

Appendix M13-1

**ED118: NHDC Note regarding actions from the Hearing 13 Economic Development (B use classes)
Hearing Session held on the 14 December 2017**

North Hertfordshire District Council Local Plan

Matter 13 Economic Development (B use classes)

Council's response to the Inspector regarding actions from the Hearing 13 Economic Development (B use classes) Hearing Session held on the 14 December 2017

1. Introduction

1.1 The Hearing on Matter 13 – Economic Development (B use classes) took place on 12 December 2017. At that meeting, a number of issues were raised in regards to which the Council agreed to prepare a paper. This paper presents the proposed main modifications to the wording of the chapter and any consequential changes to the Policies Map.

1.2 It is the Council's view that this paper and the proposed modifications ensure the soundness of the Economic Development (B uses classes) policies of the North Hertfordshire Local Plan.

2. Proposed main modifications

2.1 Actions from the hearing sessions listed as suggested main modifications to the strategic economic development policy (SP3), to the policies within the Economy and Town Centres chapter (policies ETC1 and ETC2), and to the employment allocations within the Communities chapter (policies BA10 and RY9) are attached at Appendix 1 to this note.

2.2 There are no other issues to be addressed or any that are outstanding. Action 13 D addresses the issue of green / brown roofs to provide a softer transition of development from the employment land allocation BA10 to the remaining green Belt at the Eastern edge of the allocation. Dixon Searl, the Council's viability consultants have confirmed this does not have any impact on the viability of the development.

Deletions **Additions.**

Economy & Town Centres

Addressing Actions 13A, B, C and D

Action 13A

Policy SP3: Employment

The Council will proactively encourage sustainable economic growth, support new and existing businesses and seek to build on the District's strengths, location and offer. We will

- a. **Allocate** ~~Bring forward~~ an adequate supply and range of employment land in ~~Hitchin, Letchworth Garden City, Baldock and Royston~~ **to meet the needs of the Functional Economic Market Area** requirements of the local economy over the plan period to 2031. **The allocations as shown on the Policies Map are :**
 - i. ~~east of Baldock~~ **BA10** (19.6ha); and
 - ii. ~~west of Royston~~ **RY9** (10.9ha);
- b. Designate **Safeguard** the Employment Areas within the District's main settlements, **as shown on the Policies Map**, to enhance and **protect their safeguard** employment potential;
- c. Support additional employment provision through the new designations ~~allocations shown on the on the Policies Map designations at:~~
 - i. ~~the former Power Station, Letchworth Garden City~~ (1.5ha);
 - ii. ~~east of Baldock~~ (19.6ha); and
 - iii. ~~west of Royston~~ RY9 (10.9ha);
- d. Work with landowners, developers and, for allocated **housing** sites on the edge of the District, adjoining authorities to identify an appropriate amount of employment land to be included through the masterplanning process in major new developments;
- e. ~~Permit an appropriate range of B class employment uses within these area;~~
- f. Promote and support the expansion of the knowledge based economy in the District. Proposals for the redevelopment of existing employment sites and the development of new ~~allocated~~ employment sites which increase the level of knowledge-intensive employment will be supported in principle.
- g. Support B-class uses in appropriate locations outside of designated employment areas, including offices in main town centres and concentrations of B-class uses in certain Category A villages; and

Ensure relevant policies of this Plan recognise the contribution of non-B-class sectors, including tourism, to the provision of jobs in the District.

