

Examination of the North Hertfordshire Local Plan (2011-2031)

Examination hearing sessions

Statement of North Hertfordshire District Council

Matter 13 – Economic development (B Class Uses) (Policies SP3, ETC1 and ETC2)

Employment uses (B Use Classes): requirements and land (Policy SP3)

13.1 Based on the Functional Economic Market Area Study (July 2015) [E3], paragraph 4.29 of the Plan identifies the District as lying within a wider FEMA which includes Stevenage and part of Central Bedfordshire.

a) Is the evidence leading to the identification of the FEMA robust?

1. Yes the evidence leading to the identification of the FEMA is robust.
2. In-line with NPPF paragraph 160 and the PPG, local planning authorities should identify sites and broad locations for employment. To aid this a functional economic market assessment (FEMA) can be carried out¹.
3. North Hertfordshire commissioned Nathaniel Litchfield and Partners (NLP) to produce the FEMA study entitled 'Functional Economic Area Study North – Stevenage, North Hertfordshire and Central Bedfordshire Councils', which was published in July 2015 (E3).
4. The three authorities had established as a starting point the whole of North Hertfordshire and Stevenage being in the study area along with Central Bedfordshire east of the A6. This area covers the majority of the 2001 Census TTWA for Stevenage and covers the strategic transport corridors A1(M) and the east coast Mainline. The specific geography for this TTWA covers 40 Middle Layer Super Output Super Areas (MSOAs) (E3, Appendix 1, p.76). E3 did not consider (c) housing market area or (g) catchment areas of facilities providing cultural and social well-being. However, the identified FEMA correlates closely with the Stevenage HMA identified in HOU1.
5. NLP considered the identification of the FEMA(s) in four stages (E3, Figure 1.2, page 5, E3). They considered economic trends, employment land supply, travel to work flows and property market signals, then reviewed existing economic and policy evidence, the spatial distribution of employment, sector representation, business demography and the working age population. They then reconciled this information with the emerging Local Plan employment growth policies and latest forecasting models, and carried out a sensitivity test on potential changes to commuting flows (more containment in North

¹ Planning Practice Guidance: How can functional economic market areas be defined?, Paragraph: 012 Reference ID: 2a-012-20140306, <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

Hertfordshire and Central Bedfordshire and more out-commuting to London from Stevenage).

6. NLP concluded that the FEMA for North Hertfordshire broadly covers the 40 MSOAs and defined the FEMA as focussed on the A1 (M) corridor. NLP found that around 70% of all workers employed in the study area also lived in the study area. This is a self-containment level that underpins the robustness of the FEMA as an area to consider employment supply and demand. The FEMA has three sub-market areas, including notably for North Hertfordshire, the Stevenage and Letchworth sub-area.

b) How has the identification of the FEMA influenced the Plan's approach to employment development?

7. The FEMA study has influenced the emerging Local Plans and the employment land reviews of Central Bedfordshire, North Hertfordshire and Stevenage. The most significant influence is the FEMA's finding that the 'unmet growth requirements of Stevenage would be most suitably supported in the surrounding economic areas in North Hertfordshire and Central Bedfordshire... Letchworth and Baldock ...is considered to be the best placed to meet the unmet needs of industrial space for Stevenage. (E3, Paragraph 7.15, page 75). The North Hertfordshire Local Plan makes provision for an unmet employment land need from Stevenage.
8. More generally, the settlement hierarchy and the commercial markets analysis underpin the choice of employment locations within the Local Plan.

13.2. Policy SP3 says that an adequate supply and range of employment land will be brought forward in Hitchin, Letchworth, Baldock and Royston to meet the requirements of the local economy over the plan period to 2031.

a) What are the requirements of the local economy over the plan period?

9. The requirement over the plan period is for between 28.1 and 32.1 hectares of B-class employment land as set out in the Employment Background Paper (E5). This consists of the following:
 - A base employment land need for the District, based on EEFM employment forecasts of 10.1 ha;
 - in addition, a loss of existing sites to housing indicates a potential need to re-provide 7 ha of employment land; and
 - to accommodate Stevenage's unmet needs a further 11 to 15 ha is required.

b) How many new jobs in B Class uses are anticipated and how many are catered for through the supply of employment land?

