



East Hertfordshire Employment Forecasts and Strategic Economic Development Advice – Executive Summary

Prepared on behalf of
East Hertfordshire Council
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1. This report considers the future pattern of employment growth in East Hertfordshire and the surrounding area in order to inform the development of the East Hertfordshire District Plan Part 1: Strategy. Specifically, the study sets out forecasts for employment in the District to 2031; discusses the socio-economic factors that will influence the pattern and location of job growth; and considers the implications for distribution of planned development within the District.
2. East Hertfordshire is a District of fairly small towns and an extensive rural area. It lies between the A1(M) and the M11. To the west there are a string of towns along the A1(M): Hatfield, Welwyn Garden City, Stevenage, Baldock and Letchworth. To the south and east there are the urban areas of Hoddesdon, Cheshunt and Harlow. Stansted Airport, a major centre of employment, lies just outside the District boundaries to the north east of the District.
3. This geography has a significant bearing on patterns of economic development. East Hertfordshire is not a self contained economy. Indeed it is part of a sub-region with a number of urban centres, each important centres of employment, linked on both the east and west by motorways that knit together the towns located close to those motorways. This area, which in this report, is referred to as the A1(M)-M11 Southern Sub-Region is an integrated labour and property market.
4. East Hertfordshire is an important part of this sub-region, but in economic terms it plays a supporting role in relation to the adjacent urban centres and Stansted Airport. It is home to many of the people who work in these adjacent towns (and the airport). The District's business base is made up predominantly of small and medium sized firms, many of which will have linkages to companies in the sub-region, to London or with Stansted airport.
5. Over the next 19 years (to 2031) forecasts indicate that employment in the sub-region will grow by some 60,000 jobs, of which 9,700 are expected to be created in East Hertfordshire. The forecasts suggest that of the 9,700 additional jobs forecast in East Hertfordshire, over 6,100 will be created in the financial and business services sector. All economic forecasts are subject to major uncertainties, and never more so than in the current economic environment, but are necessary for planning purposes.
6. However forecasts are less reliable for small areas, such as individual districts, than for sub-regions, and those are less reliable than for regions. This is because the way forecasts are prepared cannot readily take locally specific patterns of development into account. Great care also has to be taken in translating forecasts of jobs into estimates of requirement for business space (B1, B2 and B8 use classes) since large numbers of jobs (typically half of all forecast jobs) are not associated with occupation of such business space.
7. In view of these considerations this report has examined the key strategic sites within the sub-region that are, and will, cater for businesses by providing office, industrial and warehousing space (B1, B2 and B8 use classes). Each of the surrounding urban authorities has significant large scale sites or potential sites which they are promoting or likely to promote for employment purposes. These sites have good access to the motorway network and therefore are strategically well positioned to capture investment and jobs.
8. This study concludes that the major sites in the urban areas of the sub-region adjacent to East Hertfordshire are likely to capture the majority of demand from large scale business occupiers and from many medium and

small sized businesses. Even Bishop's Stortford, the one town in East Hertfordshire located on a motorway lacks the scale of Harlow, and is somewhat disadvantaged by being further than Harlow from the M25. Harlow itself is challenged by competition from some of the other sub-regional business parks.

9. In view of this, DTZ's judgement is that the forecasts from the East of England Forecasting Model may over estimate the scale of likely employment growth in East Hertfordshire to 2021 and under-estimate the potential for employment growth in some of the urban areas within the sub-region. DTZ's assessment is that East Hertfordshire will continue to achieve growth through the attraction and growth of small and medium sized employers, rather than attraction of new large employers.
10. The study makes a number of recommendations regarding the overall strategy for economic development in East Hertfordshire. However the main purpose of the study has been to inform the development and appraisal of different spatial options for the distribution of new homes and provision of land for business development (B1,B2 and B8) uses. The study concludes that a distributed pattern of sites suitable for business use is most appropriate to meet the diverse needs of businesses and would complement a strategy that distributed housing growth across the existing settlements in the District.
11. The study concludes that the location with the strongest prospects for employment growth in the District is **Bishop's Stortford**, because of its location on the M11; its proximity to Stansted Airport which is expected to generate additional jobs in future years; and the character of the town. To realise this potential for growth, DTZ anticipates the need for allocation of new employment land particularly for B1 uses, at a location on the A120 on the northern or western side of the town, ideally as close as practicable to Junction 8 on the M11. There is also scope for employment growth in the town centre. It would be consistent with planning policy to plan for significant residential growth to accompany employment growth.
12. In **Hertford and Ware** the opportunities for employment growth are deemed to be more restricted than at Bishops Stortford, but the towns have good road and rail links with London and adjacent towns. Thus there is scope to accommodate additional residential development in and around the two towns with little threat that new residents will be unable to access key centres of employment. Population growth would help reinforce the two town centres, which are likely to have to adapt to a tougher market environment. There is likely to be a need to rejuvenate and adapt existing industrial estates, and a potential requirement to identify new sites for B1 development.
13. **Sawbridgeworth** is not assessed to be a location where it will be possible to attract new business occupiers on any scale; it is probable that most residents of the town currently travel out of the town to work, be that to local centres of employment or into London. If there were large scale residential development in Sawbridgeworth, this pattern of most residents working elsewhere outside the town would be reinforced.
14. **Buntingford** is not a strategic employment location and will not attract large scale employers, since such employers would not be able to recruit locally. But the town could attract smaller, essentially local, employers. Were additional housing to be developed in Buntingford, the current patterns of employment would probably prevail, with a relatively high proportion of new residents being either retired or at a stage in their career where they can work part time, or work from home; or others who are mobile workers who are not attached to one place of work; and still others who accept commuting by car as the consequence in living in a market town in a rural setting.
15. A number of options are being considered for development of new homes to the **north of Harlow**, and there have been suggestions in the past of the development of a significant new business park in connection with such a residential development. DTZ do not regard the proposal for a business park as a realistic and deliverable option within the current plan period to 2031.

16. However the north of Harlow is located close to Harlow Town railway station and close to significant areas of employment in Harlow itself, so the absence of a business park as part of the development proposals would not mean that residents would find it difficult to access jobs. The residential development might over the longer run contribute to the economic development aspirations for Harlow.
17. A site on the eastern edge of **Welwyn Garden City** is one of the options under consideration for new housing. Given the wide range of employment opportunities in Welwyn Hatfield, and more generally in the A1(M) corridor, new residents would have access to jobs, but would probably be very reliant on car transport to access jobs other than in town centre locations. Consideration might be given to a modest employment land allocation as part of the scheme, which would in some way compensate for difficulties in identifying a site for modern B1 development in a high visibility, high accessibility location in Hertford and Ware.
18. The option of encouraging modest housing growth in the **villages across East Hertfordshire** is not likely to change current patterns of employment, whereby those residents who work either travel by car to work in the surrounding towns or further afield including central London; with probably an increasing number working at or from home. The most obvious policy for the local authorities (District and County) to pursue to limit the impact of village growth on car based journeys is to ensure all villages are able to access high quality broadband internet services.