- 4.19 In planning, employment land usually refers to 'B-class' uses¹ and includes:
- B1(a) – offices
 - B1(b) – research and development
 - B1(c) – light industry
 - B2 – general industry; and
 - B8 – storage and distribution
- 4.20 The Council wants to see sustainable economic growth within North Hertfordshire. Skills, housing and economic development should be appropriately balanced. This will be achieved, in part, by working with other partners and through delivery of the Council's own economic development plans and projects.
- 4.21 North Hertfordshire District Council is a member of both the Hertfordshire Local Enterprise Partnership (LEP) and the Greater Cambridge Greater Peterborough LEP. This reflects its location and the varying economic influences on the District's settlements and rural area. Both LEPs will be important stakeholders regarding how the North Hertfordshire economy grows and develops in the future. In particular the Hertfordshire LEP is seeking to regain the county's competitive edge by encouraging increased employment growth and enterprise.
- 4.22 The employment strategy of this Plan is driven by three, interlinked priorities for the North Hertfordshire economy:
- Increasing representation in high skilled and high value sectors;
 - Reducing out-commuting by providing greater opportunities for people to both live and work in the District; and
 - Aligning employment development with housing growth to promote sustainable patterns of development and access by non-car modes.
- 4.23 Our evidence shows that, compared to national averages there is a higher concentration of people working in the District employed in sectors such as manufacturing, construction, retail, motor trades, property, entertainment and recreation in North Hertfordshire. Many higher skilled residents commute out of the District for employment. Nonetheless sectors such as finance & insurance and information & communication make a substantial contribution to the District's overall economic output, although not employing a huge number of people. These represent opportunities for future expansion and development².
- 4.24 North Hertfordshire also fails to perform as well as some other Districts in Hertfordshire with regard to the knowledge economy. In partnership with key stakeholders, we will seek to increase the number of highly skilled jobs in the District. Economic growth sectors which are knowledge-intensive will be targeted. This includes research and development (R&D), life sciences, advanced manufacturing, computer-related activities, and other business activities in combination with growth of the low-carbon economy. With other stakeholders, the Council will:
- encourage business start-ups in the knowledge economy;
 - help develop existing local businesses in the knowledge economy;
 - target knowledge based businesses into North Herts; and
 - promote the take up of any new jobs by local people by promoting specific training and targeting recruitment at local residents.

¹As defined in the Town and Country Planning (Use Classes) Order (1987) (as amended)

²Employment land review (Regeneris Consulting, 2013)

- 4.25 Due to the good levels of connectivity to other centres of employment, such as Stevenage, Welwyn Hatfield, and London it is unlikely that all the extra economically active population over the plan period will take up jobs within the District. In 2011, over a quarter of North Hertfordshire's working population were employed in these three centres, within another quarter employed elsewhere outside the District³.
- 4.26 Trend-based forecasts reflect these patterns and anticipate continued increases in out-commuting from North Hertfordshire over the plan period⁴. Unchecked, this would lead to increased pressure on transport infrastructure that is already under strain at peak periods. This Plan therefore makes employment provision at above modelled levels.
- 4.27 The settlements of Hitchin, Letchworth Garden City and Baldock are very close together. There is a significant amount of commuting between these settlements. However, Baldock presently has a relatively low amount of employment land per person.
- 4.28 A significant new employment **allocation site** will be developed **out** at the east of Baldock, supporting the proposed increase in residential development in the town (see Policy SP8). The allocation benefits from proximity to existing employment uses as well as existing and planned residential development. It has access to the strategic road network via the A505 Baldock Bypass.
- 4.29 Economic activity is not contained by the District boundary and North Hertfordshire needs to be viewed within its wider Functional Economic Market Area (FEMA). Joint work has identified a FEMA along the A1 (M) corridor. This area broadly covers North Hertfordshire, Stevenage and the eastern part of Central Bedfordshire⁵. The allocation at Baldock also takes account of the long-term needs which will arise within the wider FEMA. Stevenage, in particular, anticipates a shortfall of employment land against modelled requirements⁶. These models assume continued commuting from North Hertfordshire to Stevenage, yet there is insufficient land in Stevenage to cater for the resultant growth.
- 4.30 Within Hitchin and Letchworth Garden City, employment area designations from the previous local plan will be broadly retained, with some modest releases of sustainable, brownfield sites for residential development. Within Letchworth, the former power station site at Works Road has been brought back into use for employment purposes. ~~and is reflected in a new planning designation.~~
- 4.31 Royston is somewhat separate from the Hitchin / Letchworth Garden City / Baldock area, in geographical terms and in employment and labour market terms. The Royston economy is influenced by both Hertfordshire and Cambridgeshire economies. Consequently, the employment area has a low vacancy rate. The allocation of further land here as a planned extension to the York Way employment area is a sustainable approach that will enable flexibility in the long term, especially in conjunction with the additional residential growth allocated to this area.
- 4.32 Over the plan period this approach will provide substantial opportunities to reduce commuting that occurs across and beyond the District, redressing the employment balance.

