

EAST HERTS COUNCIL

LOCAL DEVELOPMENT FRAMEWORK EXECUTIVE PANEL –  
24 NOVEMBER 2011

REPORT BY EXECUTIVE MEMBER FOR PLANNING POLICY  
AND ECONOMIC DEVELOPMENT

HERTFORDSHIRE STRATEGIC EMPLOYMENT SITES STUDY  
(APRIL 2011)

WARD(S) AFFECTED: ALL

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**Purpose/Summary of Report**

- This report presents for consideration and agreement the Hertfordshire Strategic Employment Sites Study (April 2011).

<b><u>RECOMMENDATION FOR EXECUTIVE:</u> to commend to Council that:</b>
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<b>(A)</b>	<b>The Hertfordshire Strategic Employment Sites Study (April 2011) be agreed and published as a technical study, forming part of the evidence base to inform and support the East Herts Local Development Framework;</b>
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1.0 Background

1.1 Regeneris Consulting together with a group of consultancies were commissioned in early 2011 to carry out a Strategic Employment Sites Study on behalf of Hertfordshire County Council, East of England Development Agency (EEDA) and the ten districts of Hertfordshire (the partnering authorities). It is intended that the study will add to the evidence base informing the East Herts Local Development Framework, complementing existing and future evidence on employment land and economic development in East Herts.

1.2 The partnering authorities are concerned that Hertfordshire is losing its competitive edge, with a fear that there has been a slowdown in the growth of the economy, particularly in

relation to stronger competition from successful business locations, particularly the Thames Valley in London as well as parts of Oxfordshire and Cambridgeshire. A previous study<sup>1</sup> suggested that there were a lack of strategic employment sites in the County. The Hertfordshire Works Economic Development Strategy 2009-2021 recognised the need to work jointly to identify and bring forward a small number of strategic sites in high profile prestigious locations served by sustainable transport. The Strategy will be taken forward by the Hertfordshire Local Enterprise Partnership (LEP).

- 1.3 The partners recognise that there are a number of factors which are important in supporting economic growth, including tackling skills issues, promoting enterprise and innovation and supporting the growth of key sectors. The purpose of this study however, is to focus on identifying appropriate strategic sites for potential future employment land across Hertfordshire.

## 2.0 Report

- 2.1 Comprising 149 pages, the Hertfordshire Strategic Employment Sites Study (the report) describes in Chapter 2 the historic economic performance across the County compared to neighbouring key competitor locations. Hertfordshire struggles to compete in many markets, particularly in office space where there are fewer centres providing a critical mass of market activity required to attract investment. However, Hertfordshire has a larger, more significant market for industrial space, providing some resilience during the recession. The district of East Herts has a significant concentration of employment in life sciences compared with national levels, namely through the presence of GlaxoSmithKline (GSK) in Ware. East Herts District also has an important concentration of employment in advanced manufacturing, green industries and creative and media industries.
- 2.2 Chapter 3 describes the historic commercial property market performance. The focus is on understanding the dynamics of

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<sup>1</sup> Regional Strategic Employment Sites Study, Arup (2009)

the office and industrial markets in the County in terms of recent trends in take-up, rental levels and completions. The commercial property market in Hertfordshire has a strong, high quality manufacturing base. Its proximity to London has enabled the development of a strong logistics and distribution market. Market perceptions indicate problems in terms of infrastructure and the physical environment, higher education and the general quality of commercial building stock, particularly for B1 floorspace. The study divides the County into three parts, reflecting employment markets; West Herts, Central Herts and East Herts (which includes East Herts District and Broxbourne Borough). The East Herts area has seen a decrease in B1 (-4%) and B2 (-7%) floorspace between 1998 and 2008, however, it was the only area to see an increase in B8 floorspace (+39%). These results concur with those in the East Herts Employment Land Review 2008, which indicated that East Herts District could see an increase of B1 and B8 floorspace to 2021 tempered by a decline in B2 floorspace.

