Strategic Planning Research Unit
A specialist team within DLP Planning Ltd

For and on behalf of
Vistry Homes Ltd

Employment Needs Assessment

Land at Buntingford West

Prepared by
Strategic Planning Research Unit
DLP Planning Ltd
Sheffield

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0.0 EXECUTIVE SUMMARY

0.1 This report considers the demand for and the delivery of employment floorspace in Buntingford as part of a mixed-use scheme.

0.2 It highlights that the provision of employment floorspace is promoted both in national and local policy together with compensating for recent losses of employment land and buildings.

0.3 The report identifies that the Local Plan policy in particular seeks to provide for Small and Medium sized firms throughout the District while the Neighbourhood Plan for Buntingford has an objective of increasing the provision of appropriate workspace, including shared workspace for small and micro businesses and includes a permissive approach to the provision of a range of employment facilities in Policy BE4 including the following for which there is evidence of continuing need:

- Small scale B1 flexible serviced office accommodation
- Larger multi-let floor space development
- Live work units and shared desk space

0.4 The Local Plan states that Buntingford has the potential to be an "ideal base for small businesses" and whilst makes a further site allocation (which remains both unpromoted and undeveloped) it fails to address the issue that many small and medium businesses will not be able to design and build their own units but will need to rent them. Since the adoption of the Local Plan there have been both losses and non-delivery of employment allocations.

0.5 The review of the background evidence to the Neighbourhood Plan highlights the need to grow the employment base of the town (paragraph 8 and 9 of the Executive Summary). It also highlights the potential use of conditions on mixed use schemes to secure this provision. The latter has failed in the case of both Park Farm and the former Sainsburys depot (as redeveloped by Fairview).

0.6 The report further reviews evidence of office and industrial markets at the District and Sub Regional level and identifies a growing need for employment floorspace and for a skilled population to support that growth with East Hertfordshire becoming an area of net in commuting.

0.7 The evidence is that the demand for both office and industrial floorspace has been strong and the losses of office floorspace in Hertfordshire is considered to have put increased pressure on businesses (Lambert Smith Hampton titled "Loss of Employment Space in Hertfordshire Study into extent, implications and solutions February 2019 page i).

0.8 There is a general consensus from the evidence reviewed and reflected in the local policies that there is a continuing and growing need for employment floorspace in the District and in Buntingford, in particular the need in Buntingford appears to be for small scale Class E and B8 use floorspace, possibly to include further small units and serviced offices. What the policies do not reflect is that these smaller enterprises are unlikely to build or fund such provision themselves.

0.9 The report considers the characteristics of Buntingford's population identifying that the town has a higher number of economically active residents and a growing number of its residents are in senior and professional roles. The scope for home working and local hubs in this sector needs to be enhanced.

0.10 It is also noted that since 2017, the District has become an area of net in commuting so additional dwelling provision within the district will assist in moving this more towards being in balance.

0.11 The report outlines that in the last 10 years the District has experienced the loss of both office and industrial floorspace however Buntingford appears to have not followed the trend and seen an increase in Class E floorspace suggesting that there is good demand in the town. The loss of employment floorspace within the district appears not to be due to low demand but the pressure from competing uses such as housing. In Buntingford, employment floorspace is lost to other uses (mainly residential and education).

0.12 The report concludes that, like earlier studies, there is very little built available employment floorspace within Buntingford and recent new developments have quickly been let/occupied.

0.13 This is confirmed in a Site Report letter prepared by Coke Gearing in 2022, which confirms that there is a severe shortage of built stock across the area and in the immediate vicinity of the site. Since the 10 bypass was constructed in 1987, Buntingford has benefitted from improved accessibility to Buntingford particularly those associated with traditional employment uses. The letter confirms that local agents considered that there will be developer and owner occupier interest in the site.

0.14 The review of recent planning applications suggests that the delivery of much needed employment floorspace for the small and medium business is potentially going to be delivered by mixed use schemes such as the proposed application scheme.

0.15 This is in line with the Council's earlier evidence base and the much-needed employment provision could be secured by the use of appropriately worded conditions and/or by inclusion in a section 106 agreement.

0.16 In conclusion not only is the proposed employment provision required to allow residents of Buntingford to work closer to home should they choose, but it is also required to assist the local economy and in particular to provide small and medium sized businesses with the opportunity to grow. The issue of delivery of this requirement can be satisfactory resolved in accordance with the advice the Council have previously received by either conditions or an appropriately worded schedule in a Section 106.

Strategic Planning Research Unit

1.0 INTRODUCTION

1.1 This Employment Needs Assessment has been prepared by DLP's Strategic Planning Research Unit (SPRU) on behalf of Vistry Homes Limited and supports the proposed development of up to 1.21ha of both employment and local centre land, in the form of up to 4,400 sqm of commercial and services floorspace (Use Classes E and B8), and up to 500 sqm of retail floorspace (Use Class E) as part of the wider proposed development.

1.2 The Economic Impact Assessment which supports the application suggest that the scheme will create 2,184 jobs during its construction and that once completed the commercial and retail elements of the scheme will generate 367 jobs (direct, indirect and induced).

1.3 Application 3/22/1551/FUL was refused by East Hertfordshire District Council in November 2022, and pertinent to this report, the second reason for refusal refers to access to employment as per below;

"2. The proposals represent an unsustainable form of development and residents would be heavily reliant on the private car to access employment, main food and comparison shopping elsewhere and the harm demonstrably and significantly outweighs the benefits. The proposals would be contrary to Policy INT1 of the emerging East Herts District Plan (November 2016) policy HD1 of the Buntingford Community Area NP and the National Planning Policy Framework."

1.4 The officer's report summaries the Council's refusal position in paragraph 1.8 as follows:

"1.8 The provision of employment land is a positive aspect of the development."

1.5 The reports submitted to the council in support of the employment element of the proposal were as follows:

- Economic Impact Assessment DLP/SPRU 2022
- Buntingford West – Local Centre and Employment Area Market Report 18 May 2022

1.6 In paragraph 5.22 the officer's report replicates the consultation response from the Planning Policy Team which includes the statement:

"The inclusion of employment and retail floorspace in the proposed application could have a positive impact on local service provision. However, as this part of the scheme relates to outline permission, there is insufficient detail to assess if any positive impacts will outweigh wider concerns."

1.7 Section 9 of the report deals with the "Consideration of Relevant Issues" including the principle of the development and housing land supply. In brief this section of the Council's report has a simplistic approach that the Buntingford West site is an unallocated site in the rural area and that the Council can demonstrate a five-year supply of land.

1.8 In respect of compliance with employment policy this section states that the employment proposals are not sustainably located (paragraph 9.13).

1.9 Paragraph 9.19 expands on the reasoning for not giving more weight to the employment proposals as follows:

"The proposal also adds some employment land which would have positive benefits in terms of job creation. It is noted that the commercial aspect of the development is in outline stage and therefore difficult to assess how many jobs would be created and whether there would be any take up of these spaces, especially due to its location, which is discussed below and therefore overall it is considered to have some moderate weight."

The 2022 application was supported by a report prepared by Coke Gearing which outlined the register of enquires at the time of the application in East Hertfordshire. This is set out below;

Table 1. Coke Gearing Assessment of Requirement Received for E(g) ii, E(g) iii and B8 accommodation in East Hertfordshire

	0-150 sqm	151-500 sqm	501-1,000 sqm
FH	5	7	11
LH	5	9	16

Source: Coke Gearing Report Letter 2022

1.10 This theme is repeated in paragraph 9.21 i.e., lack of detail regarding number of jobs because it is an outline application and employment provision would not offset out-commuting.

1.11 In considering the implication of the employment provision on the application site reference is made to the Wessex Economics report which advised that there is unlikely to be an appetite for speculative employment development (Paragraph 9.27).

1.12 The Council's position is probably best explained in paragraph 9.30 which concludes:

"It is acknowledged that the scheme includes the provision of just below 5,000m2 of employment land. However the Council has doubts as to the suitability of this element of the scheme, as set out in the design section below, and whether or not occupiers could be found for these units. As such, without a better employment offer, the proposal would contribute to out-commuting from the town by car and so would not be an environmentally sustainable outcome."

1.13 In basic terms the Council has sought to downplay the employment element of the scheme on the grounds that it will not be delivered at all or will not deliver the estimated level of employment. This is despite the two neighbouring employment developments at Watermill Industrial Estate which have proven very successful in recent years. These being (a) 17 x business units totalling 2,380sm (permission 3/17/1861) which remain fully let and (b) 9 x starter office studios/pods totalling 354sm (permission 3/19/2605) of which only 1 x 118sm (studio 10) is available to let. A third 105sm light industrial unit has recently received reserved matters consent and due to be developed soon (permission 3/22/0651). This hardly justifies the Council's doubts.

1.14 This report provides an updated position on relevant demographic and economic indicators, following the release of new data since the submission of the initial application (Census 2021), and should be considered in conjunction with the previously prepared Economic Impact Assessment DLP/SPRU 2022 and the Buntingford West Local Centre and Employment Area Market Report May 2022.

1.15 Principally, the report is split into six sections as per the below;

- Section 1.0 Introduction – provides context and explanation of the purpose and intention of the report.
- Section 2.0 Planning Policy – provides an overview of national and local policy.
- Section 3.0 Demographic and Economic Profile – Review of data from the 2021 Census (and where possible compares to the 2011 data) with regard to the following:
    - Distance travelled to work.
    - Mode of transport / travel to work
    - Level of out commuting

  - Balance of jobs/economically active
- Section 4.0 Review the need for employment land by considering the following:
  - The delivery of new floorspace
  - The level of available floorspace
  - The nature and condition of available floorspace
  - Market trends
  - Local Market conditions
- Section 5.0 The delivery of employment floorspace.
- Section 6.0 Conclusion

2.0 PLANNING POLICY

a) National Policy & Guidance

2.1 In respect of economic development the NPPF states (paragraph 81) that planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. The approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future.

2.2 Furthermore paragraph 83 states that decisions should recognise and address the specific locational requirements of different sectors at a variety of scales and in suitably accessible locations.

b) Local Planning Policy: East Herts District Plan 2018

2.3 The Development Plan relevant to the proposed development at Buntingford West comprises the East Herts District Plan 2018. The Council adopted the District Plan at an Extraordinary Council meeting on 23 October 2018.

2.4 Within the adopted Plan the Council acknowledge that the District by virtue of its geographical context and relatively small-towns and extensive rural area, is not a self-contained economy and broader economic terms, it plays a supporting role in relation to larger urban areas such as Hatfield, Welwyn Garden City Stevenage, Letchworth and Stanstead Airport. As confirmed within the 'Economic Evidence to Support the Development of the OAHN for West Essex and East Herts' prepared by Hardisty Jones and Associates (HJA) in September 2015, the Council define the Functional Economic Market as comprising the following authorities.

