

North Hertfordshire Local Plan 2011-2031

Employment Background Paper

February 2017

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1. INTRODUCTION AND CONTEXT

1. In the last 5-10 years the UK economy has been through a slow and uncertain period, fluctuating between small rises and falls in economic growth. There were clear signs of recovery during 2013 and this has continued through 2014, 2015 and into 2016. All major industry sectors and regions are now showing positive growth trends.
2. Like most areas North Hertfordshire did not escape the detrimental affects of the economic downturn and many variables including unemployment and job growth figures suffered as result. Figures have only recently returned to pre-2008 levels, but the local employment environment is improving and the figures are moving in the right direction.
3. North Hertfordshire has existing allocated employment areas in each of the four main towns. The Local Plan continues this approach and seeks to expand the supply of designated employment land in order to meet the employment needs of the district over the plan period. At the same time some areas of the allocations are being released based on a number of factors including mix of uses / access issues / permission for residential development...etc. Decisions regarding both the allocation and the release of employment land are based on the employment evidence base, which this paper forms part of.
4. Recent Government changes to permitted development rights allowing employment uses to change to residential without the need for detailed planning permission has made employment forecasting and monitoring increasingly challenging. So far, other than a few town centre developments, these changes have not had a hugely negative impact on the district's employment areas, however, these changes could impact on the allocated employment areas and need to be kept under review as the Local Plan develops and once adopted.
5. The Planning Practice Guidance (PPG) states:
Plan makers should make an assessment of the likely change in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area. Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility or other sustainable options such as walking or cycling) and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or infrastructure development could help address these problems.

2. FORECASTING AND FIGURES

6. The Council's Employment Land Review¹ (2013) provides a number of options for potential jobs targets and land demand figures (in **Section 7** of the report p85). For jobs figures it uses the three East of England Forecasting Model (EEFM) scenarios from 2012 namely the base rate, low growth and high growth to identify labour demand based approaches to employment figures.

¹ North Hertfordshire Employment Land Review (2013) Regeneris

There is also an additional labour supply model approach, which assesses the employment implications of the projected changes in population associated with the housing figure. Based on assumptions regarding types of employment growth, these approaches are then translated into land requirements over the plan period 2011-2031. There is also an additional methodology in relation to land demand requirements based on past trends.

Preferred Options

7. The jobs figure of 5,400 jobs (or **3,600** FTE jobs) associated with the base rate run of the 2012 EEFM was considered to be the most appropriate in 2014/15 for the Preferred Options Local Plan. Although this wasn't overly aspirational, in relative terms and based on recent trends it was considered to be optimistic. The base run of the model **gave an output housing figure of 12,400, which matched closely with the objectively assessed need figure outlined in the Strategic Housing Market Assessment (2012)**. It was therefore viewed that the chosen figure was supported by housing assumptions in EEFM as well.

East of England Forecasting Model 2016 update

8. In August 2016, a new version of the East of England Forecasting Model was released. This dataset consists of only base forecasts which project an increase of around 10,300 jobs (or 7,100 FTE jobs) in North Hertfordshire between 2011 and 2031. The 2016 EEFM forecast growth across several sectors, with the key drivers of growth being construction (+2,400 jobs), accommodation and food services (+2,200 jobs), health care (+1,400 jobs), business services (+1,400 jobs) and education (+1,200 jobs). On the other hand, manufacturing and finance are both expected to see a decline (of around 1,000 jobs and 900 jobs respectively). The latest forecasts indicate that although overall employment numbers in North Hertfordshire will increase, most of this growth is expected to be in non-B class sectors.

3. FUNCTIONAL ECONOMIC MARKET AREA STUDY (FEMA) (JULY 2015)

9. The Council, together with Stevenage Borough and Central Bedfordshire Councils, undertook a Functional Economic Market Area (FEMA) Study to accord with NPPG's requirement to assess economic need based on a geography wider area than just district level.
10. This document looked at the spatial distribution of FEMAs in the area as well as the associated employment needs arising. It also provided commentary in relation to the employment strategies of the associated authorities and the overall supply of jobs and employment land and future employment requirements that could arise from changes to future commuting patterns.
11. Additionally it compared previous EEFM projections (from 2012 and 2013) with the 2014 run to provide conclusions on its appropriateness and how these changes could influence future job figures.

