. (3) Baldock restraint area 6.2 has (4) Ad hoc sites not currently designated as empl. land: Letchworth power station, 1.56 has; Royston adj to A505, 11.76 has. (5) Assumes 50% of land reserved for employment use. (6) Sites from redevl. opportunities, estimated by Consultants from TC Strategies: Hitchin 10,000 sq.m; Letchworth & Royston 5,000 sq.m. each. (7) No timetable – market determined

Table 2-3 Long term supply and demand balance for employment land in North Herts, 2001-2021, with Stevenage 'overspill demand' (Has)

Scenario 2001-21	Land Demand (has)	Supply (in North Herts) short/long term (2)	Balance short/long term
North Herts			
N. Herts + 4,400 jobs 'net'	-5.4	11.2/ 34.7	16.6/40.1
N. Herts + 7,640 jobs 'net' (1)	7.4	11.2/ 34.7	3.8/27.3
N. Herts + 9,720 jobs 'net'	15.6	11.2/ 34.7	- 4.4/19.1
N. Herts +13,200 jobs 'net'	29.3	11.2/ 34.7	-18.1/5.4
Stevenage 'overspill'	Demand	Supply (in Stevenage)	Balance
Stevenage +4,700/5,620 jobs	-7.6/5.8	9.4	1.7/3.6
Stevenage +8,700 jobs	-0.2	9.4	9.6
Stevenage +14,800/16,700 jobs	11.3/18.0	9.4	-1.9/-8.6

Source: Para 2-2 and Table 2-1 above; Part 2 Report Tables 3-9, 5-1, 7-2, 7-4. (1) Note as an example, the range or spectrum of land need between the low 4,400 and higher 9,720 figures is 21 Has. The intermediate employment land need corresponding to +7,640 jobs thus lies approximately 60% along the spectrum (12.8 Has), leading to a net land demand of 7.4 has, within the available land supply level. (2) Short term is land estimated to become available over 2006-2011 period, long term post 2011.

- 2-6 Since the employment land supply in Stevenage (see Part 2 Report, Table 7-5) was estimated to be 9.4 hectares, the higher employment demand is not calculated to result in any net increase in land requirement, the whole of this supply thus remaining available. With all the estimated land requirement for this employment scenario being met within Stevenage, there are accordingly no implications for finding additional land in North Hertfordshire District.
- 2-7 From the population/housing based estimate the inferred employment increase of some 7,640 jobs does not replicate other sources such as Experian/ABI employment estimates, being census based, but lies as an intermediate figure between lower and higher long term projections for North Hertfordshire set out in Tables 2-2 and 3-1 of the Part 2 report. This is less than the estimated supply of available employment land so the SoS revised lower housing target of 6,200 dwellings would not lead to any additional employment land requirement.