- East Hertfordshire
- Broxbourne
- Welwyn Hatfield
- Stevenage
- North Hertfordshire
- Uttlesford
- Harlow
- Epping Forest

2.5 Owing to this, the local economy is supported predominantly by small and medium sized firms, who have specific requirements for non-strategic employment premises.

2.6 The evidence base supporting the Local Plan confirms that East Hertfordshire is a prosperous District with higher-than-average earnings and comparatively low unemployment.

2.7 Within the HJA report, detailed consideration is given to jobs growth projections (including the implications of proximity to Stansted Airport). Figure 7.5 of the HJA report, set out below, provides details of forecasts for East Hertfordshire.

Table 2. Job growth projections

	Jobs growth per year – based on historic share of total SHMA area jobs	Jobs growth per year – based on EEFM projected share of total SHMA area jobs	Total range for jobs growth	Job growth per year – derived from Local Plan evidence base
East Hertfordshire	505	435	435-505	510

Source: Figure 7.5 of HJA Report 2015

2.8 In respect of Buntingford the Local Plan states:

"6.1.14 Employment and Retail: the large rural hinterland surrounding the town makes Buntingford an ideal base for small businesses that have links to the town itself rather than those that rely on a proximity to major road networks. Existing employment sites in Buntingford will be retained and, where appropriate, extended and modernised. 2 hectares of employment land has been retained through the redevelopment of the former Sainsbury's Depot site, and an additional 3 hectares of employment land has been allocated as an extension to the Buntingford Business Park."

2.9 The employment strategy for the town is to protect and enhance the existing employment areas in the town through the development of increased employment floorspace within the existing designated areas. 3 hectares of additional employment land has also been allocated to the north of Buntingford Business Park (paragraph 6.4.2 and BUNT3).

2.10 It is pertinent to note firstly the 2 hectares at the former Sainsburys site has been lost to a school (with only 30 FTE jobs) and secondly that there have been neither planning applications nor marketing to bring forward the Buntingford Business Park allocation since the adoption of the plan. Buntingford Business Park, by its size and nature will suit larger occupiers, not small-medium business users. The owners of Buntingford Business Park do not appear to have the appetite for speculative development. Further employment land at Park Farm has been lost to residential.

c) Buntingford Employment Study 2014

2.11 In addition to an overarching review of employment needs across the District, Wessex Economics produced a Buntingford Employment Study in 2014. This informed decisions regarding employment land provision in Buntingford. At the time, the report found that the majority of residents who lived in Buntingford at the time and who were in work, travelled out of Buntingford to their place of employment (an estimated 1,920 people); it was estimated that only around 750 people both lived and work in Buntingford – a self-containment ratio of only 26%. As below, this has since changed.

2.12 The employment base of Buntingford had, at the time of the report, fallen significantly in the preceding decade, from in excess of 2,000 people in the period 1988-2004, to its 2014 level of around 1,300 jobs. This was thought to be likely to be largely attributable to the closure of the Sainsbury's Distribution Depot in 2004.

2.13 The report concluded (page 1 Executive Summary) that;

"8. In planning the future of the town, there is a need to address the issue of whether it would be desirable to grow the employment base of the town; and if so, how this should be achieved. Wessex Economics believe that it would be desirable to grow the employment base of the town to increase the opportunities for people to live in Buntingford and to work locally.

9. There is no guarantee that additional jobs created in Buntingford will be filled by local residents but the availability of local employment opportunities is particularly important to *those who wish to work part time, those with lower skills and in lower paid work. Growth in the number of people who work in Buntingford, particularly if they are not residents, will help support retail and service activities in the town centre".*

2.14 In paragraphs 16 and 17 the report suggests that the redevelopment of Sainsbury Distribution Depot could result in the creation of between 300 and 515 jobs from the 1,700 sq m of floorspace being proposed on 1.2 hectares of land as part of the redevelopment. As below, the reality of the situation is the loss to a new first school with just 30 FTE jobs.

2.15 Paragraph 19 goes onto state:

"19. When allowance is made for the potential for additional development at the Buntingford Business Park (including the additional 3 ha allocation proposed in the draft Local Plan) and at the Park Farm Industrial Estate, it is estimated that there is capacity to create between 1,100 and 1,300 additional jobs in Buntingford over the period to 2031."
Again, the reality is no speculative planning and active marketing/promotion at Buntingford Business Park and loss of parts of Park Farm to residential (reference permission 3/16/1392 for 43 dwellings and permission 3/16/1391 for 13 dwellings).

2.16 The report then makes a number of recommendations as part of an employment strategy for Buntingford including:

"24. EHDC as planning authority will need to be flexible in terms of its development planning decisions for the retained employment site on the Sainsbury's site and recognise that uses other than purely B1 use (eg sui generis and health and education uses) should in principle be allowed on the site.

26. If a key part of Fairview Homes' proposition for the Depot site is willing to commit to the construction of new employment space as part of the overall development scheme (as distinct from simply promoting or marketing retained allocations), then EHDC needs to ensure that there are enforceable conditions that determine the timing and quality of the development to be delivered.

27. If Fairview Homes were not committing to the construction of new employment floorspace, conditions should be placed on any developer of the Sainsbury's site that they ensure that the employment site is effectively promoted and marketed; the ideal position would be to ensure that the land is sold to a developer who has a proven track record of delivery of commercial floorspace and experience of working on smaller sites, delivering a good quality of development in smaller formats."

2.17 In respect of the Sainsbury Distribution Depot it is noted that the area allocated for employment in the original proposals has now been developed as Buntingford First School which is in accordance with the advice in the supporting report that is an employment generating use. This is challenged; the actual new jobs created by the new first school are stated in the application transport assessment as 30 FTE jobs as opposed to the forecast 300 and 515 jobs from the 1700sm new floorspace that Fairview were to provide before being "lost" to a new school.

2.18 Park Farm Industrial Estate is a Local Plan allocation and it is significant to note that part of the employment allocation was lost to housing development, 43 dwellings + 13 dwellings.

2.19 Additionally, the vacant land at Buntingford Business Park BUNT3 does not appear to being marketed for sale or to let. There is therefore no evidence that the site will come forward for employment uses.

2.20 These conclusions clearly support the provision of additional employment provision in Buntingford, and the recommendations clearly highlight how the Council need to address the loss of employment in Buntingford.

d) Local Planning Policy: Buntingford Community Area Neighbourhood Plan 2014 – 2031

2.21 The Neighbourhood Plan ("NP") has been 'adopted' in May 2017 and is part of the East Herts Development Plan. In terms of Neighbourhood Plan issues influencing the development, this includes requests that development is appropriate to meet local needs for employment and leisure facilities as part of mixed-use developments to make the most effective use of the land available (page 15).

2.22 In respect of economic development the NP objectives include:

"To nurture, retain and grow locally based commerce.

Support self-employment and its growth in the BCA. Conserve and protect existing employment land and space, particularly around the key activities of horticulture, tourism, convenience retailing and service provision for the community across the BCA e.g. health, nursery and other education services.

Create a welcoming and prosperous town centre in Buntingford.

Increase provision of appropriate workspace, including shared workspace for small and micro businesses (2 – 5 employees) across the BCA."

2.23 Policy BE1 of the NP seeks to restrict the loss of employment floorspace justified by the losses in employment space to other uses since 2005, as detailed in the Buntingford Employment Study 2014 (see above, the Sainsburys 1700sqm new employment floorspace has been lost to a new first school, Park Farm is part lost to residential use).

2.24 Policy BE2 seeks to support the upgrading of existing employment sites these being listed as:

- The Watermill Industrial Estate
- Park Farm Industrial Estate
- Buntingford Business Park
- Silkmead Farm, Hare Street (Great Hormead Parish)
- Buttermilk Farm Agricultural Industry (Aspenden Parish)

2.25 BE2 also supports other smaller employment sites provided they do not conflict with other policies in this Plan and meet all the following criteria:

- Do not involve the loss of dwellings.
- Contribute to the character and vitality of the local area.
- Are well integrated into and complement existing clusters of activity.
- Protect residential amenity.
- Do not adversely impact upon road safety.
- Enhance the development and provision of employment and self-employment.
- Do not adversely affect the attractiveness of the local countryside.

2.26 This permissive approach to employment provision is given more direction in policy BE4 which support the following proposals will be supported:

- Small scale B1 flexible serviced office accommodation
- Larger multi-let floor space development.
- Live work units and shared desk space
- The enhancement of the commercial viability of the Town centre
- The change of use from residential to commercial premises in the High Street retail

area with no loss of retail frontage on the ground floor

- The enhancement of the night time economy with further appropriate eating and drinking facilities, including public houses in all Parishes
- The enhancement of Buntingford's market and its commercial viability

2.27 The explanation to the policy describes that the current high levels of self-employment within the BCA and the trend for its increase nationally mean that smaller, sometimes shared office accommodation and desk-space is a popular choice for small and micro businesses rather than larger industrial units. It goes onto state that multi-let floor spaces let for use by smaller enterprises, so enabling easier progression for such companies to grow and accommodate their growth.

e) Hertfordshire Local Enterprise Partnership (LEP).

2.28 The LEP's publication "A Strategy for Clean Growth in Hertfordshire" states that over the last decade the LEP has highlighted the real opportunities available to businesses and communities across Hertfordshire, but also both the risks and the responsibilities that come with them. It goes onto confirm that over the next decade, technological change will continue apace but environmental considerations will be prominent as will commitments to inclusivity. It confirms that economic growth will still be essential, but it will find new expressions in a global political economy characterised by new alliances, expectations and possibilities page 3).

