

Hertsmere Local Development Framework

Development Plan Document

Revised Core Strategy

Matter 5 Statement

Economic Development

(Policies CS8-CS10)

Hearing: 3rd May 2012

April 2012



Issues

1. Does the RCS make adequate provision for economic development? To the extent that there is reliance on proposals in neighbouring districts, is this justified?

- 1.1 The Council considers that the RCS makes adequate provision for economic development within the Borough, as set out within RCS chapter 4. The Hertfordshire London Arc Jobs Growth and Employment Land Study (CD/71) constitutes the main part of the Council's evidence base in respect of the supply of and demand for B-class floorspace within Hertsmere, and across the Hertfordshire London Arc sub-region as a whole. In summary, the Hertfordshire London Arc Study indicated a likely small shortfall in the Borough's office (5,013 square metres) and industrial and warehousing (14,634 square metres) floorspace by 2026. The Council has made provision within its overall development strategy to ensure that this shortfall and any overall need are met.
- 1.2 As such, the Council is making provision for economic development primarily through the retention of existing employment areas, though it is proposed that the exact boundaries of these will be reviewed prior to designation in the Council's forthcoming Site Allocations document. An up-to-date review of the relevance of the boundaries of these areas can be found within the Employment Site Allocations Report (CD/74). RCS Policy CS8 identifies the six existing employment areas and RCS Policy CS10 restricts the use of employment areas to B-class activities and a limited number of supporting or complimentary uses.
- 1.3 Policy CS8 does allow a responsive approach to the redevelopment of employment land for non B-class uses and the Council will allow the release of such land where an applicant can demonstrate that a site is vacant or surplus. This is in line with the NPPF, which, at paragraph 22, requires that LPAs have regard to market signals.
- 1.4 Given current market pressures, which are for the redevelopment of employment sites for residential use, it is recognised that the Council's flexible approach may result in the loss of employment land. Furthermore, there may, in the longer-term, beyond the plan-period, be an increase in demand for employment land, as indicated in the Hertfordshire London Arc Study. This has resulted in the Council safeguarding Green Belt land for employment through Policy CS8.
- 1.5 The Council considers that the safeguarding of employment land is justified and consistent with the NPPF; this is set out in relation to Issue 3 (Matter 5). In particular, it should be taken into account that there have

been further economic slowdowns since the publication of the Hertfordshire London Arc Study in early 2009. Therefore, it is felt that the unmet demand for office, industrial and warehousing floorspace that was forecast by 2026 could be delayed beyond this period, further justifying the safeguarding of employment land as the most appropriate approach.

- 1.6 RCS Policy CS9 also makes provision for economic development through the designation and protection of B-class sites that are suitable for small and/or local businesses. This is in response to the identification of a need for the protection of such accommodation in the Central Hertfordshire Employment Land Review (CD/86), which made recommendations aimed at maintaining an adequate stock of suitable employment land. It is considered that this is in compliance with the NPPF, which, at paragraph 21, requires that LPAs plan to support existing business sectors.
- 1.7 Moreover, the RCS supports other non B-class forms of economic development. Notably RCS Policy CS11 promotes the film industry in the Borough and makes explicit the Council's support of acceptable development that would strengthen this sector. Again, this is in line with paragraph 21 of the NPPF, which states that LPAs should 'plan positively' for 'knowledge driven, creative or high technology industries'.
- 1.8 Within chapter 8, the RCS also sets out policies that make provision for economic development through appropriate town centre uses, in accordance with section 2 of the NPPF. This is discussed in greater depth in relation to Matter 4.
- 1.9 In terms of any reliance on neighbouring districts for economic development provision, it thought that the Core Strategy is justified and appropriate. The Hertfordshire London Arc Study is cross-boundary and also looked at the supply of and demand for B-class floorspace within Broxbourne, Dacorum, St. Albans, Three Rivers, Watford and Welwyn Hatfield districts. This is in line with NPPF paragraph 160, which requires that LPAs work together with neighbouring authorities to prepare an evidence base that provides an understanding of businesses' needs and the market. Paragraph 161 states that this evidence base should be used to plan for floorspace needed for economic development.
- 1.10 It is therefore considered that it is entirely acceptable for the Council to have based its assumptions about economic growth on the findings of the Hertfordshire London Arc Study in terms of projected future demand for office, industrial and warehousing floorspace. These projections are based on assumptions made in the Hertfordshire London Arc Study, with the support of the participating districts. The assumptions distribute requirements for economic development provision across the seven

districts based on the level of demand for B-class space and supply of suitable land in each, in addition to any other relevant factors.