10. Between 3,274 and 6,474 jobs in B class uses are expected between 2011 and 2031, which consist of the following:

- 10.1 ha – for North Hertfordshire’s need, this would support 2,143 B class jobs and is based on an average of the 2011 – 2016 EEFM forecasts (E5, Table 1);
- 7ha - this is not based on an employment figure. However, this could deliver between 300 and 3,500 jobs depending on the use class (the lower figure assumes all employment is B8 and the higher figure assumes all jobs are B1)²;
- 11-15ha – this is derived from the Stevenage Employment Technical Paper by Stevenage BC (December 2016) which suggests that this land could support 831 B class jobs³.

11. These are catered for through employment land provision (please see response to 2f). The range reflects the potential variance in employment densities for different types of B-class development.

c) Precisely what evidence is relied on in relation to economic/job growth?

East of England Forecasting Model (EEFM)

12. The assessment of employment land need for North Hertfordshire (10.1ha) is based on an average of employment forecasts between 2011 and 2016. Our workings are set out in Section 4 of the Employment Background Paper (February 2017) and specifically Table 1. This is reproduced on the following page.
13. The East of England Forecasting Model (EEFM) has been used to inform our understanding of jobs growth. The EEFM is a set of employment forecasts currently maintained and developed by Cambridge Econometrics (CE) and formerly maintained by Oxford Economics. The EEFM is used by local authorities across the East of England and beyond, providing a consistent set of economic, demographic and housing forecasts. The outputs and associated documentation of the EEFM are available on the Cambridgeshire Insight website⁴.
14. An average of the forecasts over the period 2011-2016 has been used, as it is clear from looking at Table 1 that the forecasts can fluctuate from year to year depending on changes in the economy. A ‘blended’ approach where more than one set of forecasts is used to inform an assessment of future demand for employment land has been used and found sound at a number of EiPs⁵.
15. The most recent economic forecasts (the 2016 EEFM baseline) suggest that there would in fact be a much lower requirement for employment land with 1,750 B class jobs forecast between 2011 and 2031 (compared to 2,143 in the average we have used).

² To arrive at a net figure, the jobs from the existing sites to be lost would need to be deducted.

³ NB that we have taken an average of employment forecast between 2011 and 2031 using the EEFM forecasts between 2009 and 2016. This results an average of 2,311 jobs over the period. The requirement of 11.5ha forms 36% of the average employment land expected over this period (32ha) and this has been applied to the jobs figure.

⁴ <http://cambridgeshireinsight.org.uk/EEFM>

⁵ South Worcestershire Development Plan, Basingstoke and Deane, Cheshire East

Matter 13, North Hertfordshire District Council

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.

16. By taking an average of the EEFM forecasts between 2011 and 2016, NHDC has arrived at a requirement for 10.1 ha employment land and 2,143 net jobs. This is above all previous employment forecasts except the 2014 EEFM forecasts. The 2014 EEFM forecasts are seen as an anomaly since they reflected a period of optimism following on from the 2009 recession. The most recent (2016) forecasts are much less optimistic about the future, following the Brexit decision and a view from forecasters that this will have a negative net effect on the economy. Local forecasts are typically based on the current view of national growth prospects and this is then disaggregated to regional and local forecasts, which makes them highly prone to fluctuations.

17. The 2013 Employment Land Review (ELR) (E4), prepared by Regeneris considered the issue of employment growth in detail. A number of scenarios were considered including:

- Labour demand scenario – a base scenario, lower growth and high growth scenarios were considered using 2014 EEFM forecasts;
- Labour Supply scenario – Regeneris Consulting calculations based on future growth in housing in North Hertfordshire; and a
- Past trends scenario - based on evidence from past take-up in North Hertfordshire, provided by GL Hearn's analysis

18. The ELR considered past trends in detail to understand how the EEFM 2014 forecasts compared to these. This is summarised in Table 7.4 of the ELR and in the subsequent text of the ELR the following points are made:

- Between 1996 and 2011 there was a contraction in employment of 3,000 FTE jobs (-7.7% or 0.5% pa)
- Between 1998 and 2011, the contraction in jobs was even greater (4,900 FTE jobs)
- This is a different picture to trends experienced in Hertfordshire and the East of England over the same period
- In this context, the 2014 EEFM base scenario is described as “bullish and positive” within the 2013 ELR. Compared to the high growth scenario, the base scenario is considered to be most realistic in the light of the current economic climate and particularly evidence of slow and fluctuating levels of UK economic growth as well as Eurozone issues.