2.29 It goes onto set out a suite of strategic statements including:

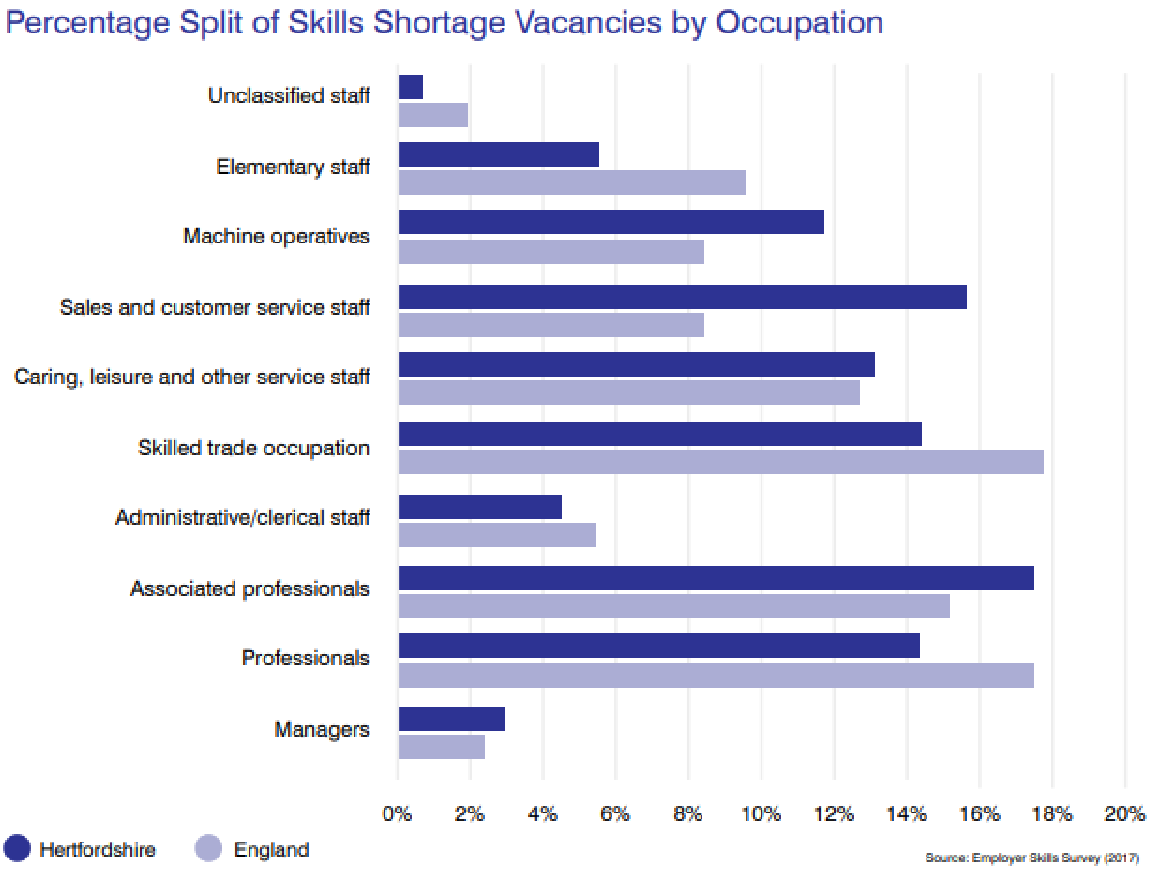
- Foundational strategies which will focus on the breadth of enterprise and innovation across 60,000 businesses, and the criticality of employment and skills across almost 1.2 million people.
- Strategies which accelerate the growth of key clusters and sectors: these are distinctive in their character and offer particular opportunities for high value and 'additional' growth which will equip Hertfordshire to compete internationally as well as nationally.
- Strategies for responsible growth in Hertfordshire including in relation to clean growth, inclusive growth, and growth which embraces the possibilities of digital technology in an informed and responsible manner.

2.30 In a joint publication (LEP and the County) the position in Hertfordshire is summarised as follows:

- Hertfordshire residents are of a high standard of education (42.4% of working age residents (aged 16-64) educated to at least NVQ level 4.
- 28% of all vacancies in Hertfordshire were reported as SSVs (According to the Employer Skills Survey (2017) 28% off all employer vacancies were reported as being hard to fill specifically because of skills shortages).
- 3% of establishments reported to have SSVs and Skills Gaps (At the time of the Employer Skills Survey (2017) 3% of establishments in Hertfordshire reported that they had skills shortage vacancies and skills gaps with existing staff, compared to 2% in the South East and 1% of establishments in London).
- The unemployment rate in Hertfordshire of those at working age (16-64) is 3.4%, which is lower than the national figure at 4.3%

2.31 The chart below highlights the shortages being experienced n Hertfordshire in addition the report states (page 44) that Associate Professions had the largest Skills Shortage Vacancy (SSC).

Table 3. Skills Shortages Hertfordshire compared to England



2.32 The report identifies the following sectors are a priority going forward for Hertfordshire:

- Life Sciences - Future opportunities include medicines and drug delivery technologies, personalised medicines, e-health, bio-pharma research, drug development and production and convergent medical technologies therefore retaining a highly skilled workforce is key for the county.
- Technology - Hertfordshire hosts the headquarters of market leaders in the technology industry such as EE, Bank Machines Ltd, and Computacenta.
- Engineering & Manufacturing - Hertfordshire's world-class engineering companies specialise in aerospace, space and satellite engineering, communication technologies, defence and security-related equipment and logistics.
- Creative, Film & Media - Hertfordshire has been a national hub for films and film-making for a century. It hosts Elstree Studios, Warner Bros. Studios Leavesden and the BBC.
- Built Environment Financial & Business Services - There are 12,500 finance, consulting, accounting and legal firms in the county, including 1,200 financial services companies.

2.33 Hertford Growth Board (HGB) have undertaken a number of research reports including a report by Lambert Smith Hampton titled "Loss of Employment Space in Hertfordshire Study into extent, implications and solutions February 2019".

2.34 The report concludes page (i):

"The property market analysis has demonstrated that there is healthy underlying demand in

both the office and industrial sectors across Hertfordshire. The sectors that Hertfordshire performs well in – the life sciences, agri-tech, advanced engineering and manufacturing, sustainable construction and the creative industries - are leading this occupier demand, as well as pent-up demand in the SME market in particular."

2.35 The report also concludes that there is a severe lack of available supply to meet these demands and that new stock coming forward is insufficient to meet demand levels (page i).

2.36 Other conclusions are:

- Rental value growth in both the office and industrial sectors has been strong over the last few years, and out-performing regional trends which is putting financial pressure on occupiers looking to move or expand and erodes the price advantage that Hertfordshire has relative to surrounding locations, particularly London.
- Hertfordshire has seen a major haemorrhaging of commercial floorspace. Almost a quarter of the office stock has been lost over the last decade, and for some local authorities it has effectively halved. This contrasts with an increase in office-related employment of 19% over this period.
- The scale of the divergence between office loss and employment growth in Hertfordshire is putting major pressure on businesses.
- The industrial sector net losses are approximately 7% of the industrial floorspace stock was lost over the period 2008-09 to 2017-18, whilst employment increased by 1.5% in the sector.
- In total, there has been a net loss of over 771,000 sq. m. of commercial floorspace across Hertfordshire over the last decade.
- This scale of loss is creating very real problems for existing, expanding and new businesses, and for those looking to move into the area, notably international investors.
- The impact of PDR on the office sector has been particularly significant.
- Further office PDR floorspace loss is set to arise as a result of PDR approvals which are yet to be implemented.

2.37 The report identifies the key implications of the loss of employment floorspace as being:

- Constraining Growth
- Forcing Relocations to look beyond Hertfordshire.
- Reinforcing Home-Working - space shortages are reinforcing home-working.
- Limiting Productivity and Performance – the reduction in the amount of floorspace per worker may be leading to operational difficulties for businesses and constraining the potential to achieve productivity improvements.
- Deteriorating Image – Hertfordshire may be seen as 'closed for business', at least in a number of the key market areas.
- Inhibiting Place-Making/Place-Shaping- - the piecemeal loss of commercial floorspace is hindering local authorities and other stakeholders from delivering their place-making agendas.
- Restricting Achievement of SEP Objectives.

2.38 The proposed solutions in the report include:

- A. Planning & Place-Making
  - A1. Reinforcing Joint-Planning. The existing joint-planning initiatives introduced in Hertfordshire between the various Local Planning Authorities (LPAs) should be maintained and developed further.

- A2. Ensuring Local Plan Delivery. It is essential that up-to-date and NPPF conforming Local Plans are delivered across the county.
- A3. Balanced Housing and Commercial Space Delivery. It is important to reinforce the message to Government that securing sustainable communities and economy requires a balanced approach to housing and commercial land/floorspace provision – not just a housing emphasis.
- A4. Halting the use of PDR. The Government should halt the existing PDR conversions and should not proceed with proposed PDR extension contained in the recent consultation document. If the existing PDR conversions of commercial floorspace to residential are to continue, then we would urge the Government to prioritise commercial floorspace in key town and city centres, allowing automatic exemptions from the PDR that permits conversion of commercial floorspace to residential use.

- B. Investment & Funding
  - B1. Promoting Public Sector Development. Where LPAs and other public bodies own land/property, the potential for developing SME and Grow-On units should be actively explored. This is an area of particular shortage of commercial floorspace in Hertfordshire, compounded by losses via PDR.
  - B2. Developing Joint-Venture Initiatives. There should be further exploration of joint venture opportunities between the public sector (LPAs and Hertfordshire LEP) and developers.
  - B3. Provide Greater Tax Break Incentives. Government should be encouraged to provide more incentivised tax breaks for upgrading or providing commercial property.
  - B4. LEP Marketing and Funding. Hertfordshire LEP should lobby central Government on the impact of the loss of commercial floorspace for the Hertfordshire economy and should progress further the work with LPAs and others in developing common strategies to support businesses in the county.
- C. Infrastructure
  - C1. Coordinated Master-Planning. The Garden Town and Village initiative could play an important role in meeting housing need in a well-planned and balanced manner, based around agreed master-planning principles, and should be progressed further. This same master-planning approach has application more widely across the County in relation to different forms of development and would assist in dealing with the generally fragmented nature of land ownership in Hertfordshire.
  - C2. Improving Transport Links. East-West transport links need improvement in order to achieve greater economic integration across the county and allow more internal business migration.

2.39 The final conclusion of the research is that without appropriate support for and protection of commercial floorspace in Hertfordshire, then over the next decade there will be further net floorspace loss which may result in the office stock in the County being at least 50% smaller than it was in 2008 and the industrial stock up to 20% smaller. This will critically impact the economic objectives and ambitions of the County (page iv).

f) Conclusion on the policy context for employment floorspace provision.