- 1.11 It is thought that this approach, which would see neighbouring districts provide for some of the economic development that would otherwise take place in Hertsmere, is consistent with NPPF paragraphs 178-181. In particular, it is noted that paragraph 179 states that 'joint working should enable local planning authorities to work together to meet development requirements which cannot wholly be met within their own areas – for instance, because of a lack of physical capacity or because to do so would cause significant harm to the principles and policies of [the NPPF]'. Indeed, it is noted that, due to the large area of Hertsmere that is washed over by Green Belt, it may not be possible to make provision for the level of economic development growth that would be required in the Borough without the co-operation of neighbouring districts.
- 1.12 On that basis, the RCS includes provision for safeguarded land in the Green Belt, which could be released if neighbouring authorities do not commit to significant amounts of new employment land. The areas of safeguarded land identified total 18.8 hectares and are discussed further in relation to Issue 3 (Matter 5). In addition to being the focus for meeting any longer-term economic development needs, should neighbouring districts fail to provide for them, the safeguarded land would be available to offset any land lost in existing Employment Areas, subject to the requirements of Policy CS8. One particular assumption made in the Hertfordshire London Arc Study is that two of Hertsmere's neighbouring districts would provide new business parks. Paragraph 4.24 notes that there is some possibility that these may not be forthcoming and the safeguarding of land for employment provides some security against this eventuality.

2. Is there clarity about the areas of land to which Policies CS8 – CS10 apply? What are the implications for the Proposals Map if Local Plan Policy B1 is to be replaced?

- 2.1 The Key Diagram provides a spatial illustration of the RCS but the exact boundaries of the Employment Sites (CS8), Safeguarded Land (CS8) and Local Significant Employment Sites (CS9) are to be defined in Site Allocations DPD as indicated in Table 1 of the RCS. A revised proposal maps will be produced to support this DPD informed by the Employment Site Allocations Study (2011) (CD/74) and Addendum (2012) (CD/74A), Local Significant Employment Study (2008) (CD/75) and Update (2010) (CD/76), which provide site specific details. The adopted Local Plan Proposals Map illustrates the boundaries of the employment areas as

defined in CS8. Appendix 6 of the RCS sets out the relationship between the RCS and existing saved Local Plan policies.

- 2.2 The Local Plan Proposals Map will be superseded by a new Proposal Map to support the Site Allocations and Development Management DPD.
- 2.3 To ensure that the policies within the Core Strategy and Local Plan (2003) are implemented appropriately and comprehensively, the Council has reviewed Appendix 5 of the RCS. A revised version of Appendix 5 proposed by the Council is set out in Appendix M7.C of the Council's Matter 7 statement. It is proposed that Policy B1 of the Local Plan is saved until the adoption of the Site Allocations and Development Management DPD. A sentence is also added to note that all components of the Local Plan Proposal Map are saved apart from the components relating to Policy H4.
3. **Is the proposal for safeguarding land adjoining the Elstree Way employment area justified and consistent with national policy? Does Policy CS8 provide adequate guidance about the extent of the area to be safeguarded and the basis on which it or the Cranborne Road safeguarded area would be released for development?**
 - 3.1 The Council's justification for the safeguarding of land adjoining the Cranborne Road and Elstree Way Employment Areas is set out in the Employment Site Allocations Report (CD/74) and its Addendum (CD/74A), as well as RCS paragraph 4.21. The strategy for the provision of sufficient employment land, out of which the policy of safeguarding land has arisen, was selected following the methodical consideration of all the options available to the Council; this is set out at paragraphs 4.22-4.28 of the RCS.
 - 3.2 The Council has chosen to take a responsive approach towards the release of its existing designated employment land. Whilst policies CS8 and C10 of the RCS generally resist the use of designated employment land for non B-class uses, the Council will release such land where it can be adequately demonstrated that a site is vacant or surplus. This is consistent with the NPPF, which, at paragraph 22, requires that LPAs have regard to market signals in relation to such matters.
 - 3.3 Indeed, the Council is aware of an oversupply of and lack of demand for certain types of B-class space within the Borough, particularly B1(a) office space. The Council is also mindful of recent pressure to redevelop designated employment land for certain non B-class uses, having recently received a number of applications seeking residential development within the Elstree Way Employment Area. The potential redevelopment of some employment land for housing is consistent with the Council's overall