4. LATEST FORECASTS

12. The broad conclusions associated with the 2014 run of the EEFM (ie. used in the FEMA Study) are detailed below in comparison with previous runs of the model. The table below also includes the broad conclusions associated with the most recent (2016) EEFM run, which are based on three variants for safety margins² in the assessment of employment land requirements. Regeneris has prepared these figures based on a similar approach to the 2013 ELR for North Hertfordshire. Both runs of the 2014 and 2016 EEFM also include floorspace projections. These are both included (separately) to provide another land supply option.

TABLE 1: EEFM BASELINE MODEL RUN FIGURES

EEFM Model Run	Total jobs	FTE Jobs	B-class jobs 2011-2031	Approximate B-class land requirement 2011-2031 (hectares)			
				Office (B1a&b)	Manufacturing (B2)	Storage (B8)	Total
2011 baseline	4,440	2,930	-308	1.7	-6.7	10.4	5.39
2012 baseline	5,400	3,600	1,300	3.7	-8.9	14.5	9.3
2013 baseline	4,330	2,930	1,824	4.3	-3.5	9.2	9.9
2014 baseline	7,010	4,740	5,750	8.00	-5.17	19.30	22.13
2014 baseline (land supply figures)	7,010	4,740	5,750	6.65	1.85	10.16	18.66
2016 baseline [±]	10,285	7,100	1,750	4.06 to 4.27	-5.49 to -3.71	1.67 to 3.10	0.45 to 3.63
2016 baseline (land supply figures) [±]	9,005	7,100	1,750	5.52 to 5.88	-9.29 to -7.51	1.46 to 2.89	-1.96 to 1.08
Average 2011-14 baseline	5,295*	3,550*	2,142*	4.9	-4.5	12.7	13.1
Average 2011-16 baseline **	6,293	4,260	2,143	4.35 to 4.39	-5.95 to -5.60	11.01 to 11.30	9.41 to 10.10

*please note: average 2011-14 figures for total jobs, FTE jobs and B-class jobs do not include figures for the 2014 baseline (land supply figures), as this would represent double counting

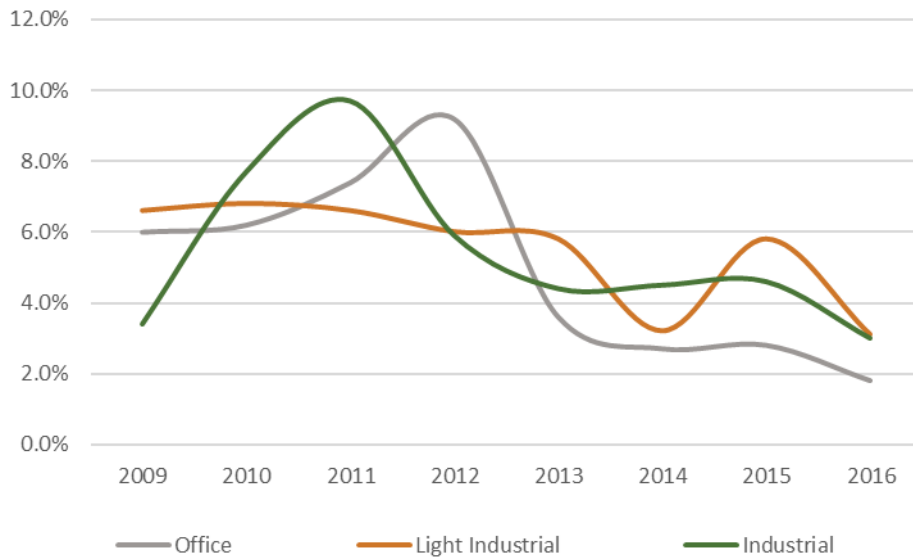
**please note: the land supply figures are not included in the 2011-2016 baseline figures

[±]employment land requirements based on the 2016 baseline are provided as a range. These take into consideration the different sensitivity tests applied in terms of safety margins. For more detail on the assumptions and method used please see Appendix 5.