19. Past trends further support a ‘blended’ approach to forecasting which does not rely heavily on the 2014 forecasts alone.

Loss of Sites

20. A loss of existing sites to housing indicates a potential need to re-provide 7 hectares of employment land. The approach to this is set out in the North Hertfordshire Employment Background Paper. This could deliver a range of between 300 and 3,500 jobs depending on whether we assume they are B8 or B1⁶.

Stevenage unmet needs

21. In order to accommodate Stevenage's unmet needs, it was estimated that a further 11 to 15 hectares was required in North Hertfordshire.

22. This derives from the Stevenage Employment Technical Paper Update (2016) published by Stevenage Borough Council. NLP produced a study in 2013 which provided an objective assessment of future requirements for employment land within Stevenage Borough. This concluded that there was a net requirement for between

⁶ See footnote 2

20ha and 30ha of employment land over the period 2011-2031. The lower figure was based on the EEFM 2012 and the higher figure was based on a labour supply scenario.

23. The Employment Technical Paper provided an update to this study. Since the earlier NLP study, further runs of the EEFM were released. These were analysed and the requirements for employment land in Stevenage are summarised in the Technical Paper Update. The table is replicated below (Table 2). This confirms that there was a significant variation in the requirements depending on individual forecasts. The lowest requirement (15ha) was derived from the 2016 forecasts and the highest (47ha) from the 2009 forecasts.
24. Looking across all six years of EEFM estimates, the average gross floorspace requirement for Stevenage equated to just under 32ha over the 20 year period 2011-2031, and the rolling average over the last 3 year period equated to 26ha. For this reason, the study concludes that maintaining a 20 year employment land target of around 30ha in Stevenage appeared to represent the most appropriate way forward, particularly given the scope for significant fluctuation in growth.
25. The paper identifies sufficient employment land opportunities to deliver approximately 62% of the required quantum of employment land in Stevenage, resulting in a shortfall of approximately 11.5ha. It is this shortfall which North Hertfordshire is being asked to meet.

d) What methodology is used to establish job growth in the plan period? What are the key assumptions made, and is the evidence robust?

East of England Forecasting Model (EEFM)

26. Our approach is set out in the 2013 Employment Land Review (ELR) (E5). As we identify above, we have relied upon the East of England Forecasting Model (EEFM) forecasts between 2011 and 2016. The Preferred Scenario expects net growth of 6,300 jobs over the 2011-31 plan period (E5, Table 1).
27. In considering employment land needs, a small number of assumptions and adjustments have been made to the raw forecasts from the EEFM. Most significantly, EEFM data has been adjusted to exclude self-employment and has also been adjusted to assume a figure for full-time equivalent (FTE) employment rather than the total number of jobs (to ensure compatibility with standard employment densities). These assumptions are consistent with the 2013 ELR methodology (E4) and are fairly standard modelling assumptions for these types of assessment.
28. In terms of self-employment, the percentage of home workers has been used and this is taken from the 2011 Census. BRES (most recently 2015) has been used to estimate full time equivalent (FTE) employment.

e) What are the key assumptions made about the consequent land requirements? Are the key assumptions reasonable and adequately reliable?

29. Appendix 5 of the North Hertfordshire Local Plan 2011-2013 Employment Background Paper (February 2017) sets out our approach in detail (and this is the same as that used in the Regeneris 2013 Employment Land Review). The model we have used has underpinned the evidence base within a number of Core Strategies which have been found sound, including the St Helens ELR. It has also been used at Public Inquiries, for example at Glenfield Park, a major site in Blaby, where Wilson Bowden won an appeal.

30. This approach is summarised again in Appendix 1 for ease.

f) Will the new land proposed for employment (B Class) uses through the Plan provide the amount of land needed?

31. Table 6 in the North Hertfordshire Local Plan 2011-2031 Employment Background Paper (E5, p.11) confirms that there is sufficient supply. In summary, this confirms that there is demand for between 28.1 to 32.1 ha, with current supply totalling 37.5ha of land. This includes the following sites:

- Existing supply (permissions and allocations) – 5.5ha*
- Royston Road, Baldock (BA 10) – 19.6ha
- Former Power Station, Letchworth (LG12) – 1.5ha*
- York Road, Royston (RY9) – 10.9ha

* LG12 has received planning permission and as such total supply would equate to 36ha.