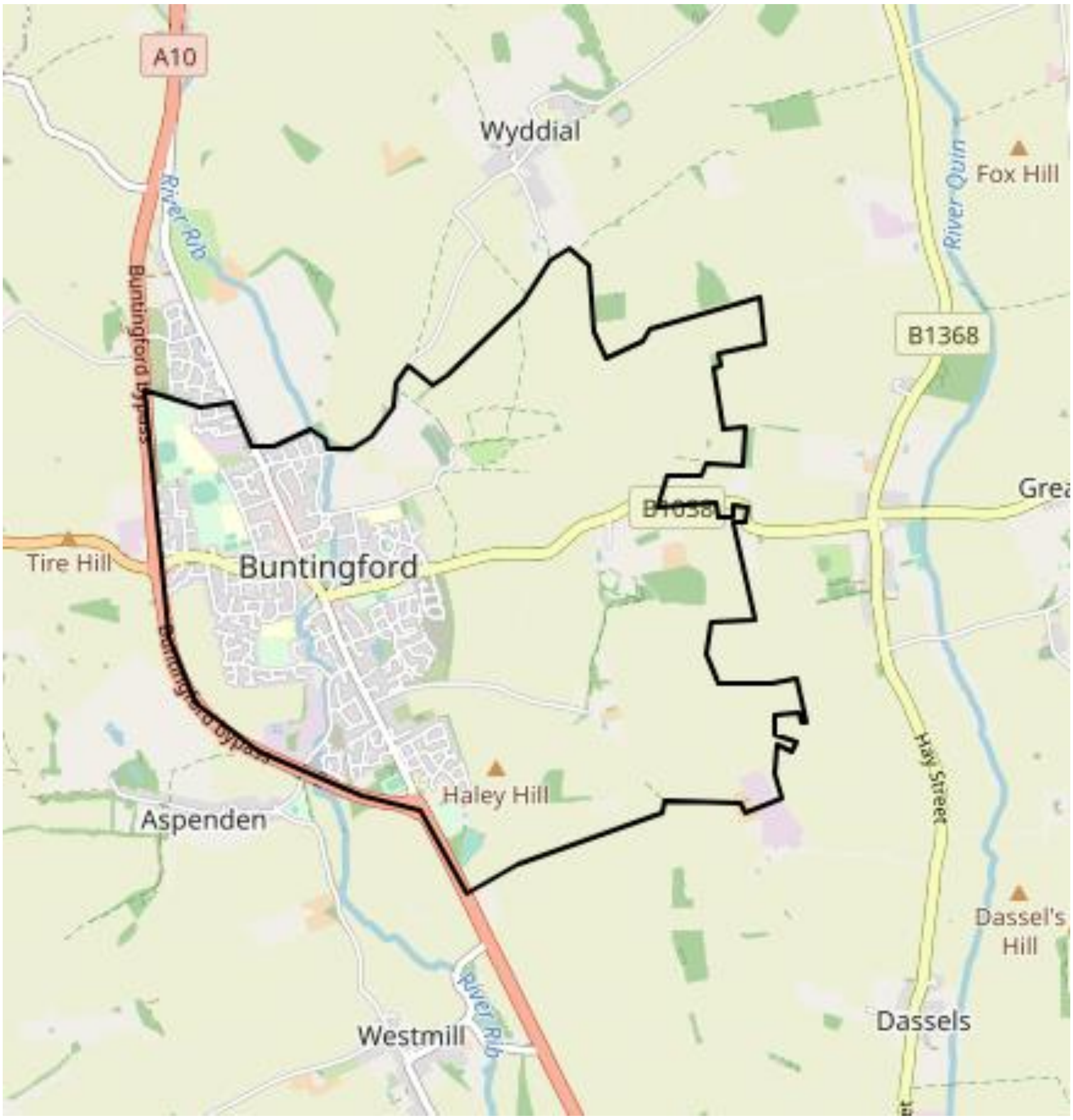
2.40 There is a general consensus from the evidence reviewed and reflected in the local policies that there is a continuing and growing need for employment floorspace in the district and in Buntingford. In particular the need in Buntingford appears to be for small scale office and industrial unit floorspace, possibly in the form of small units and serviced offices as seen at the neighbouring Watermill Industrial Estate new build schemes. What the policies do not reflect is that these smaller enterprises are unlikely to build or fund such provision themselves. As on the neighbouring site, speculative new build is needed.

3.0 DEMOGRAPHIC & ECONOMIC PROFILE

a) Demographic Profile

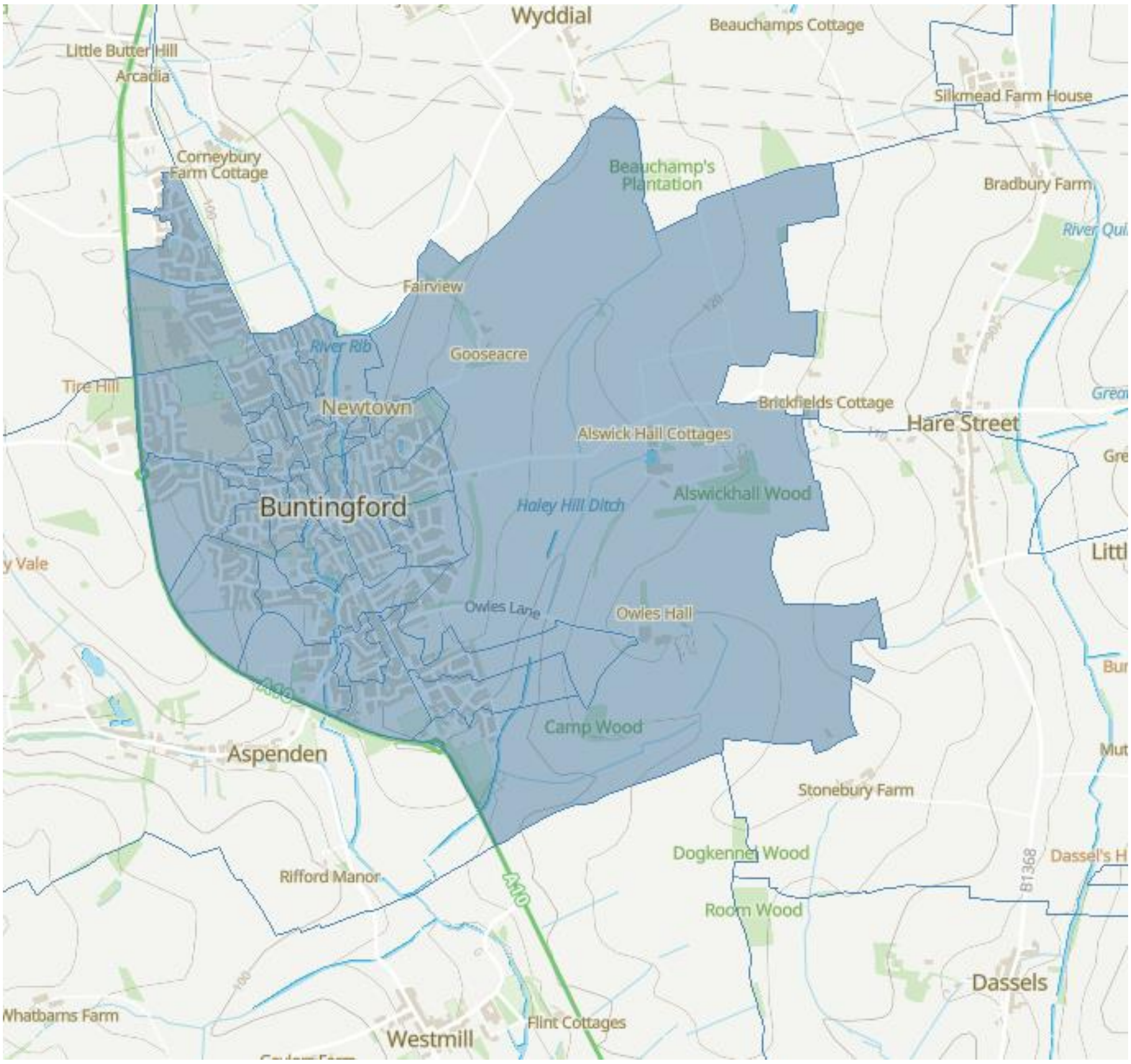
3.1 The 2021 Census indicates a marked increase in the population of the Buntingford Parish when considered against that 10-years previous at the time of the 2011 Census. The 2021 Census indicates a population of 7,900 residents, compared with a population of 4,948 in 2011. This is noted as a considerable increase in population due to the scale of new housing development to the east and north of the town from 2017 to date, In addition and to a lesser extent, as demonstrated below in figures 1 and 2, the Parish boundary has been altered and extended between the two census'. In particular the residential area to the north of the town to the west of Ermine Street has been included in 2021.

Figure 1. Buntingford Parish 2011



Source: Nomis, LC1104EW

Figure 2. Buntingford Parish 2021

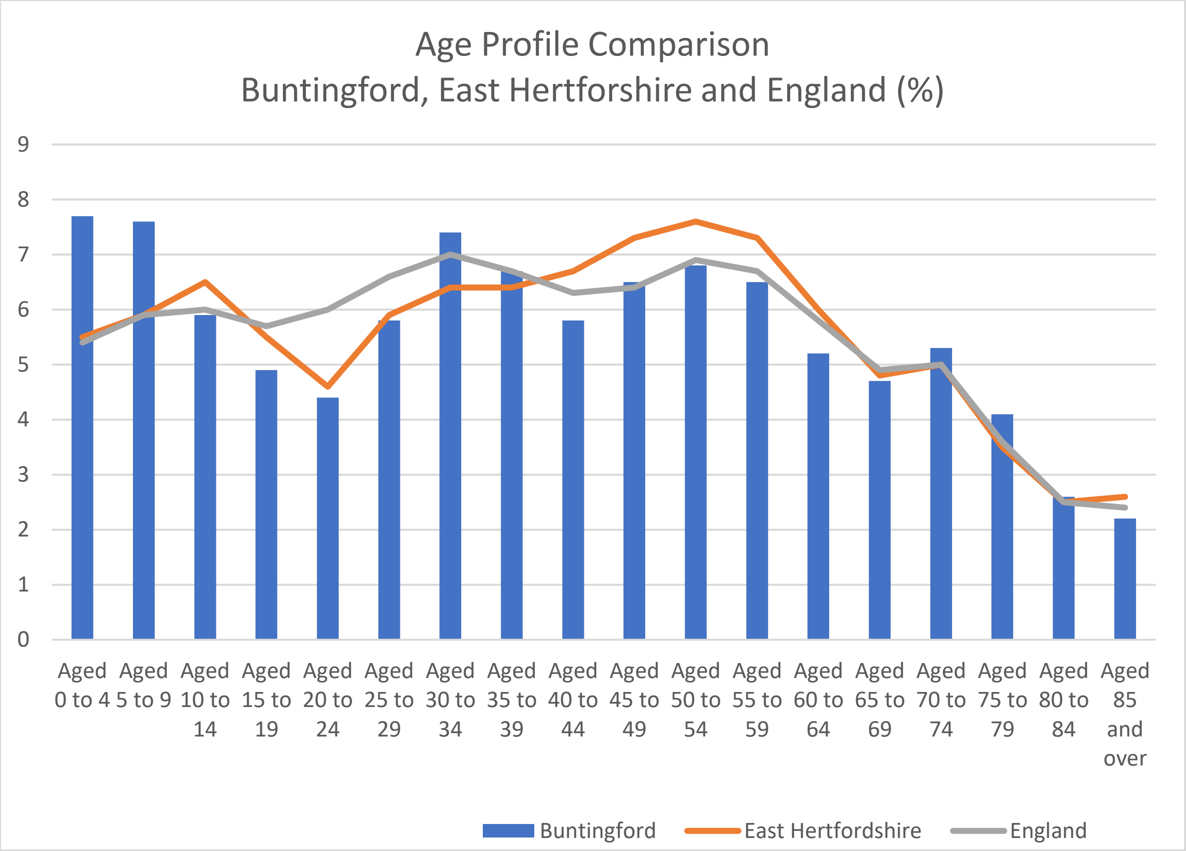


Source: ONS, Census 2021 Custom Area Profile

3.2 Given the new housing growth and the alteration to the Parish boundary, a direct comparison between the last two Census data sets is not straightforward but does allow us to establish an updated position that continues to demonstrate that Buntingford has a comparatively younger population than both East Hertfordshire and England as a whole.