² For more detail about the assumptions and method used please see Appendix 5

13. A broad assessment of the employment implications between the 2014 and the 2016 run indicates that overall employment land requirements will decline to between 0.45 and 3.63 hectares (compared with 22.1 ha for the 2014 baseline run). Based on the evidence in Table 1, the 2014 run of the EEFM is somewhat of an anomaly. As such, taking an average of the different runs would be a more appropriate measure for past trends in employment land requirements. This average (2011-2014) identifies the need for around 13.1 ha between 2011 and 2031. Although this is higher than the range identified under the 2016 baseline, Table 1 shows that the key difference is the result of a reduction in the demand for storage (B8) employment land (from an average of 12.7 ha for the 2011-14 runs to 1.46-2.89 ha in the 2016 run).
14. Table 1 also identifies employment land requirements based on the 2016 EEFM land supply figures. These figures show similar trends to the baseline figures. The 2016 baseline land supply figures indicate a slightly higher demand for office space, but a much larger decline in the need for manufacturing land when compared with the 2016 baseline.
15. In interpreting the different options listed in Table 1, caution needs to be expressed as the EEFM can fluctuate and provide surprising results based on small changes in the economy which are projected forward over the 20 year period. Solely relying on one run of the EEFM as a basis for a jobs figure has been found as an unsound approach by recent Examinations in Public, therefore the Council are mindful of these results in forming a view about potential employment targets.
16. The previous employment background paper argued that the significant rise in B-use class jobs means that the figure for need for employment land could be higher than was previously considered in the preferred options, and suggested that a figure of **20ha** was a sensible upper limit taking the table above into account. Given that the 2014 run is somewhat of an anomaly, a figure of **10.10 ha based** on an average for the 2011-2016 runs (but which excludes the 2014 and 2016 land supply figures) appears to be a more sensible upper limit.
17. A more optimistic figure of 10.10ha is considered to be reasonable given evidence in North Hertfordshire which points to higher levels of demand and aspirations for growth. This includes the following:
 - The employment ambitions set out in the Local Plan 2011-2031 Proposed Submissions issued in October 2016 which aspire for an increasing representation in high-skilled commuting, a reduction in out-commuting, and aligning employment development with housing growth to promote sustainable patterns of development and access by non-car modes.
 - An overall declining trend in vacancy rates across North Hertfordshire since 2009. This view is based on data from the CoStar property database, which shows that vacancy rates are falling across office, light industrial and industrial spaces.

Vacancy rates in North Hertfordshire District, 2009-2016



Source: CoStar property database, accessed 03/03/2017

- A number of significant sites being brought forward for planning permission, including land at Royston (14/01809/01) and Letchworth (14/00733/1).

Completions since 2011

- The figure of 10.1 hectares identified above does not take into consideration any developments which have been completed between 2011 and 2016. Using data from the District’s Annual Monitoring Reports (AMRs) for the past five years, we estimate that around 2.7 hectares of (net) employment land have been lost to other uses between 2011-16. Table 2 below is based on (net) change in employment floorspace data from the AMRs, and shows that around 1.45 ha and 1.66 ha were lost from office and manufacturing uses respectively. On the other hand, it shows that around 0.42 ha of storage land has been gained between 2011-16.
- The data presented below highlights the importance of maintaining the 10.1 hectares figure identified above, as there is potential for employment land need to be higher due to the (net) loss experienced between 2011-16.

TABLE 2: NET CHANGE IN EMPLOYMENT LAND, 2011-16

	Office (B1a/B1b)	Manufacturing (B1c/B2)	Storage (B8)	Total
2011-12	-4,200	800	-900	-4,300
2012-13	200	-700	-300	-800
2013-14	-1,800	-500	3,000	700
2014-15	-8,600	-30,300	-2,600	-41,500
2015-16	-100	14,100	4,900	18,900
Total 2011-16 (sq. m.)	-14,500	-16,600	4,100	-27,000
Plot ratios	0.5	0.4	0.5	--
Employment land (ha)	-1.45	-1.66	0.42	-2.70

Balance between Jobs and homes

20. The balance between the number of jobs and the additional supply of labour created by the additional homes is an important balance as it has the potential to create unsustainable patterns of movement as well as additional demand for housing. The SHMA considers this point, as summarised below.

5. STRATEGIC HOUSING MARKET ASSESSMENT (JUNE 2015)

21. The Council's SHMA, published in June 2015, provides a housing figure of 14,400 for North Hertfordshire's own need. The document was produced jointly with Stevenage BC, which again helped from a joint working perspective.
22. In June 2016, the ONS released the 2014-based demographic projections, which were in turn followed by DCLG's 2014-based household projections. As a result the Council (in collaboration with Stevenage BC) commissioned an update to the OAN for the North Hertfordshire and Stevenage housing market area (HMA). The OAN update starts by identifying a fall of around 355 households (equivalent to 1.8%) over the 20-year period between 2011 and 2031. The OAN update identifies the need for 21,400 dwellings across the housing market area. Whilst housing need in Stevenage is expected to grow (by 300 dwellings over 20-year period), this is offset by a reduction in North Hertfordshire from 14,400 dwellings to **13,800 dwellings** (a decline of 600 dwellings) over the same period.
23. The 2015 SHMA also used the 2014 EEFM model data to assess the number of potential jobs against the number of potential workers and arrived at the conclusion that there was no need to further increase housing delivery as there would be enough workers for the likely increase in jobs in the area. As alluded to earlier; the 2014 EEFM provides a more positive economic forecast, but can be viewed somewhat of an anomaly when compared with other years.
24. The 2016 run of the EEFM also includes an assessment of housing need in North Hertfordshire over the plan period, and assumes that there will be demand for around 11,500 additional dwellings between 2011 and 2031. This is around 2,300 dwellings fewer than what the 2016 OAN update recommends, and would yield a lower population and employment growth. Therefore, the 2016 run of the EEFM model is not appropriate to consider on its own. This is based on the view that the EEFM model takes a broad-brush approach to estimating housing need. On the other hand, the OAN update is undertaken in-line with national Planning Practice Guidance (PPG) . Furthermore, the OAN is specific to North Hertfordshire and its housing market area (whilst the EEFM is not).