³ Annual population Survey (ONS, 2010-2011)

⁴ East of England Forecasting Model (EEFM) (Cambridgeshire Insight, 2014)

⁵ Functional Economic Market Area Study (NLP, 2015)

⁶ Stevenage Borough Local Plan 2011-2031: Publication Draft (Stevenage Borough Council, 2016)

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- 4.33 Within these designated areas, an appropriate range of B-class uses will be permitted in line with the detailed policies of this Plan.
- 4.34 B-class uses will not be solely confined to designated employment areas. A number of employment premises are located outside of defined areas and these will continue to be supported where they are compatible with other surrounding uses. In particular, office uses will continue to be supported in the main town centres (see Policy SP4), in line with national planning policy.
- 4.35 Beyond our main towns, there is a steady demand for rural employment land and premises. Owing to the size and extensive spread of rural settlements these types of development are best dealt with on a case-by-case basis rather than through allocations, although our general approach will be to direct concentrations of rural business to the Category A villages. There are quite sizeable employment sites in villages such as Ashwell, Codicote, Kimpton, Little Wymondley and Weston which provide rural jobs and should be retained.
- 4.36 Approximately 45% of all jobs fall into the B uses classes. The rest of the jobs in the local economy consist of services such as retail, health, education and leisure, or 'footloose' careers in sectors such as construction and the trades. The role of these non-B-class sectors in the overall employment balance of the District is recognised and will continue to be supported.
- 4.37 Our Sustainability Appraisal says our policy provides strong support for employment growth and diversification in North Hertfordshire.

Action 13 B

5 Economy & Town Centres

Policy ETC1: Appropriate uses in Employment Areas

Within the **safeguarded** ~~allocated~~ Employment Areas, **and the Employment Allocations (BA10 and RY9)**, as shown on the ~~Policies~~ **Proposals** Map, planning permission will be granted ~~where~~ **provided**:

- ~~a.~~ Within ~~those parts of the Employment Areas designated for business use only,~~ development is for Use Class B1;
- ~~b.~~ Elsewhere within Employment Areas, development is for Use Classes B1, B2 or B8;
- ~~c.~~ **a. For allocated sites** a) Any relevant site-specific criteria are met; and
- ~~d.~~ **b.** Any Use Class B8 development is easily accessible from the primary road network.

Planning permission for other **employment-generating** uses will be granted as an exception to the above criteria **provided** they are:

- i. Ancillary to the above uses;
 - ii. Essential to the continued operation of an established premises;
 - iii. Would bring comparable benefits to a B-class use in the same location;
- or

Would make use of a site that would otherwise be likely to become or remain vacant for an extended period of time.

- 5.1 Within the four main towns there are a number of established Employment Areas, where the majority of employment-generating premises are located. They include B1 business, B2 general industrial and B8 storage and distribution uses. They are well-established areas and are a valuable resource to the District.
- 5.2 Over the lifetime of this Plan these will be supplemented by the new allocations identified by Policy SP3 which will become Employment Areas covered by this policy. Detailed considerations for these sites are set out in the Chapter 13 [communities] of this Plan which must be taken into account.
- 5.3 In order to maintain an adequate level of employment land to meet the needs of the local economy, we will protect defined Employment Areas from uses which would undermine their purpose or be better located in other areas of the District. The Council does not wish to inhibit the ability of existing firms to expand. It will be supportive of the redevelopment of sites which would lead to an improvement in the quality of employment floorspace suited to modern day needs.
- ~~5.4 Within the employment areas, certain areas will be reserved for B1 uses such as offices, research and development and light industry only. Due to the constrained nature of the District's Town Centres, and the competition from other land uses, much of the new office development anticipated over the plan period is likely to be within Employment Areas.~~