- 2.3 Chapter 4 considers the lessons learnt from other locations, while Chapter 5 examines the future potential for employment growth in Hertfordshire. Employment in Hertfordshire is predicted to increase by 16% between 2011 and 2031 (79,300 jobs) based upon Oxford Economic Forecasts (East of England Forecasting Model EEFM). The forecasts can only provide an indication of what might happen in terms of future employment growth and should therefore be treated with some caution. Using a variety of information sources the consultants used travel to work patterns to determine growth areas. Using this model the East Hertfordshire area would receive the least amount of growth, seeing a decline after 2021.
- 2.4 Chapter 6 considers the potential supply of strategic employment sites in Hertfordshire, establishing a definition of 'strategic sites' for the purposes of this study and then considers the relative performance of each location against a number of core criteria. A site of strategic significance must be:
- **Of an appropriate scale:** capable of accommodating regional strategic development which could not be

accommodated elsewhere. Only existing sites with redevelopment or expansion potential or new sites are suitable. Sites should be capable of delivery within the plan period i.e. to 2031.

- **Of an appropriate quality:** which are attractive to national and international investors and key employers in Hertfordshire. The site should be capable of raising the profile and economic performance of the region and County. It should be able to provide sufficient employment to support sub-regional scale labour catchments and serve regional or national markets. Where it is an existing site there should be evidence of market appeal and perception relative to other locations in the County.
- **Able to build a clear identity:** with a clear focus, brand and future vision. The quality of the floorspace, environment and amenities should be sufficient to accommodate large scale users or higher value-added uses.
- **Able to demonstrate a good fit with wider policy:** able to accommodate leading edge sectors including life sciences, high tech engineering/software development, digital creativity and media and low carbon firms. Should accommodate users that add to the economic base and are clear economic drivers and offer (or have the potential to offer) high levels of accessibility by public transport and be consistent with transport policy. Sites should be (or have the potential to be) consistent with current or emerging planning policy.

2.5 The study identified four existing strategic sites:

- GSK Cluster (Stevenage, Harlow, Ware)
- Gunnels Wood, Stevenage
- Maylands, Hemel Hempstead
- Leavesden, Watford

2.6 A further eight existing or potential sites were identified:

- Park Plaza and Maxwells Farm, Broxbourne
- Hatfield Business Park
- Croxley Business Park and Watford Business Park

- Watford Junction
  - Knebworth Innovation Park, Stevenage
  - Watford Health Campus
  - Bishop's Stortford
  - Land at the Building Research Establishment, St Albans
- 2.7 Four further potential strategic sites/locations were identified.
- Harlow North
  - London Road, St Albans
  - Radlett Aerodrome
  - Land North of Bricket Wood, St Albans
- 2.8 A number of sites were identified but discounted notwithstanding recognising the important role the sites play for the County, which included sites in East Herts, namely Foxholes (Hertford).

Conclusions drawn from the Strategic Site assessments  
(relevant to East Herts)

- 2.9 **GSK**  
The GSK Cluster is considered strategic in its business rather than in its sites. There is significant investment occurring at the Stevenage site creating a Bioscience Campus which will become of strategic importance for the lifescience/pharma sector. GSK is consolidating its Harlow facilities to sites in Hertfordshire. Any further development at the Ware campus will depend upon the strategic decisions of the business.
- 2.10 **Gunnels Wood, Stevenage**  
Gunnels Wood, located on the western side of Stevenage is one of the largest employment sites in Hertfordshire being home to 300 businesses and 18,800 employees in a mix of B-class activities. Significant investment is needed to improve the overall environment of the park itself. Stevenage Borough Council has developed a draft Area Action Plan, proposing a remodelled office hub close to the station, landmark buildings and a coordinated approach to investment in public realm. It is proposed to deliver 70,000sq.m of net new B-class development up to 2026. Mixed use redevelopment of the leisure park is proposed

within the Town Centre Area Action Plan, envisaging the creation of a mixed use urban quarter of retail, leisure and residential uses. GSK has planning consent for 10,000sq.m of B1b/c floorspace in the form of a Bioscience Campus. The strength of the Gunnels Wood area and its predicted growth is of significant interest to East Herts in terms of both competition and providing employment opportunities.

#### **2.11 Park Plaza and Maxwells Farm**

Of significance to East Herts, given its proximity and accessibility to the A10 and the southern towns of the district is the potential site at Park Plaza and Maxwells Farm in Waltham Cross, Broxbourne. Originally identified in the Hertfordshire Structure Plan, Park Plaza was one of two identified Key Sites for high technology industrial uses. The site benefits from a specific Policy (EMP2) in the Broxbourne Local Plan Second Review (2001-2011) and a comprehensive development brief. Comprising 25 hectares of open land north of M25 Junction 25 adjacent to the A10, its location is both a benefit and a disadvantage given the potential traffic generation of the potential development.