6. LAND SUPPLY CALCULATIONS OF NEW SITES

25. If we estimate the number of jobs created by the additional land allocated through the Local Plan using a plot ratio of 0.5 and an assumption that land will be equally split between B1, B2 and B8 uses it provides a jobs figure of approximately **5060**.

26. This is a very crude calculation and doesn't take account of redevelopment of existing employment land of which there is always constant churn. It also doesn't include development outside of designated employment areas (i.e. the rural area) or jobs outside of B - use classes, but it provides a useful figure in terms of the capacity of the emerging allocations to feed into the wider supply argument calculations.

7. STEVENAGE SHORTFALL

27. Stevenage Borough Council (SBC) has prepared updated evidence (December 2016) to inform an EiP of its Proposed Submission Local Plan. This builds on the 2015 FEMA study and anticipates a shortfall of employment land of around 11.5 hectares. North Hertfordshire Council is objecting to one of the sites (c. 4 hectares) identified by SBC in its Proposed Submission Local Plan, and as such, Stevenage's shortfall of employment land could increase to around 15 hectares.
28. Based on this evidence, it is considered necessary to identify land in the longer term to increase the supply of employment land in North Hertfordshire to meet that unmet need. In essence this will have a potential self-containment benefit; reducing the levels of out-commuting to Stevenage from North Hertfordshire which currently accounts for a net loss of 2,652 workers.
29. This approach has been tested through the FEMA report and is likely to have a positive impact on the Council's jobs target, providing evidence for a potentially higher jobs target.
30. The FEMA concludes with the following:
Within the context of identified FEMAs, the study concludes that these unmet growth requirements from Stevenage would be most suitably supported in the surrounding economic areas in North Hertfordshire and Eastern CB that help form part of the relevant FEMA in commercial property and labour market terms. In particular the key sub-market area that stretches from Stevenage to Letchworth and Baldock along the A1(M) route is considered to be best placed to meet the unmet needs for industrial space from Stevenage, while the unmet needs for office space is considered to be more localised in nature.
31. A modest increase in the amount of employment land over and above our own needs is considered to be a sustainable approach and one that will have a positive impact on our economy in the long term.

8. EMPLOYMENT LAND SUPPLY

32. The local plan process has considered sites listed in **Table 3** for employment use. A detailed summary of the reasoning for the choice of sites is given in Appendix 6 to this report and evidence published alongside the Local Plan.

TABLE 3: EMPLOYMENT LAND SUPPLY (NEW SITES)

Site	Size ha	Local Plan Conclusion
Site B/e01 - Royston Road, Baldock	8.48	Allocate site (BA10)
Site B/e02 - Royston	11.12	Allocate site (BA10)

Road Baldock		
Site L/e01 - Former Power Station site, Letchworth	1.5	Allocate site (LG12)
Site 59 - Land adjoining Household Waste Recycling Centre	0.11	Do not allocate site
Site 60 - Land east of Blackhorse Road, Letchworth	4.09	Do not allocate site
Site H/e01 - Transco Site, Hitchin	10.9	Do not allocate site
Site H/e02 - Land North and East of Wilbury Way (cut by rail curve)	25 approx	Do not allocate site
Site R/e01 - York Road, Royston	10.9	Allocate site (RY9)
Land at Junction 7 of the A1(M)	20.1 (in North Herts)	Do not allocate site

33. In addition to the sites identified through the local plan process, there are a number of sources of supply as detailed in Table 4. **These constitute approximately 5.52 hectares of additional supply.**

TABLE 4: FURTHER SOURCES OF SUPPLY (April 2016)