- 5.5 However, the Council recognises that Employment Areas are often sought-after locations for a number of other uses. It is recognised that there is a need for some flexibility to meet the needs of uses such as: tyre and exhaust centres, trade wholesalers, vehicle hire, plant hire, motor trade uses and taxi vehicle depots. These are often partial B uses, combining a retail element with a predominantly business, industrial or storage use, or are sui generis⁷. These uses tend to cause conflict in other parts of the towns, such as town centres or residential areas as a result of impacts on residential amenity and living condition.
- 5.6 Motor vehicle premises, in particular, usually include a mixture of sales and repairs. The sale of motor vehicles tends to provide lower density of employment than normally expected in an employment area. The amount of the retail sales element on larger developments will be restricted in order to protect the availability of, and maximise the use of, employment land. In addition, in order to prevent the change of use of buildings to Class A1 (shops) a condition will be imposed on any grant of permission removing permitted development rights. These considerations apply to the sale of all types of vehicles.
- 5.7 Development proposals which seek to make use of the exception criteria of this policy will be considered on their merits. When assessing such proposals, the Council will have regard to (as applicable in each instance):
- employment generation on site;
 - impact on relevant town centres;
 - where appropriate, the level and type of retail involved on the site;
 - any potential benefits to the community or surrounding businesses from the proposed use;
 - the proportion of the site to be used for sales and display as opposed to repairs and servicing, in the case of motor trade uses;
 - accessibility by non-car modes of transport;
 - any evidence clearly demonstrating that:
 - the land or premises is no longer required to meet future employment needs of the District;
 - the land or premises is inappropriate or unfeasible for employment use, based on market conditions or amenity / living condition problems; and
 - no other suitable sites outside designated employment areas are viable and available; and
 - details of any sequential and / or impact testing.
- 5.8 A number of the District's Employment Areas are identified through the Hertfordshire Waste Local Plan as Employment Land Area of Search (ELAS) and parts of them may be acceptable for waste uses. The Hertfordshire County Council ELAS SPD⁸ sets out specific considerations for each employment area.

⁷ 'Sui generis' is a term used to mean any use which does not fall within the use classes defined in the Use Classes Order.

⁸ Hertfordshire County Council Employment Land Area of Search SPD (2015)

Action 13 C

Planning permission for employment uses outside of allocated Employment Areas **and Employment Allocations BA10 and RY9** will be granted ~~where~~ **provided that:**

~~a. they are located consistently with the principles of sustainable development;~~

a. the proposal is:

i. within the settlement boundary or the built core of a Category B village; or

ii. for small scale offices or other small employment development; or and

b. is appropriate to the location area in terms of size, scale, function, catchment area and / or historic and architectural character; **and**

~~b. The proposal is appropriate to the area in terms of size, scale, function, catchment area and / or historic and architectural character.~~

~~e. there would be no significant adverse impacts on living conditions.~~

~~d. if major in scale, evidence is provided that there are no more suitable sites within the existing Employment Areas.~~

The Council will only permit the loss of existing employment uses on unallocated sites, where it can be demonstrated that:

i. the land or premises is no longer required to meet future employment needs of either the local community or the District, **demonstrated through evidence of at least twelve months of active marketing;**

ii. the existing use has a significant adverse impact on the amenities of surrounding land uses; or

iii. the existing use is detrimental to highway safety.

- 5.9** There are a number of employment sites across North Hertfordshire that are outside the designated Employment Areas **and Employment Allocations** but which provide sources of local employment and services. These are in other parts of the main towns including town centres, in category A villages, and sometimes within category B and C villages or in the countryside following the re-use or redevelopment of agricultural buildings. Some have been there for a long time and may not be in the most appropriate location while others exist perfectly well adjacent to other uses such as residential and / or in their wider setting. **Planning Applications seeking non-employment uses on such sites will need to be supported with evidence that at least twelve months of active marketing has been undertaken. This will include an assessment of market signals, including that the marketing has been conducted appropriately given the terms, rental values and / or sales**

values of the site and similar properties, the benefits of the proposed uses and the impact on the community of such a loss of employment land.

- 5.10 These sites are often small scale, although there are larger office developments in and around Hitchin and Letchworth Garden City town centres for example. The provision and retention of appropriate dispersed employment sites contributes to sustainable development aims by reducing the need to travel for local residents, something which is advocated in the NPPF. We will have regard to these factors to determine whether the proposed use is appropriately located.
- 5.11 The Council will permit appropriate proposals for farm and other land-based diversification schemes that benefit the rural area. The re-use or redevelopment of rural buildings for employment purposes will be subject to Policy CGB4.

Action 13 D

Consideration of additional criteria for Policy BA10 – Action 13D

1. The Council's Landscape Sensitivity Study for Baldock, [CG4, p12] considered the land for Policy BA10 as Landscape Area 2. This land was considered to be moderate –low in sensitivity, defined in CG4, p5 as:

The majority of the landscape characteristics are less likely to be adversely affected by change. Although change can potentially be more easily accommodated, care would still be needed in locating and designing change in the landscape. There is an opportunity to create and plan/ design for new character.