13.3 Policy SP3c. “supports additional employment provision through new designations” at named sites. As I understand it, these are all of the proposed allocations, save for those at Hitchin.

a) Is that correct?

32. Yes that is correct, these are allocations for the 2011-2031 Local Plan. There are no new employment land designations for Hitchin.

b) Are these part of the supply necessary to meet needs?

33. Yes. A supply of 37.5 ha is provided against a demand of 28.1 - 32.1 ha of supply, to provide flexibility (E5, Table 6, p.11)]. The supply is 5.5 ha existing supply – allocations and permissions, BA10 19.6 ha (which includes 11.5 ha to meet Stevenage Borough Council’s un-met need, LG12 1.5 ha and RY9 10.9 ha.

34. The provision for some flexibility within supply is necessary to provide businesses with a choice of sites, and to ensure there is sufficient flexibility to accommodate the full

range of needs which include needs for different sizes of site and types of premises. It is necessary to ensure economic growth is not constrained.

c) Why are they described as “additional”? What is the position here?

35. The word additional reflects that the sites are additional to the existing safeguarded sites, the non-allocated sites in SP3g, vacant employment sites, sites with planning permission and undeveloped allocations.

13.4. As I understand it, the Plan provides some employment land to address a shortfall in Stevenage.

a) Is that correct?

36. Yes, that is correct.

b) If so, what amount of employment land is aimed at meeting the shortfall in Stevenage?

37. The exact figure was not provided in the submission Local Plan. The need was identified in the FEMA study based on the 2012 East of England Forecasting Model (EEFM) (E3, paragraphs 7.11- 7.12 and Table 7.1, page 74). A shortfall of 14 ha of employment land was identified for Stevenage and a surplus of 20.7 ha in North Hertfordshire (and a surplus of 49.5 ha in Central Bedfordshire) in the Councils' employment land studies. The submitted Proposed Modification to SP3 includes reference at the end of SP3a, to accommodate Stevenage's need within North Hertfordshire's supply: 'This includes provision towards unmet needs for employment arising from Stevenage' (LP3, p.2).

38. In preparation for the Stevenage EiP, North Hertfordshire prepared a SoCG defining the quantum. This was up to 14 ha of the 19.6 ha proposed to be allocated on Green Belt land through North Hertfordshire's emerging Local Plan at Baldock (BA10) (MOU11a, paragraph 5.6). Prior to the submission of North Hertfordshire's own plan, this figure was revised to approximately 11.5ha (MOU11, paragraph 4.3) and endorsed by the Inspector's report (ED16, paragraph 68, p.13).

c) Are specific sites explicitly earmarked for this purpose?

39. Yes - the allocation is land north of Baldock Policy BA10. This however is not currently explicit in the Proposed Submission Local Plan (LP1).

d) What evidence underpins all of this?

40. The evidence derives from the FEMA. The FEMA finds that the 'unmet growth requirements of Stevenage would be most suitably supported in the surrounding

economic areas in North Hertfordshire and Central Bedfordshire... Letchworth and Baldock ...is considered to be the best placed to meet the unmet needs of industrial space for Stevenage. (E3, Paragraph 7.15, page 75). This reflects the strong economic links between the areas.

41. LP1 (paragraphs 4.26 and 4.29, pp.36-37) describe commuting trends and the impact on transport and the potential for Baldock to cater for wider needs 'The allocation at Baldock also takes account of the long term needs which will arise for the wider FEMA'.

13.5. Is the distribution of employment sites brought about by the allocation of land in the Plan appropriate and justified? What is the relationship between this distribution and the settlement hierarchy?

42. The distribution is justified by the settlement hierarchy. The settlement hierarchy is maintained by the Local Plan as a whole, and this is underpinned by the retail, employment and housing evidence which consider markets, supply and demand. The employment allocations also provide for potential containment of employment trips alongside the housing allocations in these conurbations in key settlements.

43. The Baldock allocation also provides for Stevenage's unmet need and the potential for claw back on commuting trips to Stevenage. There is a net out-commuting from North Hertfordshire to Stevenage (E4, Table 3-15, pp.39-40). This is justified as the most appropriate strategy through the FEMA and has been positively prepared by the three local planning authorities. LP1 (paragraphs 4.27 and 4.28, p.37) recognises the lack of employment space per person in Baldock and that an allocation at Baldock would suit the high levels of intra-commuting between Hitchin, Letchworth Garden City and Baldock.