Source	B1	B1(c) / B2	B8	Total
Vacant employment sites* (modified list from ELR 2013)	2.24	0.57		2.81
Planning permission **	-0.48	-0.32	2.01	1.21
Undeveloped allocations*	1.50			1.50
Total	2.51	1.00	2.01	5.52

Where figures appropriate for more than one use the figure is split 50:50

*Data included in Appendix 3

**Data included in Appendix 2.

9. ADDITIONAL DEMAND

34. In addition to the figure of up to 10.10 ha additional employment land identified in the baseline runs of the EEFM there is an identified loss of employment sites through the local plan process in a number of locations. A number of these are vacant or not in employment use, however, some still accommodate active employment activity as detailed in **Table 5**. To maintain an adequate supply of employment land this needs to be factored into the overall demand calculations to ensure no net loss of active employment land going forward

35. As set out in Table 5 below this re-provision of land constitutes approximately **7ha** need to be incorporated in the overall figure for demand.

TABLE 5: ACTIVE EMPLOYMENT LIKEY PERMENANT LOSS AS A RESULT OF THE LOCAL PLAN

Active sites to be lost from Allocation	EMP Area	BUS Area	Allocation
Icknield Way (BE3, BEB3), Baldock	1.41	1.41	BA6
Sharps Way / Cooks Way (HE4), Hitchin	1.2		HT8
Birds Hill (W) (LE2), Letchworth	0.99		LG5
Birds Hill (WW) (LE2), Letchworth	0.11	0.11	LG5
Anglian Business Centre, Royston	1.2		RY7
Pixmore Centre	0.99	0.99	LG8
Glebe Road Industrial area	0.3	0.3	LG13
Foundation House	0.8	0.7	LG16
Total	7	3.51	
Total employment land	7		

10. STRATEGIC SITES

36. No additional requirement has been factored into the calculations for the strategic sites / urban extensions identified in the Local plan. It is unlikely that employment land will be delivered in any of the 6 strategic sites. Discussions with landowners and draft masterplan have not identified any provision for designated employment land. A large part of the East of Luton strategic sites has a detailed planning application, which mostly encompasses housing. The location of the remainder of the site and its associated access routes does not lend itself to employment development.
37. If any additional employment land does come forward as part of these sites it is unlikely to be significant due to the pressure to deliver housing.

11. CONCLUSIONS

38. **Table 6** summarises the preferred approach to the allocation of employment land. The allocations are shown on the Proposals Maps.
39. There is an estimated **demand for between 28.1 and 32.1 hectares over the plan period and we will provide 37.5 hectares** through existing supply and allocations.

40. Flexibility is built into the land demand assumptions providing the additional benefit of improving choice and opportunity, although there are also additional qualitative reasons which support the allocation of employment sites in the areas chosen too.
41. The needs of Stevenage Borough Council are factored into the demand figure and as evidenced in the FEMA study are best met in land in Baldock at BA10 which has been expanded to include additional land to the east.

TABLE 6: SUMMARY OF PREFERRED STRATEGY

Demand	28.1-32.1 ha
EEFM Baseline	10.1 ha
Re-provision of existing sites	7 ha
Stevenage unmet need	11-15 ha
Supply	37.5 ha
Existing supply (permissions and allocations)	5.5 ha
Royston Road, Baldock (BA10)	19.6 ha
Former Power Station, Letchworth (LG12)	1.5 ha
York Road, Royston (RY9)	10.9 ha

12. EXISTING EMPLOYMENT AREAS / BUSINESS AREAS

Taking account of the employment land releases in Table 5 above and permissions granted for non-employment uses since designation in the 1996 Local Plan, the current extent of the existing employment areas are detailed in Table 7 below.

TABLE 7: EXISTING EMPLOYMENT AND BUSINESS ALLOCATIONS

code				Employment			Area/ha		
Baldock	BE1	Bondor Business Centre	2.5	BB1	Bondor Business Centre East	1.0			
	BE2	Royston Road	3.3						
Hitchin	HE1	Wilbury Way	38.9	HB1	Wilbury Way	3.6			
				HB2	Cadwell Lane	0.8			
	HE2	Burymead Rd	7.1	HB3	Burymead Rd	7.1			
	HE3	Station approach	1.4						
	HE4	Land adjacent to priory park	0.9	HB4	Land adjacent to priory park	0.9			

Letchworth	LE1	Works Road	70.9	LB1	Armor Way	0.2
	LE2	Blackhorse Road	11.8	LB2	Blackhorse Road North	4.8
	LE3	Icknield Way	11.4	LB3	Icknield Way North	3.7
				LB4	Icknield Way South	3.0
	LE4	Spirella	2.8	LB5	Spirella	2.8
Royston	RE1	Orchard Road	38.9			

42. These employment and business areas have been assessed through the Employment Land Review and have been protected based on their importance to the future contribution towards the North Herts economy. These areas are shown on the Local Plan Proposals Map.