3.3 As is demonstrated in figure 3 and table 3 below, the 2021 Census data indicated that Buntingford has a higher percentage of younger residents overall than both East Hertfordshire and England.

Figure 3. Age Profile Comparison

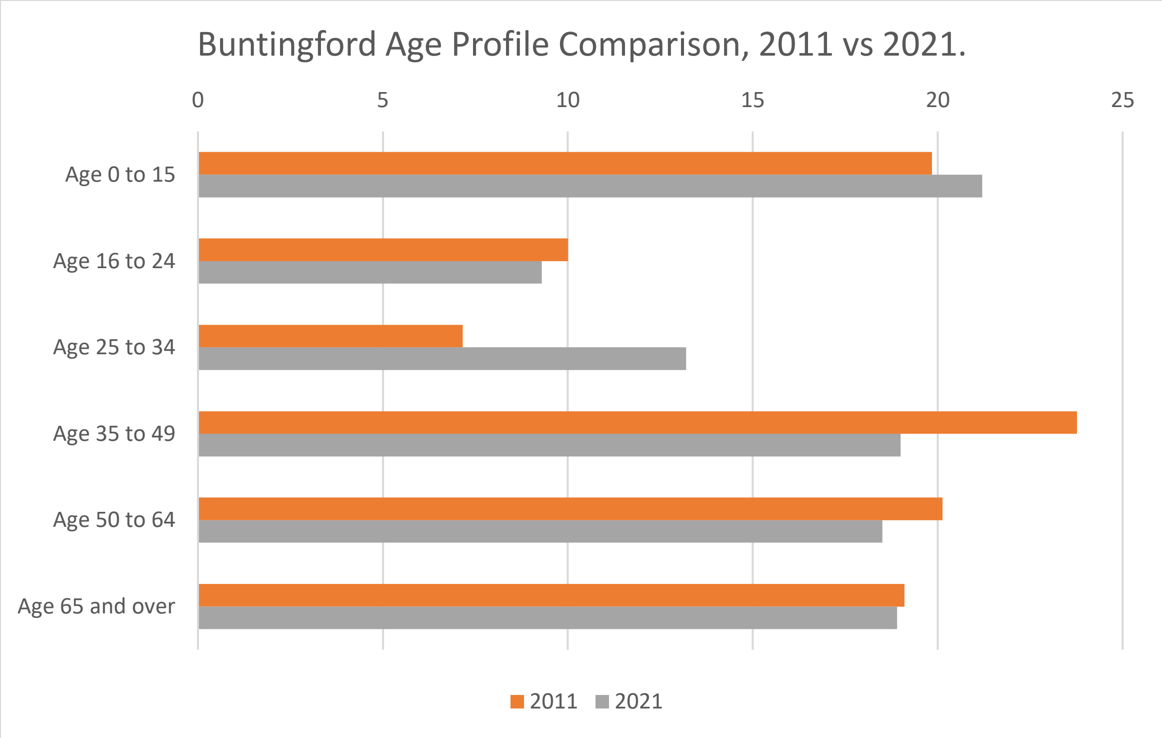


Source: SPRU analysis of ONS, Census 2021

3.4 The above demonstrates notably that there are proportionally more 20-34 years olds living in Buntingford, and therefore unsurprisingly a higher percentage of children when compared against East Hertfordshire and England.

3.5 The working age element (considered up to retirement age below) of Buntingford's population has remained reasonably consistent between 2011 and 2021, reducing from 61% in 2011 to 60% in 2021 as demonstrated in the table and figure below, however it is noted that it remains marginally below the figure for East Hertfordshire and England, realistically as a result of a higher proportion of children.

Figure 4. Buntingford Age Profile Comparison, 2011 vs 2021.



Source: SPRU analysis of ONS, Census 2011 and 2021

Table 4. Working Age population comparison, Buntingford, East Hertfordshire & England

Age	Buntingford (%)	Working Age %	East Herts (%)	Working Age %	England (%)	Working Age %
0-15	21		18		17	
16-24	9	60	10	64	12	64
25-34	13		12		14	
35-39	19		20		19	
50-64	19		21		19	
65+	19		18		18	

Source: SPRU analysis of ONS, Census 2021

3.6 Of the working age population aged over 16 in Buntingford, the 2021 Census indicated that a higher percentage of the working age population were at the time of the Census in employment (62.4%) when compared to that for England (57.4%).

Table 5. Economic Activity Comparison 2021 (%)

Economic Activity	Buntingford	East Hertfordshire	England
Economically active: In employment	62.4	63.2	57.4
Economically active: Unemployed	1.9	2.5	3.5
Economically inactive	35.7	34.3	39.1

Source: SPRU analysis of ONS, Census 2021

3.7 A direct comparison between economic activity in 2011 and 2021 for Buntingford is set out in the table below and shows that levels of unemployment, despite a rapid increase in population, has been recorded, dropping from 2.5% in 2011 to 1.9% in 2021. Residents identifying as economically inactive (including retired, full-time students, carers and disabled residents, has risen from 26.1% of the Buntingford population in 2011 to 35.7% in 2021. The percentage of residents in employment has fallen notably from 71.4% in 2011 to 62.4% in 2021 (a decrease of 9% of the respective populations at the time of the Census').

Table 6. Economic Activity Comparison 2011 vs 2021 (%)

Economic Activity	Buntingford 2011	Buntingford 2021
Economically active: In employment	71.4	62.4
Economically active: Unemployed	2.5	1.9
Economically inactive	26.1	35.7

3.8 Notwithstanding the increased percentage of children living in the Parish between 2011 and 2021, there is clearly an opportunity to support and enhance employment opportunities for the high proportion of residents aged between 20 and 34 in the Parish.

3.9 Turning to the occupations of residents of Buntingford, the below table demonstrates that the usual population has a higher percentage of senior and professional level workers compared with the national average. This data is supported by the provision, at a District level, to research and development opportunities and can arguably be used as an indicator of the type of employment provision within Buntingford that would meet the employment needs of residents whilst also being attractive to the market.

Table 7. Occupation of Employment (%)

Occupation	Buntingford	East Hertfordshire	England
1. Managers, directors and senior officials	16.8	18.2	12.9
2. Professional occupations	18	22.3	20.3
3. Associate professional and technical occupations	15.7	15.8	13.3
4. Administrative and secretarial occupations	10.9	10.1	9.3
5. Skilled trades occupations	12	9.3	10.2
6. Caring, leisure and other service occupations	8.7	7.7	9.3
7. Sales and customer service occupations	5.5	5.4	7.5
8. Process, plant and machine operatives	5	4.5	6.9
9. Elementary occupations	7.4	6.8	10.5

Source: SPRU analysis of ONS, Census 2021

3.10 Further, a direct comparison to the same data for 2011 indicates that the percentage of residents in Buntingford employed in senior and professional roles has increased, whilst those in elementary occupations and manual roles has reduced.

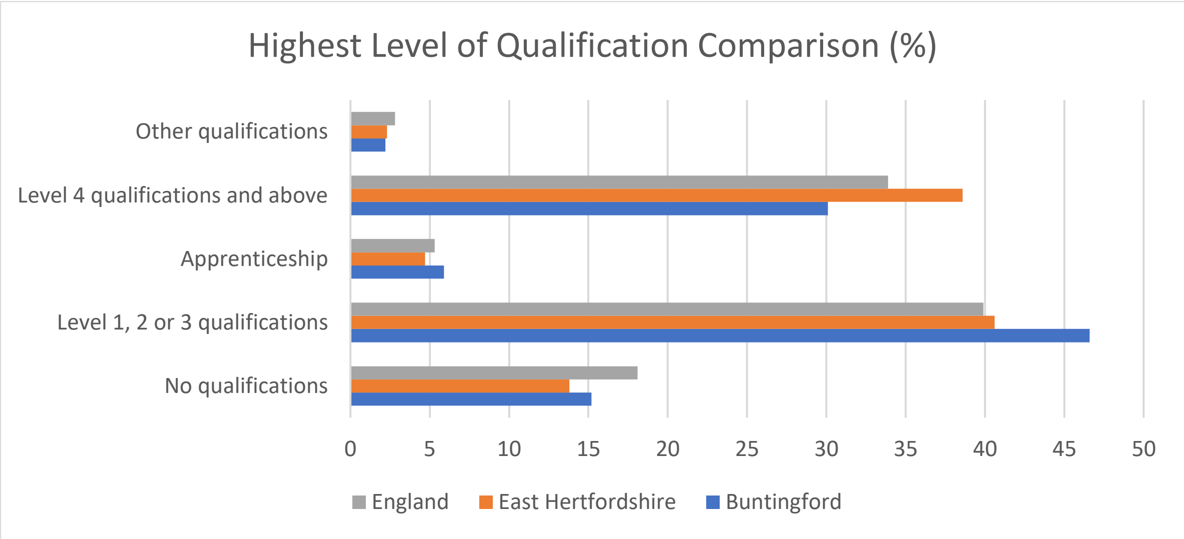
Table 8. Occupation of Employment Comparison 2011 vs 2021

Occupation	Buntingford 2011	Buntingford 2021
1. Managers, directors and senior officials	15.1	16.8
2. Professional occupations	16.4	18
3. Associate professional and technical occupations	12.9	15.7
4. Administrative and secretarial occupations	12.5	10.9
5. Skilled trades occupations	13.9	12
6. Caring, leisure and other service occupations	8.4	8.7
7. Sales and customer service occupations	6.1	5.5
8. Process, plant and machine operatives	6.4	5
9. Elementary occupations	8.3	7.4

Source: SPRU analysis of ONS, Census 2011 and 2021

3.11 Despite a higher proportion of residents being in senior management and professional occupations compared with national levels, Census data also reveals that a higher percentage of residents have lower-level qualifications that both the percentages for East Hertfordshire and England. Indeed, as demonstrated below, 61.8% of Buntingford's residents are only qualified up to level 3 (including those with no qualifications). This is compared with a percentage of 54.4% in East Hertfordshire and 58.7% for England.