13.6. The Policies Map identifies Business Areas, Employment Areas and Employment Sites.

a) Is there a policy that specifically allocates the new Employment Sites set out in Policy SP3 and those listed in Section Four of the Plan?

44. ETC1 is intended to allocate the new employment sites. This is referenced in the supporting text to this policy which identifies "the new allocations identified by Policy SP3 which will become Employment Areas covered by this policy" (LP1, paragraph 5.2, p.75). Criterion (c) of Policy ETC1 reinforces this intention as it contains a requirement for "any relevant site-specific criteria" to be met. Site-specific criteria have only been set for the new employment sites.

45. However, it is acknowledged that this relationship is not as clear as it might be. It is therefore proposed to amend the opening of Policy ETC1 to read:

Within the allocated Employment Areas **and Employment Sites** as shown on the Proposals Map...

46. For consistency, this necessitates two consequential amendments to Policy ETC2 in the title and first line of the policy:

Policy ETC2: Employment development outside Employment Areas **and Employment Sites**

Planning permission for employment uses outside of allocation Employment Areas **and Employment Sites** will be granted where...

b) Are the Employment Areas the existing employment areas that Policy SP3 seeks to safeguard? If so, should the Plan be clearer?

47. Yes that is correct, as set out in Policy SP3(b). The supporting text identifies, at paragraph 4.30 that "employment area designations from the previous local plan will be broadly retained". SP3 seeks to allocate new sites and protect existing ones.

48. As set out in response to other matters, the strategic policies set out the Council's priorities with the corresponding chapters in Section 3 of the plan setting out the detailed policies and allocations. Both existing and potential new sites are protected under ECT1.

c) What are the Business Areas? Is it Policy ETC1a. that leads to their geographic representation on the Policies Map? Should the Plan be clearer about this (for example, by referring to "Business Areas identified on the Policies Map" within Policy ETC1)?

49. Yes, the Council agrees that criterion 'a' should be amended to read

Within those parts of the Employment Areas designated for business use only **as shown on the Policies Map**, development is for Use Class B1.

13.7 Policy SP3 designates existing employment areas. Do these remain an active part of the employment land supply? Is safeguarding them an appropriate approach?

50. GLHearn reviewed the existing sites for the North Hertfordshire Employment Land Review by Regeneris (E4). The existing sites include vacant plots and sites that could be intensified and therefore contribute to employment land supply. (E4, Section 6 and Section 8). This included an assessment of the quality of sites, whether they should be protected and their development potential. GL Hearn's review of the sites took place in 2012, so this was updated by the Council for the Employment Background Paper, February 2017 (E5, pp.8-9).

51. The approach to safeguarding is an appropriate strategy, as long as the evidence is proportionate and up to date to ensure the safeguarding of sites is effective. E5 Table 5, page 10 lists the employment sites likely to be permanently lost as a result of the

Local Plan which amounts to 7 ha. These are the sites considered to have no reasonable prospect of being used / continue to be used for employment, in-line with paragraph 22 of the NPPF. The other employment sites in the District perform well as employment sites and the Plan seeks to protect these from redevelopment for alternative uses.

52. The word 'safeguard' could be altered to 'protect' to avoid any confusion with Green Belt safeguarding.

Employment uses (B Use Classes): development management policies (Policies ETC1 and ETC2)

13.8. Is the approach to appropriate uses in Employment Areas in Policy ETC1 justified and effective?

53. Yes, the approach is justified and effective. ETC1 provides certainty to business occupiers and investors. It also provides flexibility within the listed use classes and criteria for redevelopment and intensification and is therefore effective. This approach is supported by paragraph 21 (bullet 3) of the NPPF and is therefore justified. It is an important part of the plan's strategy to ensure a sufficient supply of land to support economic development and growth in the District.

54. This policy supports the wider strategy of balancing social, economic and environmental needs.

13.9. Is the approach to employment development outside Employment Areas in Policy ETC2 justified and effective?

55. Yes, the approach is justified and effective. ETC2 provides flexibility and is justified as an alternative to allocated sites for businesses to locate in areas that have not been identified by the Council. This approach is supported by paragraph 19 of the NPPF. The criteria based policy enables supply and is therefore effective. It would support for instance the expansion of existing businesses in situ where it was sustainable to do so. It is consistent with supporting sustainable economic development.