Appendix 1 – Job / Employment Land Forecasting**Jobs (taken from EEFM)**

	B1	B2	B8	Total
2012 Regeneris	2,600	-1,900	600	1,300
2013 NLP	2,991	-1,373	206	1,824
2012 NLP	3,496	-2,536	527	1,487
2011 NLP	1,080	-1,675	287	-308
2014 NLP	5,750	-1,530	880	5,100
2016 Regeneris	2,569	-584	162	2,147

Floorspace (derived using employment densities set out in the ELR) – sq. metres

	B1	B2	B8	Total
2012 Regeneris	44,900	-78,300	41,900	8,500
2013 NLP	52,043	-56,980	15,450	10,514
2012 NLP	60,830	-10,5244	39,525	-4,889
2011 NLP	18,792	-69,513	21,525	-29,196
2014 NLP	100,050	-63,495	66,000	102,555
2014 EEFM land assumptions	82,700	-35,400	20,300	67,600
2016 Regeneris	35,300	-21,963	7,580	20,917
2016 EEFM land assumptions	48,566	-37,177	6,640	18,029

Actual land requirement (derived using plot ratios from ELR)

	B1	B2	B8	Total
2012 Regeneris	3.50	-19.58	8.38	-7.69
2013 NLP	4.06	-14.24	3.09	-7.10
2012 NLP	4.74	-26.31	7.91	-13.66
2011 NLP	1.46	-17.38	4.31	-11.61
2014 NLP	7.80	-15.87	13.20	5.13
2014 EEFM land assumptions	6.45	-8.85	4.06	1.66

Total land required (derived using assumptions on flexibility and making losses good from ELR)

	B1	B2	B8	Total
2012 Regeneris	3.70	-8.88	14.48	9.31
2013 NLP	4.26	-3.54	9.19	9.90
2012 NLP	4.94	-15.61	14.01	3.34
2011 NLP	1.66	-6.68	10.41	5.39
2014 NLP	8.00	-5.17	19.30	22.13
2014 EEFM land assumptions	6.65	1.85	10.16	18.66
2016 Regeneris	4.06 to 4.27	-5.49 to - 3.71	1.67 to 3.109	0.45 to 3.63
2016 EEFM land assumptions	5.52 to 5.88	-7.51 to 9.29	1.46 to 2.89	-1.96 to 1.08

Appendix 2 – Non- residential commitments / undeveloped allocations

District wide commitments	net	plot ratio	total land
B1	2,672	0.5	5,344
B1a	-7,457	0.5	-14,914
B1b	136	0.5	272
B1c	-1,019	0.4	-2,548
B2	-2,051	0.4	-5,128
B8	7,833	0.5	15,666
Estimated sites*	6,710	0.5	13,420
total	21,576		12,113
			1.21
undeveloped allocations			
B1/B2	4950	0.5/0.4	1.1
B1/B2	1760	0.5/0.5	0.44
			1.54 ha
28,286		total	2.75 ha

*please note that for estimated sites net floorspace is divided evenly between office, industrial and storage space.

Appendix 3 – Redevelopment opportunities

Town	Site	Size	Suitable uses	Comments
Baldock	Former Peugeot Site, Icknield Way	0.2	B1,B2,B8	Being released for residential
Hitchin	7-9 Bury Mead Road	0.22	B1	
	Industrial Unit, station approach	0.07	B1	
	Yard Site, Station approach	0.15	B1	
	Former Procast Components site, Cadwell Lane	0.38	B1	
	Bilton Road Car Parking	0.25	B1	
Letchworth Garden City	Former car show room, Corner Jubilee Road, Works Road	0.16	B1,B2, Sui	
	Works Road, East of Avenue one	0.07	B1,B2	
	Site west of Heritage Offices, Icknield Way	0.31	B1,B2	Being released for residential
	Land to east of Chapter Lee building Icknield Way	0.91	B1,B2	
	Lloyds building, Birds Hill	0.57	B1	Being released for residential
	Former GW King	4.6	B1	Being released for residential
	Former Umo House Offices	0.6	B1	
Royston	Land north of York Way	0.56	B1,B2,B8	All ready accounted for in estimated sites
	Lumen Road	0.15	B1,B2,B9	Being released for residential