Figure 5. Highest Level of Qualification Comparison (%)



Source: SPRU analysis of ONS, Census 2021

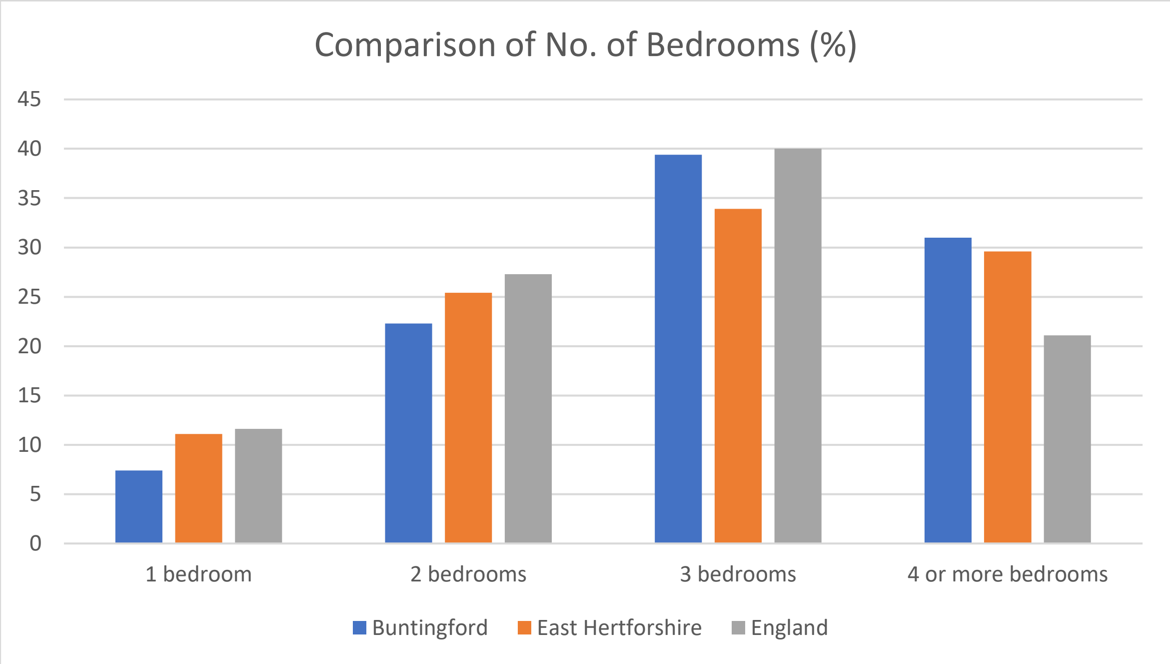
b) Travel to Work

3.12 Aligned to the reason for refusal set out in the Decision Notice, sustainability and opportunities to increase and enhance use of local services and facilities that can be accessed via sustainable modes of transport is essential.

3.13 Data from the 2021 Census appears to, to some extent, highlight these commuting patterns, both in respect of distance and modes of travel to work. Accordingly, the provision of employment premises and opportunities in Buntingford offer an opportunity for new and existing residents to live and work within close proximity to their homes (working from home is discussed in section 5 of this report).

3.14 At present, 33% of Buntingford's residents work from home. This has potential to further increase with existing residential properties in Buntingford generally being larger than the District in terms of number of bedrooms which could provide for home office space in some instances (figure 6).

Figure 6. Number of Bedrooms Comparison



Source: SPRU Analysis of ONS, Census 2021

3.15 The occupancy data for Buntingford indicates that a higher percentage of properties have more bedrooms that required (underoccupied) in comparison with both East Hertfordshire and England, as demonstrated below.

Table 9. Occupancy rating comparison (%)

Occupancy Rating	Buntingford	East Hertfordshire	England
2+ or more	43.3	40.7	35.6
1	33.5	32.2	33.2
0	21.4	24.6	26.8
-1	1.6	2.3	3.6
-2 or more	0.2	0.2	0.7

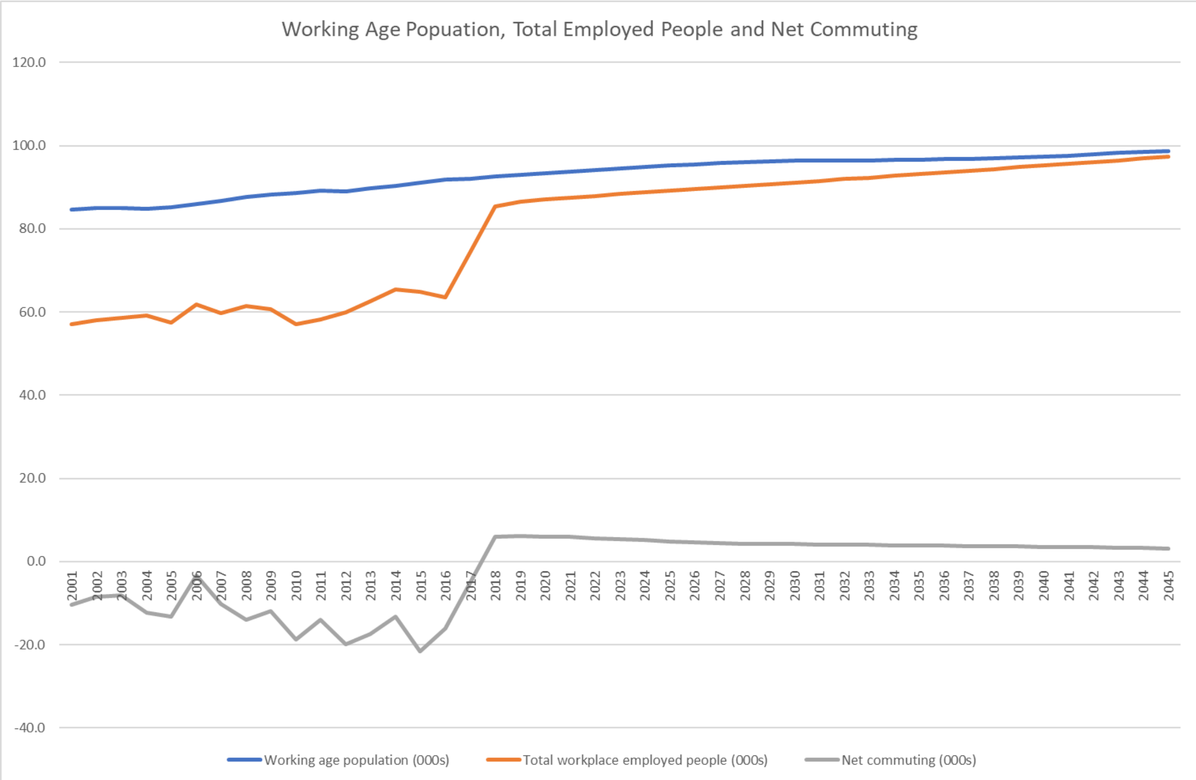
Source: SPRU Analysis of ONS, Census 2021

3.16 This measure does not indicate the condition of existing properties and their suitability to accommodate home working but does indicate that the size of existing properties gives scope for increased home working to suit the rising trend.

c) Future Commuting Patters

3.17 The table below shows that until 2017 there had been net out commuting from the district, but this has changed and there is currently net in commuting into the district. Additional dwelling provision within the district would provide the opportunity for more workers to live and work within the district.

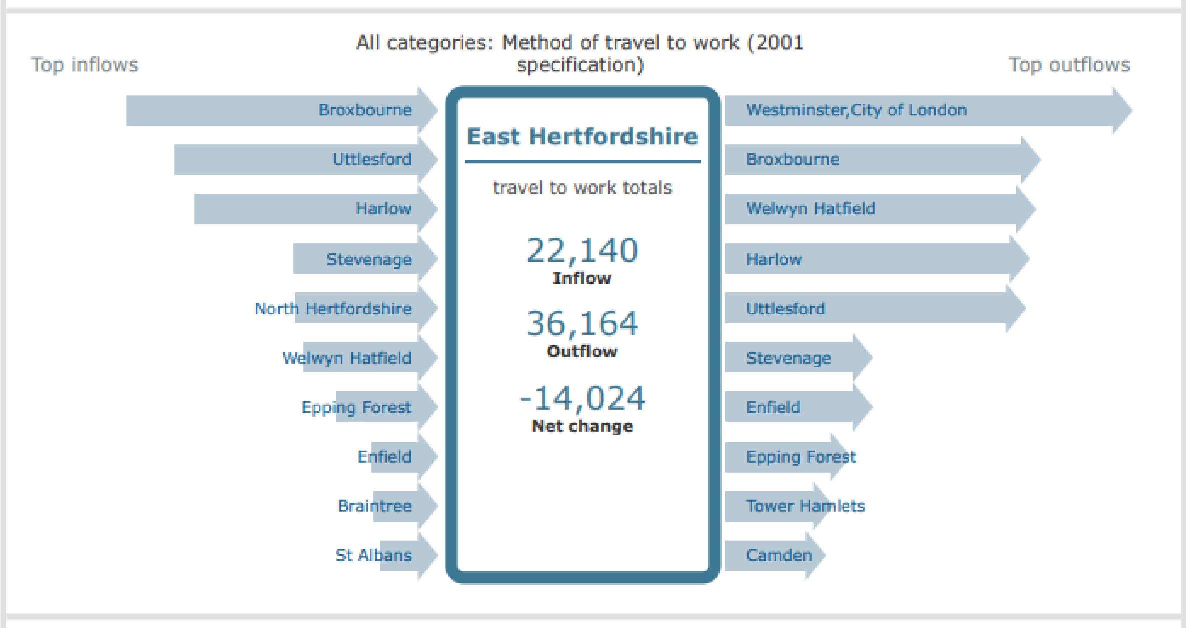
Figure 7. Future levels of net commuting



Source: East of England Forecasting Model 2020

3.18 Commuting into the district according to the 2011 census which provides a fuller pattern of flows than the 2021 census suggest that the largest in flows are from Broxbourne Uttlesford and Harlow. These flows may be expected to continue unless provision is made to accommodate these workers within the District.

Figure 8. Commuting Flows 2011



Source: ONS 2011 Census

4.0 EMPLOYMENT LAND PROVISION

a) Delivery of New Floorspace

4.1 According to the VOA there has been a slight decline in employment floorspace in the district as a whole but office floorspace in Buntingford has increased from 3,000 to 4,000 sm. However this is more than offset by the loss of half of the industrial floorspace in the town.

4.2 Compared to the district as a whole the gain in office floorspace is against the wider trend while the loss of industrial floorspace is much greater than that across the district.

4.3 There has also been a loss of retail floorspace locally while the level at district has remained almost the same.

Table 10. Changes to employment floorspace in Buntingford and East Hertfordshire

	2011 Office Floorspace	2021 Office Floorspace	2011 Industrial Floorspace	2021 Industrial Floorspace	2011 Retail Floorspace	2021 Retail Floorspace
Buntingford	3,000	4,000	68,000	29,000	6,000	5,000
% of Total	2%	3%	9%	5%	3%	3%
% Change 2011-2021		33%		-57%		-17%
East Herts	176,000	137,000	666,000	615,000	176,000	182,000
% of Total	2%	3%	9%	5%	3%	3%
% Change 2011-2021		-22%		-8%		3%

Source: VOA Tables FS.OA3.1 and 4.1

b) Available Floorspace

4.4 As above, there is currently one office studio available at Watermill Industrial Estate, Studio 10 118sm. Apart from this, the nearest provision needs to be in rural locations, otherwise provision is in the surrounding towns which are almost 10km away as illustrated by the extract from Rightmove on the next pages.

