



Hertford and Ware Employment Study

Executive Summary

Client: East Hertfordshire District Council
June 2016

Wessex Economics
25-27 Queen Victoria Street
Reading RG1 1SY

T: 0118 938 0940

Contact: chris.cobbold@wessex-economics.co.uk

Executive Summary

1. The purpose of this study is to advise EHDC on the future role of employment sites in Hertford and Ware in supporting economic growth. The report will inform the preparation of the new East Herts District Plan. The report also identifies what actions could be taken with respect to employment floorspace in Hertford and Ware to meet the objectives set out by EHDC in its Economic Development Vision and Action Plan (EDV&AP).
2. The research undertaken will inform those priorities of the EDV&AP that focus on enabling entrepreneurs and business start-ups; and lobby for the right infrastructure. Aspects of the work will also inform the EHV&AP priorities regarding vibrant town centres; and ensuring that EHDC is a business friendly Council.
3. A higher proportion of the working age population of Hertford and Ware are in work when compared to the District and County average. Similarly the proportion of Hertford and Ware residents who have a degree level qualification is above the EHDC and County average. Over a third (36%) of the working residents of Hertford and Ware also work in the two towns, with another 7% working elsewhere in East Herts.
4. This implies that over half of the working residents of Hertford and Ware work outside of the two towns and outside of East Herts. Significant numbers work in London and the local authorities immediately surrounding East Herts. This mirrors the pattern of East Herts as a whole where more East Herts residents work outside the District than in the District.
5. There were some 27,100 jobs in Hertford and Ware in 2014. Employment in the two towns has declined by some 800 jobs since 2009. The sectors that employ the largest number of people are the professional, scientific and technical services sector; manufacturing; business administration and support services and education. Hertford also has a strong representation of public sector employment.
6. On average the stock of employment floorspace (B1,B2, B8) has declined since 2008 by an average of 1,100 sq m per annum. However in 2014-15 almost 13,300 sq m (214,400 sq ft) of employment floorspace was lost; and it is anticipated that there will have been a further significant loss of employment floorspace in 2015-16. Most of this employment floorspace has been lost to residential development. This is a matter of serious concern.
7. Vacancy rates for all types of employment floorspace are now at very low levels – around 2% for office space and less than 2% for industrial space. Empty property that is not being marketed is excluded from these figures. It is known that a large amount of unoccupied floorspace is not being marketed because the owners are anticipating redeveloping property – overwhelmingly for residential uses.
8. The current portfolio of employment sites are of widely varying quality and size, but there are no multi-occupancy sites in Hertford and Ware that are likely to be able to compete with the best sites in the A1 (M), M11 or M25 North corridors. Most of the sites in Hertford and Ware cater for the needs of essentially local businesses, and are unlikely to appeal to inward investors.
9. However, intrinsically Hertford and Ware should be able to compete for small and medium sized occupiers looking for business space in south east Hertfordshire and south west Essex. However the current portfolio of sites and premises is not ideal for this purpose. The best site on offer is the Foxholes Business Park which has good accessibility, visibility and has a variety of B1a, B1c, B8 and Sui Generis property, and has high levels of occupancy. All other sites have limitations that disadvantage Hertford and Ware from attracting non-local occupiers.

10. Of the better multi-purpose industrial estates, Mead Lane and Crane Mead have access problems. Along with the Marsh Lane Industrial Estate, these estates have some quality modern business space, but generally mixed in with much less satisfactory property. Smaller industrial estates perform an important role in meeting the needs of a wide variety of smaller businesses including those needing low cost premises. The least satisfactory industrial estate in terms of both quality and access is the Hertford Industrial Estate (Caxton Hill).
11. There is anecdotal information that there has been a significant loss of small office space in Hertford and Ware suitable for business of up to 10 people. Given the large number of such businesses in the study area, it is recommended that EHDC investigate options for providing shared business space in the form of business centres and move on accommodation. One option is to consider if whether space can be freed up in the public sector estate in Peg's Lane.
12. It is recommended that EHDC develop a strategy that seeks to stem the on-going loss of employment floorspace in Hertford and Ware. Absolutely essential to achievement of this objective is ensuring that EHDC can demonstrate that it has a 5 year housing land supply. EHDC should resist the loss of further employment sites, unless it is convincingly proved they are not fit for purpose; even then the aim should be to ensure some element of employment floorspace provision through mixed use development.
13. However, it will not be easy to resist the further loss of employment sites, so it is important that EHDC develop a strategy for re-provision of employment sites and making the most of existing employment sites in terms of land still available for development and improving the overall appearance, access, and visibility of industrial estates such as Marsh Lane, Crane Mead and Mead Lane; and that the scope to allocate a new site (or sites) around the intersection of the A414 and A10 on land not suited to residential development is investigated.
14. As part of this medium to long term strategy for the re-provision of employment floorspace, there is a need to plan for provision of good quality B1 floorspace in an attractive, well accessed strategic location somewhere in the southern part of East Herts, which implies a location on the A414 or A10, or at the intersection of these two trunk roads. Previous work for EHDC has identified the strategic role of Bishop's Stortford as a business location in the east of the District.
15. This investigation into new strategic site allocations in the south central part of East Herts would also need to consider the possibility of land allocation for employment use on the south eastern boundary of East Herts on the A414, as well as how to secure employment land development within East Herts around junction 8 of the M11.
16. In the light of the significant reduction of employment floorspace over recent years, and the fact that there is very limited supply of available space, Wessex Economics would recommend that EHDC seek to prevent further loss of employment land in Hertford and Ware in the short to medium term.
17. Bringing forward new employment sites that have strong market appeal should be regarded as a corporate priority given the announced by the Chancellor of the Exchequer in October 2015 that by the year 2000 local authorities will be able to retain 100% of business rates levied in their area. This will be accompanied by a substantive move away from central government core grant funding of local authorities.