56. This policy also supports small employment sites in the District's villages such as those at Kimpton (LP1, paragraph 13.174, p.173) and Little Wymondley (LP1, paragraph 13.353, p.214).

Employment uses (B Use Classes): allocated sites

13.10 The Plan allocates land for employment uses in Baldock (BA10), Letchworth (LG12) and Royston (RY9).

a) Have all sites put forward for allocation been considered through the SA? Is the SA based on appropriate criteria and is it a robust and sound base of evidence?

57. Yes. All sites that were considered suitable and available were appraised through the Proposed Submission SA (LP4, Appendix 6, pp.544-546 [site BA10], 603-605 [site LG12] & 634-636 [site RY9])⁷. The SA is based on established criteria found to be sound and robust at EiPs.

b) What process or methodology has been used to select sites for allocation?

58. E5, Appendix 2 summarises the consideration of the evidence base including employment supply, commercial markets, accessibility, designations, constraints, land availability and settlement hierarchy.

c) Have all sites put forward for allocation been considered through the process / methodology? Has the testing of reasonable alternatives been robust?

59. All sites submitted have a summary appraisal within E5 (Appendix 6, pp.20-23) and a fuller appraisal in E4 (within Section 6, from page 61). Two sites submitted were scoped out due to them no longer being available (59 and J7). Site 60 was scoped out due to a number of factors including the significant contribution of the Green Belt. Two further sites (H/e02 and H/e03) were scoped out partly due highway capacity issues and no potential solution currently identified. This left BA10, LG12 and RY9 to go forward as reasonable prospects for the delivery of employment.

d) Has greater weight/importance been given to any site selection criteria over others and if so what is the justification for this 'weighting'?

60. No weighting has been employed but the Employment Land Review (E4, from page 61) did consider the 2004 ODPM Guidance on Employment Land Reviews including site location, access, profile of the site, transport access, local services, current land uses, environmental characteristics, infrastructure requirement, availability and delivery timescale. Reasons given for selection / non-selection are set out in E5.

e) Have all constraints been taken into account?

61. Constraints have been considered in E4, from page 61 and LP8, Appendix 6 from page 43.

62. Whilst BA10 is close to Landscape Area 2 [Policy 12 of the Adopted Local Plan] it is outside of it and low lying. A landscape sensitivity study was carried out in 2013 (CG4). This considered BA10 within an assessment area entitled B2. The assessment concluded: 'Overall landscape sensitivity to possible residential and mixed use development is judged to be moderate-low due to the extent of existing urban

⁷ Page references within LP4 are to the 'NHDC page number' printed at the top left of each page.

influence, the lower, more level terrain and less rural character. (Paragraph 4.17, page 19).

f) Have alternative uses been considered?

63. No alternatives have formally been considered for these sites, they have been considered for the uses for which they have been promoted to this plan and / or previous consultations on the Council's (now aborted) Local Development Framework.

13.11 Some of the employment sites proposed comprise land in the Green Belt. For each:

a) Do exceptional circumstances exist to warrant the allocation of the site for employment in the Green Belt? If so, what are they?

64. Only part of BA10 includes Green Belt land, please see appendix 1. The Green Belt within the proposed allocation begins north of Saxon Way and continues eastwards to the boundary with the Cattery.

65. There is no definition of what constitutes 'exceptional circumstances' in either the NPPF or in the accompanying Planning Practice Guidance. HOU1 considers the approach taken for North Hertfordshire and case-law (HOU1, page 13, from 4.18).

(i) the acuteness/intensity of the objectively assessed need (matters of degree may be important);

66. As employment forecasts are work-place based, the local plan seeks to balance housing requirements (which are acute and intense) with labour supply. The FEMA (E3) considers Baldock to be an appropriate location to capture out-commuters from North Hertfordshire to Stevenage by providing employment opportunities more locally. The land available in Baldock does include part of the Green Belt but the Green Belt wraps around Baldock to such an extent that a change of boundary is required to achieve the balance.