4.5 Similarly there is only one available industrial unit at Unit 39s Park Farm 51sqm.

Figure 9. Office for rent within 10 miles (right move)

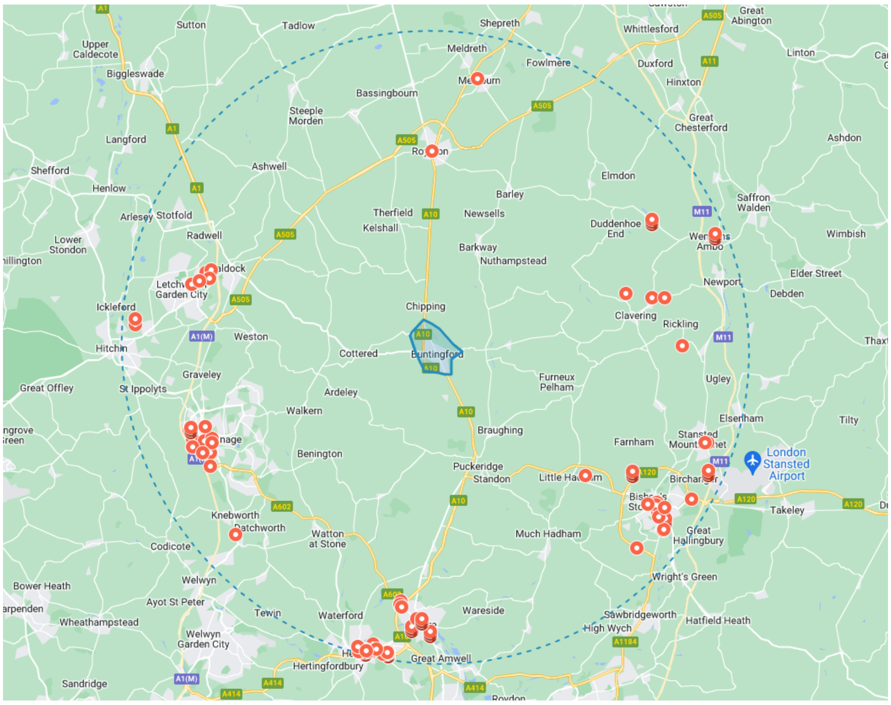


Figure 10. Retail units within 10 miles (Right Move)

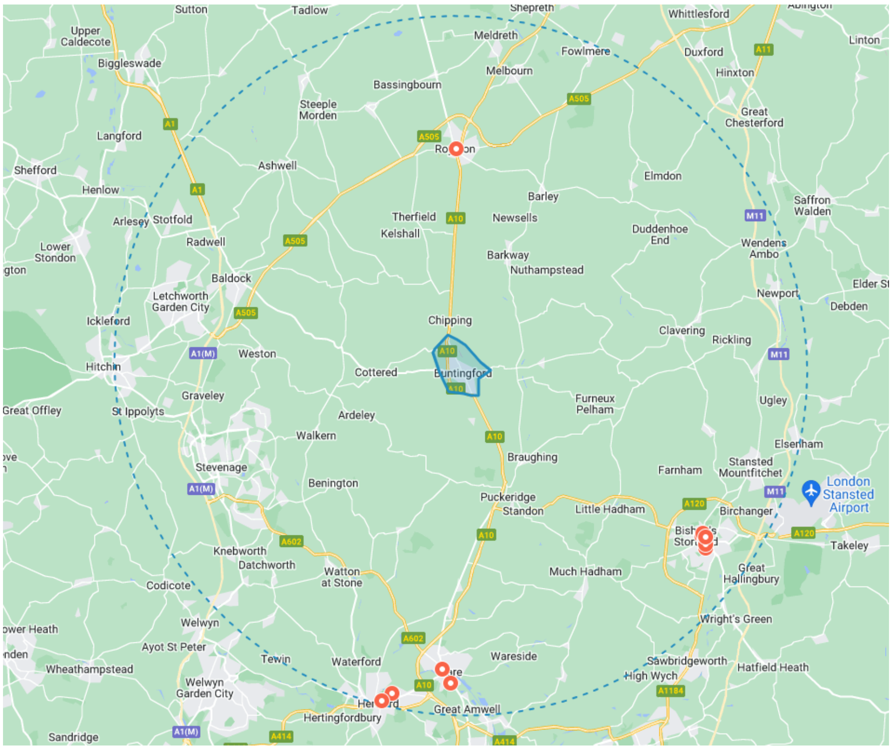


Figure 11. B8 Units within 10 miles (Right Move)

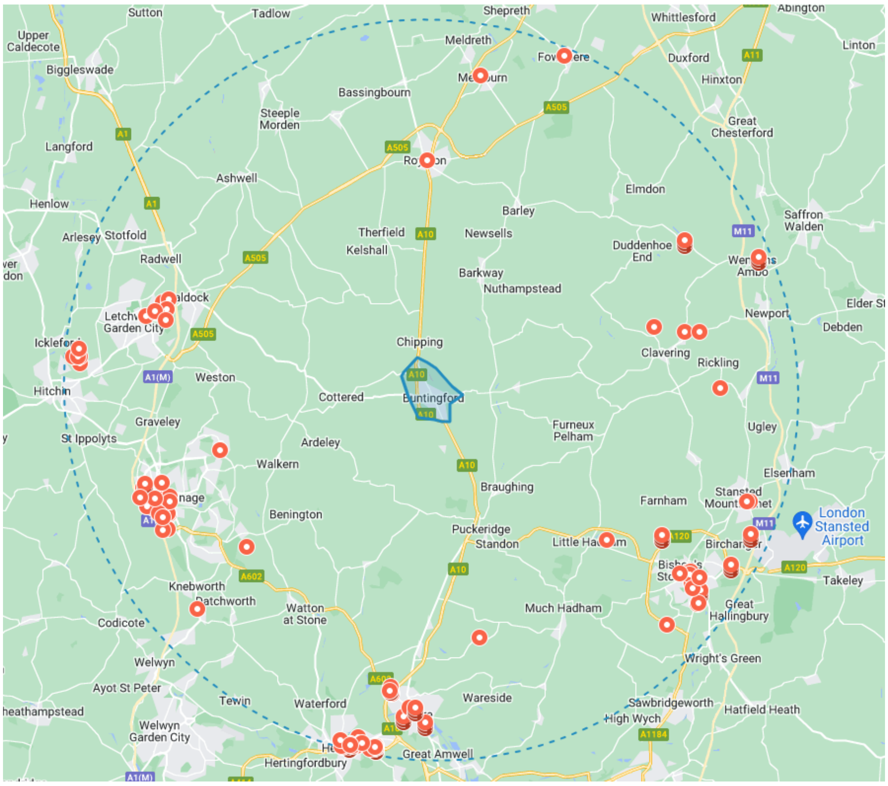


Figure 12. Industrial Units within 10 miles (Right Move)

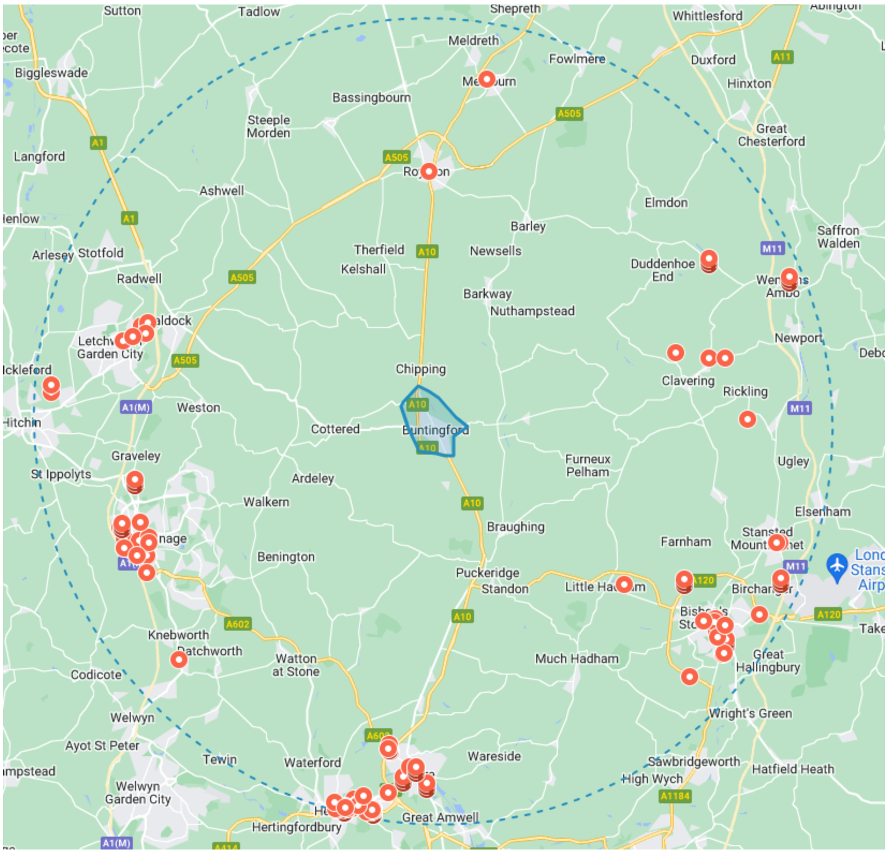
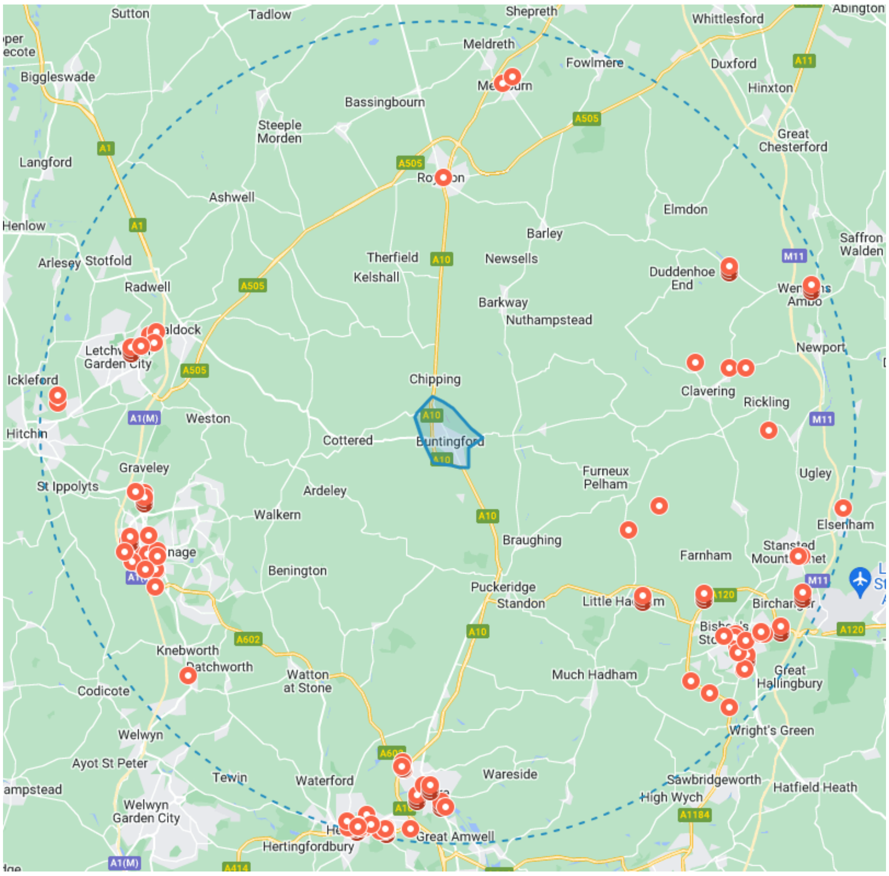