CG4, p19 states:

Overall landscape sensitivity to possible residential and mixed use development is judged to be moderate-low due to the extent of existing urban influence, the lower, more level terrain and less rural character. Within this area, sensitivity can be considered to lessen towards the town and increase towards the higher, more open eastern end.

There are sensitivities relating to the dwellings along Bygrave Road and Royston Road, which all appear to date from the early 20th century and to have been built in the same style and so combine to influence character, but modern development to the south of Royston Road, and the more urban character of this road, make the area to the south of the railway line less sensitive than that to the north.

2. BA10 is south of the railway line and therefore the least sensitive landscape area. Of the land within BA10, the western / town side is urban in character, further eastwards and in to the current Green Belt the sensitivity increases, but not significantly as the land still has a low terrain, less than the land north of Bygrave Road.

3. The Green Belt study (CG1, Table 5.3, page 104 – (B/e02 for the Green Belt area of BA10)) considers that the current Green Belt has a moderate impact in checking unrestricted sprawl and preventing towns from merging, a significant impact on safeguarding the countryside and a limited impact on the preservation of historic towns. To ameliorate or

reduce the impact, the Baldock landscape sensitivity study (CG4, paragraph 4.18, page 19) includes the following recommendations:

- *Landscaping could be used to add green corridors along existing field boundaries, and to enhance the ecological value of the railway corridor. A buffer of open grassland to either side of the railway would enhance GI links; and*
- *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.*

4. Strategic Policy SP9 considers good design to be a key aspect of sustainable development and requires masterplans for significant developments [LP1, p.52]. SP14 [LP1, p61], which is the site-specific policy for the strategic housing site BA1 includes certain criteria that would also be appropriate for BA10, including masterplanning, landscaping and retaining framed views of St Mary's Church.

5. As currently drafted BA10 does not relate to the evidence in the CG4 and does not make specific provision for a masterplan. The changes below address the issue of provision of a master plan and also address the need to provide green / brown roofs on the eastern edge of the site to act as a transition from the development to the adjacent Green Belt. Dixon Searle, the Council's viability consultants have confirmed the provision of such roofs is not a concern to the viability of the development.

In the circumstances, any additional cost associated with a green (or brown – i.e. self-seeded) roof appears very unlikely to impact in a fixed policy cost type of way that would usually be a viability concern and need to be more specifically described / limited etc. [Dixon Searle email to NHDC 24.01.2018]

It is proposed to revise Policy BA10 as follows:

Economy

13.2 The town's current employment areas are relatively modest. In part, this is due to the town's close proximity to the major employment area east of Letchworth Garden City. This Plan proposes extending the current small employment area on Royston Road into a larger business park to take advantage of the good location close to the junction with the bypass and within reasonably close proximity of the railway station and town centre.

13.3 In order to help deliver additional local jobs in the District in combination with residential development over the plan period, policy SP3 identifies that 19.6 hectares of employment land should be allocated at Baldock. Given the site's location adjacent to

the A505 it provides an ideal location for employment development and it is considered this will allow for future growth over the plan period.

Ref	Employment allocations and site-specific criteria	Hectares
<i>New employment allocation</i>		
Policy	Royston Road	19.6
BA10	<ul style="list-style-type: none"> • A masterplan to be secured prior to the approval of any detailed matters; • Ensure access arrangements control HGV movements to direct vehicles towards the A505 rather than through Baldock; • Address existing surface water flood risk issues, including any run-off through SUDs or other appropriate solution; • Landscaping to enhance the ecological value of the railway corridor and reinforce a defensible Green Belt boundary to the east; • Undertake Contaminated Land Preliminary Risk Assessment, particularly in relation to current and historic agricultural use; • Provide adequate mitigation measures for noise associated with the railway line and for any potential employment activity in relation to Clothall Common; • Retaining framed views of St Mary's Church from within and beyond the site; • Archaeological survey to be completed prior to development; and • Use of green or brown roofs on buildings in order to create a less harsh urban-rural transition to the Green Belt on the eastern side of this allocation. 	
<i>Designated employment areas</i>		
BE1	Bondor Business Centre	2.5
BE2	Royston Road	3.3
<i>Parts of employment areas designated for business use only</i>		
BE3B4E3	Bondor Business Centre East	1.0