(ii) the inherent constraints on supply/availability of land prima facie suitable for sustainable development;

67. There is limited capacity within existing settlements and / or Green Belt limits to deliver additional employment land within the District whilst some of those potential sites identified within existing settlement limits could require significant infrastructure interventions to be deliverable or are in locations which are not commercially attractive/deliverable. Of the 81.3ha of land considered through the local plan process for additional employment, 18.4ha was located outside of the Green Belt and is allocated in the Local Plan (HOU1, paragraph 4.43, page 17). The additional requirement is made up of Green Belt land adjoining non-Green Belt land in a well contained, flat location in Baldock.

(iii) (on the facts of this case) the consequent difficulties in achieving sustainable development without impinging on the Green Belt;

68. HOU1 (page 13, 4.12 onwards) identifies the need to develop within the Green Belt for housing. A strategic housing site with a local centre is proposed adjacent to BA10. The goal here is to contribute to sustainable development.

69. The Local Plan identifies that Baldock presently has a relatively low amount of employment land per person (LP1, paragraph 4.27, p.37) with just 2.5 ha of existing employment land provision. This contributes to out-commuting. Of the towns identified in the Plan, Baldock is allocated the largest proportion of housing development. A failure to provide commensurate levels of employment would harm the social, economic and environmental elements of sustainable development. The employment land allocation provides the opportunity to improve the sustainability of the settlement, and provide local opportunities for people to work reducing the need to travel.

(iv) the nature and extent of the harm to this Green Belt (or those parts of it which would be lost if the boundaries were reviewed);

70. Please see b) below

(v) the extent to which the consequent impacts on the purposes of the Green Belt may be ameliorated or reduced to the lowest reasonably practicable extent/

71. Please see c) below

b) What is the nature and extent of the harm to the Green Belt of removing the site from it?

72. The Green Belt Review (CG1) considered BA10 as two parcels of land⁸ titled B/e 01 and B/e 02. The review, (Table 5.3, page 104 and Table 3.1, Sector 20, page 57) considers that these sites make a 'moderate' contribution to the current Green Belt. Table 5.3 states 'Whilst the site is outside settlement boundaries, it is well contained by road and rail boundaries. The site does not prevent the merger of towns as Bygrave is a village. Site does not impact on historic towns.'

73. The boundary and containment of the new Baldock bypass along with the old Royston Road provides a definitive boundary for the Green Belt which is was not present in the adopted 1996 Green Belt boundary. The consequential impacts of the removal of the Green Belt in this flat and low lying land is considered moderate by CG1.

c) To what extent would the consequent impacts on the purposes of the Green Belt be ameliorated or reduced to the lowest reasonably practicable extent?

⁸ Sites submitted by Hertfordshire County Council and appearing in the Local Development Framework Issues and Options Consultation, January 2008.

74. The Green Belt study (CG1, Table 3.1, page 56) considers the current Green Belt has a moderate impact in checking unrestricted sprawl and safeguarding the countryside, it finds that there is a limited contribution to the merging of local towns and a significant contribution to the preservation of the town's special character. To ameliorate or reduce the impact, the Baldock landscape sensitivity study (CG4, paragraph 4.17, page 19) states:

'Scale, materials, colours and screening will be important considerations in any development of buildings associated with the provision of new employment. Developers should also be encouraged to consider the use of green or brown roofs on new commercial buildings. The aim should be to create a less harsh urban-rural transition to this side of the town than exists at present, and to avoid creating structures which are highly prominent in views towards Baldock centre (from any direction), detracting from the visual focus on the town centre area around St Mary's Church and giving the impression of linear urban 'sprawl' along the easterly approaches to the town. The Ashville Trading Estate buildings are, through their massing and colour, out of keeping with any other buildings on the eastern side of the town.'

75. SP9 and BA10 provide development management tools to consider the advice in CG4.

d) If this site were to be developed as proposed, would the adjacent Green Belt continue to serve at least one of the five purposes of Green Belts, or would the Green Belt function be undermined by the site's allocation?

76. The boundary is well defined and if the advice in answer 11 d is followed then yes the adjacent Green Belt would retain at least one of its purposes.

e) Will the Green Belt boundary proposed need to be altered at the end of the plan period, or is it capable of enduring beyond then?

77. Given past trends in employment build-out it is possible that the allocation could endure beyond 2031.

f) Are the proposed Green Belt boundaries consistent with the Plan's strategy for meeting identified requirements for sustainable development?