2.12 In 2002, Broxbourne Council agreed two outline planning permissions covering the north and south parts of the site. The southern part of Park Plaza now contains a substantial print works, warehouse, service centre and hotel. A further plot has outline consent for a potential landmark B1 office development. The northern part of Park Plaza remains undeveloped but benefits from a comprehensive and ambitious planning brief. Broxbourne Council's Core Strategy indicated a further development opportunity at Park Plaza West (west of the A10 opposite Park Plaza south) and Maxwells Farm, (approximately half a mile north of Park Plaza South on the west of the A10). Broxbourne Council has stated that its Core Strategy has been found unsound and will issue the Inspector's Report once it has been through its own democratic procedures. Only then will it be clear what the Inspector's position on Park Plaza was.

2.13 The Park Plaza cluster has the most potential of all sites to provide a major or premier business park within the study period to 2031. These sites are within easy travel to work distance to settlements in the southern part of East Herts

and are of significant interest to East Herts in terms of both competition and providing employment opportunities.

#### **2.14 Hatfield Business Park**

Hatfield Business Park is a modern business park providing a mix of employment in a high quality environment, providing 10,000 jobs. The new University de Havilland Campus is located adjacent to the site providing key links between skilled graduates and high-value jobs. There is a significant amount of land available benefiting from planning consent. The site is considered to be one of the highest quality employment locations in the County. The business park is within easy travel to work distance to residents in East Herts. There is potential for this site to expand to provide the critical mass required to become a premier business park.

#### **2.15 Knebworth Innovation Park, Stevenage**

Knebworth Innovation Park represents a potential greenfield site immediately adjacent to the A1(M) Junction 7. Identified in the Stevenage Core Strategy, the site would provide a new high-quality innovation park of c. 65,000sq.m of employment floorspace capable of attracting R and D activities. Notwithstanding constraints on environmental and delivery terms, the study identifies the location as a potential business park/science park site. The Stevenage Core Strategy was also found unsound, but not in relation to the Council's ambitions for employment.

#### **2.16 Bishop's Stortford**

Bishop's Stortford's potential strategic significance is not related to existing sites or economic activities, but to its location adjacent to the M11, mid-way between London and Cambridge and immediately adjacent to Stansted Airport. There is a clear economic opportunity from the potential job creation plans for the airport. It is acknowledged that there are no current employment sites which can be regarded as strategic, however the town's existing employment locations are relatively modern and offer good quality space, catering for local occupiers, albeit sites are relatively small in size. This in part conflicts with the East Herts Employment Land Review which indicates that sites in Bishop's Stortford in general score lower in terms of accessibility, parking provision and flexibility, reflecting the built up nature of the

town and the general lack of space.

2.17 The Strategic Employment Sites Study suggests that the opportunity to deliver a modern business park warrants further consideration. Any such site should be well connected to the M11 and existing facilities. The town's relationship to the employment offer at Harlow should be considered, with Bishop Stortford offering employment opportunities that are complimentary to that of Harlow and linked to the proximity to Stansted Airport.

2.18 **Harlow North**

The study indicates that Harlow North could be considered for possible strategic employment development should the wider north Harlow development be progressed and depending on the scale of transport infrastructure provided. The study suggested that perceptions of the town could act as a disincentive to office development, albeit recognising the potential for Harlow North to address deficiencies in its socio-economic/occupational profile from an investment perspective. The site could relate well to existing employment locations in the town, with potential office accommodation close to the station, acting as part of a broader district centre/heart of the new development (i.e. becoming a new centre for Harlow).

Study Conclusion

2.19 Chapter 7 identifies three potential economic growth scenarios: a status quo scenario; an achieved growth scenario and an aspirational growth scenario. The study recommends that the County should seek to realise growth based upon the East of England Forecast Model Achieved Forecast scenario of 16% growth over twenty years (or 79,300 jobs). Although the County has been underperforming compared to its potential, it has the assets and strengths necessary to outperform a status quo scenario but its weaknesses would prevent it from achieving an aspirational scenario of 25% growth over twenty years. To continue in the current situation would risk losing its competitiveness, particularly given the ambition for new enterprise zones competing for investment. There is also the risk that out-commuting will increase as more people need to



travel elsewhere for work, particularly if population continues to grow faster than employment generation.