Appendix 4 - New Site Job Calculations

Site	Area	Plot ratio	Useable land	B1 jobs (17.4m/job)	B2 jobs (41.5m/job)	B8 jobs (75m/job)	Total jobs
Royston Road, Baldock (BA10)	19.6	0.5	98000	1877	787	435	3099
Former Power Station, Letchworth (LG12)	1.5	0.5	7500	144	60	33	237
York Road, Royston (RY9)	10.9	0.5	54500	1044	438	242	1724
							5060

Appendix 5 - Method for calculating employment land requirements

This appendix describes Regeneris Consulting Ltd.'s method for converting employment figures from the 2016 run of the East of England Forecasting Model (EEFM) to employment land requirements. The method described in this section is the same as the method used by Regeneris in the 2013 Employment Land Review .

Step 1: Subtract home workers from sector employment forecasts based on the proportion of people who work mainly at or from home from the 2011 Census of Population.

Step 2: Allocate employment use-classes to detailed 4-digit SIC sectors (using Regeneris' in house ELR model).

Step 3: Estimate the proportion of employment from 4-digit SIC for each of the 31-broad sector definition used in the EEFM 2016. This is based on the latest available BRES data for North Hertfordshire District.

Step 4: Apply proportions based on the total number of jobs that will require different types of floorspace (ie. number of jobs in B1a, B1b, B1c, etc...).

Step 5: Convert total employment (from EEFM 2016) into full time equivalent (FTE) jobs at the broad sector level. This is based on BRES data.

Step 6: Convert total FTE jobs for each use-class into floorspace by applying the following employment densities (based on the Homes and Communities Agency's *Employment Density Guide*):

- B1a: 12 sq. metres
- B1b: 50 sq. metres
- B1c: 47 sq. metres
- B2 36 sq. metres
- B8: 70 sq. metres

Step 7: Apply safety margins. In this instance, we have tested 3 options. The first two are based on net absorption which is defined as the net change in occupied space over a given period of time, calculated by summing all positive changes in occupancy (move-ins) and subtracting all the negative changes in occupancy (move-outs). The following assumptions were used:

- Average annual net-absorption over long-term (ie. ten years between 2007-16) x 2 years.
- Average annual net-absorption over short-term (ie. five years between 2012 - 16) x 2 years.
- 10% safety margin for office space and 5% for manufacturing and storage space. This safety margin was only applied where demand for floorspace was growing.

Step 8: An allowance of 10% is added to all floorspace requirements to reflect normal levels of market vacancy in employment space. This allowance was only added where demand for floorspace is growing.

Step 9: The following plot ratios were used to convert floorspace into employment land requirements:

- Office: 0.5
- Manufacturing: 0.4
- Storage: 0.5

The following table shows the results based on the 2016 run of the EEFM and shows Regeneris's method converting employment change between 2011-31 to employment land need based on the three sensitivity tests used (see **step 7**).

	Office (B1a, B1b)	Industry (B1c, B2)	Storage (B8)	Total	
Total employment change	2,569	-584	162	10,287*	
FTE change	2,237	-597	108	7,101*	
Employment floorspace required (B-class uses)	35,300	-21,963	7,580	20,917	
Total floorspace (incl. safety margin + allowance)	based on long-term average take-up (sq. m)	40,640	-20,368	9,841	30,113
	based on 5-year average take-up (sq. m)	42,446	-14,845	15,506	43,107
	based on traditional assumptions (sq. m)	42,713	-21,963	8,338	29,088
Plot ratio	0.5	0.4	0.5	-	
Employment land need (EEFM 2016 baseline)	based on long-term average take-up (ha)	4.06	-5.09	1.97	0.94
	based on 5-year average take-up (ha)	4.24	-3.71	3.10	3.63
	based on traditional assumptions (ha)	4.27	-5.49	1.67	0.45

*please note that these figures include total employment and FTE employment change for 2011-2031, not just b-class uses

We have also tested employment land need based on the land supply figures from the 2016 run of the EEFM. This method eliminated the need to convert employment figures into employment (ie. **Steps 1-6** in the method described above). In converting floorspace to employment land need, the same method (and assumptions) as described from **Steps 7** onwards are used.

The following table shows employment land need based on land supply figures from the 2016 run of the EEFM.