78. Yes, as per section 1, HOU1, P37.

g) Has the Green Belt boundary around the site been defined clearly, using physical features that are readily recognisable and likely to be permanent? Does it avoid including land which it is unnecessary to keep permanently open?

79. Yes it is well bounded by roads, railway and existing buildings. It includes no land necessary to be kept permanently open.

13.12 Are all of the proposed employment allocations deliverable? In particular, are they:

a) confirmed by all of the landowners involved as being available for the use proposed?

- 80.BA10 – Yes by Hertfordshire County Council
81.LG12 – Yes by the Letchworth Heritage Association
82.RY9 – Yes by Bidwells on behalf of Kiafield Properties Ltd.

b) supported by evidence to demonstrate that safe and appropriate access for vehicles and pedestrians can be provided?

83. The Highways Authority has not identified any concerns with the access to these sites for pedestrians and vehicles. BA10, LG12 and RY9 have existing access infrastructure from the highway and the wider PRow network.

c) deliverable, having regard to the provision of the necessary infrastructure and services, and any environmental or other constraints?

84. TI1, TI2, LP8, CG6, HOU1, NEH2, LP7 and the SRFA present no insurmountable deliverability issues.

d) justified and appropriate in terms of the likely impacts of the development?

85. Yes – all three sites are part of existing employment sites and are, with effective use of the policies in the Local plan, as a whole appropriate.

e) the most appropriate option given the reasonable alternatives?

86. Yes – as per E5, Appendix 2.

13.13 Overall, has the SA of employment sites and the selection process been appropriate and robust?

87. The Employment Background Paper (E5, Appendix 6, pp.20-23) summarises the evidence and reasoning for the selection of the employment sites. This shows two sites that were initially considered to be reasonable alternatives that were not taken forward because their availability ceased during the plan preparation, partly through emerging evidence (notably the findings of the Green Belt review found that site 60 (land east of

Blackmore Road) made a significant contribution to the Green Belt and had poor accessibility).

88. The sites considered to be reasonable alternatives within the range of employment land supply were then appraised by the Submission SA. They were then reviewed by the Council and a final decision made on which sites to include within the Proposed Submission North Hertfordshire Local Plan based on a number of key planning considerations established through the evidence base, including the SA, the FEMA, and accessibility

13.14 In general terms, do the proposed allocations reflect the outcomes of the sustainability appraisal and testing of reasonable alternatives through the site selection methodology? Is there a clear audit trail in this respect?

89. Yes, the sites chosen were endorsed by Full Council on 20 July 2016 and the Draft SA was included in the information provided when this decision was made. The Draft SA report included summaries and full SA matrices for all the reasonable alternatives considered for site selection. The report submitted to Council noted that:

The results of the Sustainability Appraisal to date are reflected in the draft policies presented to Council. In particular, they have helped to inform the site-specific measures identified for the proposed housing sites in the Communities section of the plan (ORD1, paragraph 8.104, p.19⁹).

90. The proposed Submission Plan was approved by Cabinet on 26 September 2016. The report submitted to Cabinet noted:

In preparing the spatial strategy and policies for the emerging Plan, a number of options have been considered through the Sustainability Appraisal (SA) and Strategic Environmental Assessment (SEA) process. This includes identifying policy options for how the District should develop and in particular where development should happen, and how much development there should be. The SA/SEA Report forms part of the proposed submission document as outlined in paragraph 7.3 (ORD1, paragraph 4.2, p.43).

91. The Submission SA was included in the information available when this decision was made. The Submission SA was included in Appendix 5, and Members were informed that it was also available online and as a separate report in the Members Room.

92. Please see appendices 6 and 7 of the Submission SA, which include the summaries and details of the sustainability appraisal of each site (SP4).

⁹ Page references within ORD1 are to the 'NHDC page number' printed at the top left of each page.

Appendix 1: Key assumptions to derive employment land requirements

- **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 (i.e. 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 (NB a range has been provided to reflect this). 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 (i.e. ten years between 2007-16) x 2 years.
 - Average annual net-absorption over short-term (i.e. 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
- This results in the base land requirement for 10.1 ha over the plan period. In addition to this, provision has been made for re-provision of employment land lost to housing, and for Stevenage's unmet employment land needs.