- development strategy and the NPPF, at paragraph 17, in that it prioritises the reuse of previously developed land.
- 3.4 Notwithstanding this, the Hertfordshire London Arc Jobs Growth and Employment Land Study (CD/71) indicated a likely small shortfall in the Borough's office, industrial and warehousing floorspace by 2026. The Council recognises that it is important to support business and economic development by planning for growth and expansion. Given that there have been further slowdowns in economic growth since the publication of the Hertfordshire London Arc Study in 2009, it is considered that the safeguarding of land for employment use will achieve this in the longer-term, beyond the plan-period, whilst allowing the Council to be flexible in relation to existing designated employment land over the next 15 years. This approach to safeguarding land is consistent with paragraph 85 of the NPPF.
 - 3.5 The Council also considered alternative options for the delivery of any necessary compensatory employment land. These included allowing new B-class development to come forward on an unplanned basis through individual planning applications, and designating new business parks. These were considered unsatisfactory, as, respectively, they could lead to development at less appropriate locations or add to the current oversupply of designated employment land.
 - 3.6 In terms of site selection, the Council first considered all potential wider locations for safeguarded employment land. Areas of Green Belt adjoining existing employment areas were considered most likely to be available, whilst also being relatively sustainable on account of their location on the edge of existing urban areas. Other options, such as isolated areas of Green Belt land, were rejected.
 - 3.7 Within the wider locations identified, individual sites were assessed in relation to several key criteria, including: the likely impact that their development would have on the openness and overall function of the Green Belt; their accessibility, proximity and links to the strategic road network, and deliverability; and, any other constraints. The areas of identified land adjoining the Cranborne Road and Elstree Way Employment Areas scored most highly through this assessment. In particular, it should be noted that a significant proportion of the land adjoining the Elstree Way Employment Area comprises previously developed land.
 - 3.8 RCS Policy CS10 identifies the extent of the areas of land to be safeguarded. The identification of the exact boundaries of these areas is delegated to the forthcoming Site Allocations document, which will include a replacement proposals map. Notwithstanding this, it should be noted

that the boundaries of the Safeguarded Land adjoining the Cranborne Road Employment Area are identified in the Hertsmere Local Plan (2003) (CD/24) and that the potential boundaries of the Safeguarded Land between the A1 and Rowley lane, adjoining the Elstree Way Employment Area, are set out within the Employment Site Allocations Report Addendum. These are subject to review through the Site Allocations process; however, it is considered that, in compliance with paragraph 85 of the NPPF, clear and defined boundaries have been outlined.

- 3.9 The safeguarded land, between the Borough's urban areas and the Green Belt, will only be released for permanent development following a review of the Council's plan. Any such review would look at whether there is sufficient evidence of need for additional employment land. As stated in Policy CS10, any development of this land would also only be permitted as part of a comprehensive, integrated package of measures to improve the adjoining Employment Area and local access roads. Further information regarding the exact parameters for the development of these areas will be set out within the forthcoming Site Allocations document.
- 3.10 On the basis that the areas of safeguarded land are designated to meet longer-term development needs, it is considered reasonable that the Council wishes to delegate the identification of their exact boundaries and the detailed parameters of their development to the forthcoming Site Allocations document. As set out in the Local Development Scheme (CD/27), this document will be finalised well before the areas of safeguarded land are required for longer-term development needs.