		Office (B1a, B1b)	Industry (B1c, B2)	Storage (B8)	Total
Employment floorspace required (B-class uses)		48,566	-37,177	6,640	18,029
Total floorspace (incl. safety margin + allowance)	55,232	55,232	-35,582	8,808	28,458
	57,038	57,038	-30,058	14,472	41,452
	58,765	58,765	-37,177	7,304	28,892
Plot ratio		0.5	0.4	0.5	-
Employment land need (EEFM 2016 baseline)	based on long-term average take-up (ha)	5.52	-8.90	1.76	-1.61
	based on 5-year average take-up (ha)	5.70	-7.51	2.89	1.08
	based on traditional assumptions (ha)	5.88	-9.29	1.46	-1.96

Appendix 6 - Site Selection Reasoning

Allocation	Previous reference	Name	Place	Type	Evidence and reasoning	Conclusion
BA10	Be01, Be02	Royston Road	Baldock	Employment	Given levels of housing growth anticipated in Baldock, this area along Royston Road affords the only meaningful opportunity to create a new employment area. Employment space per capita in Baldock is far lower than the other three towns and this site provides the opportunity to provide more sustainable development patterns and reduce commuting between towns. The site adjoins an existing employment area. It provides good access to the A505 / B656 and thereby to A1(M) and Stevenage, providing logical location to meet additional employment need from SBC. Known areas of surface water flood risk on site. Western-most part of site not in green belt. For part of site in green belt, Green belt review says site makes a moderate contribution in an area which makes a moderate contribution to green belt purposes. Adjoins railway line. Baldock currently lacks critical mass of employment land. Landscape relatively well contained. Low to moderate landscape sensitivity. Grade 2 agricultural land.	Allocate site
LG12	L/e01 -	Former Power Station site,	Letchworth	Employment	Site has been granted planning permission for employment uses previously. Pragmatic inclusion within designated employment area.	Allocate site

Background papers

RY9	R/e01	York Road,	Royston	Employment	The allocation of additional land in Royston is a logical strategy, based on the existing situation of successful employment area. Modest employment expansion to absorb job requirements of the new population which will occupy the new housing. Planning permission has been granted for employment uses in this area already. The site is partly in health and safety zone around Johnson Matthey. Small area of surface water flood risk on site. Moderate landscape sensitivity. Well contained by A505 bypass.	Allocate site
	59	Land adjoining Household Waste Recycling Centre	Letchworth	Employment	Not allocated in Waste site allocations document, also no longer available	Do not allocate site
	60	Land east of Blackhorse Road,	Letchworth	Employment	Suggested for employment development. Landowner no longer pursuing. Green belt says area makes a significant contribution to green belt purposes. Poor access for development this size. Wildlife site along railway to south. Some areas of known surface water flood risk on site. No requirement for additional employment land in Letchworth as land is being released for residential development. Insufficient justification for allocation - better to focus employment releases on Baldock to link with major housing site there.	Do not allocate site

Background papers

	H/e01	Transco Site,	Hitchin	Employment	<p>The site is largely within the existing settlement boundary, therefore, development could potentially come forward should the need arise in the local area, however, access is a key issue in this area and the capacity of the Wilbury Way / Cadwell Lane junction is a key constraint. Traffic would additionally filter through Grove Road and Woolgrove Road. This node already operates at capacity at peak times and any further development would generate a cumulative increase in traffic and may further overload this area of the road network and may cause concern for existing users and emergency and service vehicles. Additional access points may be possible in the future, however this would most likely be deliverable in combination with H/e02, however at this time the need does not exist to justify either and the intension relating to H/e02 is unknown. The site is within the HSE consultation area associated with the onsite gas holders. Site is also adjacent to a wildlife site which will require mitigation.</p>	Do not allocate site
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Background papers

	H/e02	Land North and East of Wilbury Way (cut by rail curve)	Hitchin	Employment	Access is a key issue in this area and the capacity of the Wilbury Way / Cadwell Lane junction is a key constraint. Traffic would filter to Grove Road and Woolgrove Road. This node already operates at capacity at peak times any further development would generate a cumulative increase in traffic and may further overload this area of the road network and may cause concern for existing users and emergency and service vehicles. A new access for the employment area has been discussed in relation to this site, however the availability of this site is not known and cannot be relied upon as deliverable. Site adjoins wildlife site. Employment need at this time does not exist to justify. Partly Grade 2 agricultural land. Green belt review says site makes a significant contribution in a wider area which makes a significant contribution to green belt purposes.	Do not allocate site
	J7	Land at Junction 7 of the A1(M)	Nr Stevenage	Employment	Site adjoins land in Stevenage. It is owned by a Charitable Trust operating on behalf of Knebworth House. Development option for business park lapsed in 2013 and owners not actively pursuing redevelopment option, therefore not available.	Do not allocate site