- 2.20 The study suggests that a new premier business park would be the most suitable manner of providing higher-value jobs in the fields predicted to grow the most (professional, banking and finance, and software and digital). A strategic mixed-use location would deliver space for logistics, advanced manufacturing and green industries, while clusters of life science and creative industries require bespoke locations.
- 2.21 The East Hertfordshire area (including Broxbourne) is expected to achieve employment growth of 7,900 jobs in the next twenty years, with development at Park Plaza, Waltham Cross being considered the most important opportunity to meet this growth and provide for a new premier business park to realise the majority of the County's forecasted employment growth.
- 2.22 Finally, Chapter 8 of the study identifies a series of action plans for the majority of the sites where they are available, and identifies a range of issues that would need to be overcome to improve the deliverability of proposals where action plans are not available. In terms of Park Plaza, the impact of vehicle movements on the A10 and Junction 25 of the M25 along with distance and severance from Waltham Cross Town Centre are cited as the biggest barriers to development. In terms of Harlow North, the study recommended that should development be brought forward through the East Herts Core Strategy a substantial employment component should be included as a coherent high quality business park for a mix of uses. Road infrastructure is cited as the biggest barrier to development. In terms of Bishop's Stortford the study suggests that land to the north of the by-pass is an ideal location given its proximity to the M11 and Stansted Airport but suggests road infrastructure is the biggest barrier to development. Otherwise, further employment development in the town is likely to be of local rather than strategic importance.
- 2.23 A copy of the Study's Executive Summary is contained at **Essential Reference Paper 'B'**.

### 3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

#### Background Papers

Hertfordshire Strategic Employment Sites Study (April 2011); A final report by Regeneris Consulting:

[www.eastherts.gov.uk/hertsstrategicemploymentsitesstudy](http://www.eastherts.gov.uk/hertsstrategicemploymentsitesstudy)

Hertfordshire Strategic Employment Sites Study (April 2011)  
Appendix A Supporting Research

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ESSENTIAL REFERENCE PAPER 'A'

<p>Contribution to the Council's Corporate Priorities/ Objectives (delete as appropriate):</p>	<p><b>Promoting prosperity and well-being; providing access and opportunities</b>  <i>Enhance the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable.</i></p> <p><b>Pride in East Herts</b>  <i>Improve standards of the built neighbourhood and environmental management in our towns and villages.</i></p> <p><b>Shaping now, shaping the future</b>  <i>Safeguard and enhance our unique mix of rural and urban communities, ensuring sustainable, economic and social opportunities including the continuation of effective development control and other measures.</i></p> <p><b>Leading the way, working together</b>  <i>Deliver responsible community leadership that engages with our partners and the public.</i></p>
<p>Consultation:</p>	<p>The Study was carried out on behalf of the County Council and all ten districts/boroughs. An officer steering group was set up to meet regularly with the consultants throughout the production process. It was agreed early on by the steering group that the study was a technical piece of work and was therefore not subject to any formal public consultation.</p> <p>Internal consultation has taken place with the Executive Member for Planning Policy and Economic Development; Director of Neighbourhood Services; Director of Customer and Community Services; Economic Development Manager; Head of Planning and Building Control; and the Council's Planning Policy Team.</p>
<p>Legal:</p>	<p>It is a statutory duty under the Planning and Compulsory Purchase Act 2004 for East Herts Council as the local planning authority to produce and keep up-to-date sound and robust Development Plan for the district. The Hertfordshire Strategic Employment Sites Study forms part of the evidence base used to ensure the Local Development Framework is justifiable and deliverable.</p>
<p>Financial:</p>	<p>There is a risk that by not proactively planning for job creation and economic growth the district could lose</p>

	investment opportunities to more competitive locations and that existing employers could relocate out of the district.
Human Resource:	There are possibly some staff resource implications necessary to undertake effective monitoring of the status and vitality of the districts employment sites.
Risk Management:	In order to be found sound the Core Strategy and other planning documents should be based on technical evidence and the views of the community and stakeholders. To not take the findings of the evidence into account in the production of key planning documents could lead to challenges that they are unsound.