Figure 13. Light Industrial Units within 10 miles (Right Move)



c) Nature & Condition of Available Floorspace

4.6 The existing employment areas in Buntingford currently have only one office studio available which meets modern high-quality standards, reference Studio 10 at Watermill Industrial Estate.

d) Recent planning applications for employment use

4.7 The table below provides a summary of the applications for commercial floorspace in Buntingford.

4.8 This shows a number of smaller units being granted permission for conversion as well as two larger schemes on the Watermill Industrial Estate Aspenden one for offices and the other for a single unit. The larger applications for 4,400 sqm of commercial and services floorspace on the application site and for up to 20,590sqm (use classes E(g), B2 and B8) on the Silkmead Farm Industrial Estate Hare were refused and withdrawn respectively.

4.9 The second table is a review of applications across the District, and this reveals that much of the future employment floorspace provision is being proposed on mixed use sites, like the application. Given the need for office floorspace for SME's identified by the development plan and the difficulty such companies would have in financing their own development such developments would appear to be a reasonable way of addressing this need across the district.

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Table 11. Planning applications for commercial Floorspace in Buntingford

Ref	Title	Address	Type	Decision	Decision Date	Agent	Labels
3/21/1600/FUL	Change of use of ground floor unit from cafe/restaurant (Class E) to a hot food takeaway (Sui-Generis)	6 High Street Buntingford Hertfordshire SG9 9AG	Full Application	Refuse	04/01/2023	Peter George Town Planning	Class E,Rejected,1 Dwelling
3/21/0897/CLUP	Use of the open single floor squash court building [formerly use class D2 and now use Class E(d)] as a proposed hybrid use, comprising office space and small fitness room or office/meeting room [Use classes E(d) and E(g)(i)]. 2 new first floor side window openings. Internal alterations, to put in a first floor and internal subdivisions for WCs and office spaces. Hours of use to be 8am to 6pm Monday to Saturday.	Alswick Hall Hare Street Road Buntingford Hertfordshire SG9 0AA	CL Proposed Use	CL Proposed Refuse	09/06/2021	Cannon Consulting	Leisure (D2),Class E,Rejected,1 Dwelling
3/22/1551/FUL	Hybrid planning application comprising: (i) Full planning for the development of 350 residential dwellings (Use Class C3), a new highway junction from the A10 with associated works including drainage, access roads, allotments, public open space and landscaping; and (ii) Outline planning (with all matters reserved except for access) for up to 4,400 sqm of commercial and services floorspace (Use Class E and B8), and up to 500 sqm of retail floorspace (Use Classes E).	Land East Of The A10 Buntingford Hertfordshire	Full Application	Refuse	09/11/2022	DLP Planning Ltd	Storage (B8),Residential (C3),Class E,Rejected,350 Dwellings
3/22/1727/CUAPN	Change of use of 1 agricultural building to Use Class E (Commercial/Business/Service).	Owles Farm Owles Lane Buntingford Hertfordshire SG9 9PL	PN Change of Use Agricultural	Prior Approval Req/ Grant with Conditions	20/12/2022	Sworders	Class E,Approved

Ref	Title	Address	Type	Decision	Decision Date	Agent	Labels
3/23/0217/FUL	Change of use of barn to Class E(c), E(e) or E(g), with new windows and doors, car parking and landscaping. Re-build rear lean-to. Replacement cladding and roof (part retrospective).	Owles Farm Owles Lane Buntingford Hertfordshire SG9 9PL	Full Application	Grant Plan Permission w Conds	11/04/2023	Sworders	Class E,Approved
3/21/1576/OUT	Outline planning application for the creation of commercial development in use classes E(g), B2 and B8 for up to 20,590sqm with all matters reserved except for access.	Silkmead Farm Industrial Estate Hare Street Hertfordshire SG9 0DX	Outline Application	Application Withdrawn by Applicant/ Agent	27/07/2022	DLA Town Planning Ltd	Industrial (B2),Storage (B8),Class E,Withdrawn
3/21/2400/FUL	Change of use from residential annexe to use class E (commercial office space).	The Barn 59 Wyddial Road Buntingford Hertfordshire SG9 9AX	Full Application	Grant Plan Permission w Conds	28/12/2022		Class E,Approved
3/19/2525/FUL	Change of use from an industrial unit B1 Use (Business) to a Gym - D2 Use (Assembly and Leisure).	Unit 15 The Firs Watermill Industrial Estate Aspenden Road Buntingford Hertfordshire SG9 9JS	Full Application	Refuse	13/02/2020		Office (B1),Leisure (D2),Rejected
3/22/1064/FUL	Construction of a single storey E Use Class unit	Watermill Industrial Estate Aspenden Road Buntingford Hertfordshire	Full Application	Grant Plan Permission w Conds	24/10/2022	South Bank Architects	Class E,Approved,1 Dwelling
3/19/2605/FUL	The construction of nine units for B1 Use with the creation of 17 parking spaces, 20 cycle spaces and access roads.	Watermill Industrial Estate Aspenden Road Buntingford Herts SG9 9JS	Full Application	Grant Plan Permission w Conds	27/04/2020	South Bank Architects	Office (B1),Approved, 9 Dwellings

Table 12. Planning applications for commercial Floorspace in Buntingford

Application	Site	Description	Date received	Decision	
3/22/2406/FUL	Land North And East Of Ware (WARE2) Ware Hertfordshire	Hybrid planning application, comprising: a) Outline approval for a residential-led mixed-use development for up to 1,800 new market and affordable homes, including self-build and custom build homes and around 3 hectares of new employment provision, mixed-use local neighbourhood centres, new retail, business, commercial and community uses, new and expanded primary schools, with early years facilities and new secondary school provision, new public open space and outdoor sports facilities, including all an weather 3G sports pitch, the provision of plots for Travelling showpeople, new ecological areas, allotments, woodlands and other public areas, new pedestrian, cycle and vehicular accesses and movement networks within the site, associated drainage and SuD's infrastructure, utilities, energy and waste facilities and enabling infrastructure works to the existing highway, other supporting works, facilities and infrastructure, together with associated temporary enabling works and structures. With all matters reserved for later approval, apart from works in connection with the associated primary and secondary access junctions at the A10/A1170/Moles Farm interchange and the access junction at the B1004 at Widbury Hill and at Fanhams Hall Road. b) Full planning approval for internal highways works relating to the construction of Stages 1a and 1b of the Sustainable Transport Corridor, linking the A10/A1170 to the B1004, via the new access junctions, as defined on the Movement and Access Parameter Plan and the Detailed Access Plans	06/06/2023	Pending	

Application	Site	Description	Date received	Decision	
3/22/1534/VAR	Bishops Stortford Goods Yard Station Road Bishops Stortford Hertfordshire CM23 3BL	A hybrid planning application for the comprehensive redevelopment of the 5.82 ha Goods Yard site for mixed use purposes comprising - 586 residential units (Use Class C3); 3,004sqm of office floorspace (Use Class B1); 1,001sqm of retail floorspace (Use Class A1-A4); 491sqm of dual / alternative use retail and health care floorspace (Use Classes A1-A4 / D1); 85 bed hotel (Use Class C1); a care home comprising up to 55 units (Use Class C2); a new link road through the site connecting Station Road /Dane Street with London Road; two multi-storey station car parks (966 spaces); new cycle parking; car parking for the residential development; improvements to the Bishops Stortford transport interchange; new and altered access points from the adopted highway network; and associated landscaping and public realm works. The full application; Development up to 6 storeys in height providing 323 residential units (139 x 1bed units, 175 x 2bed units, 8 x 3bed units and 1x4 bed units use class C3), 3004 sq m of office space (use class B1), 1001 sq m of retail floorspace (use classes A1-A4), 491 sqm of dual / alternative use retail and health floorspace (Use classes A1- A4/D1), a 4 storey 85 bed hotel (use Class C1), a new link road through the site connecting Station Road/Dane Street with London Road, one 6 storey (401 space) multi storey station car park, new cycle parking, 153 car parking spaces for the residential development. The outline application (all matters reserved except for access) comprises: 263 residential units (Use Class C3); a care home comprising up to 55 units (Use Class C2); one multi-storey station car park; new cycle parking; car parking for the residential development; and associated landscaping and public realm works. Variation of Condition 2 (approved plans) of 3/17/2588/OUT: To allow 9 additional car parking spaces within the undercroft of Block B.	19/07/2022	Withdrawn	

Application	Site	Description	Date received	Decision	
3/22/1315/OUT	(EWEL1) Land Southeast Of Welwyn Garden City To The North Of The A414 And Straddling Birchall/Cole Green Lane Hertfordshire	Outline planning application with all Matters reserved except Access (apart from internal circulation) for the Proposed Development as shown on the Parameter Plan, Land Use Budget, Access Arrangements Plans and Mineral Extraction Plans, comprising: 2,650 new homes: sites for two primary schools and one secondary school, including associated sports facilities; two mixed use local centres, which could include land uses within the following Use Classes: C1 (hotels); C2 (residential institutions); C3 (dwellinghouses); E (commercial, business and services); F1 (learning and non-residential institutions); and F2 (local community); a gypsy/traveller site, accommodating 15 pitches; a network of green infrastructure complementing that in the site's environs and including extensive informal open space, as well as allotments/community orchards and play areas; vehicular access via the A414, B195 and Cole Green Lane, including the re-alignment of the B195; internal roads, footpaths, cycleways and bridleways; sustainable drainage and utilities infrastructure, including drainage basins, four water pumping stations and electricity sub-stations; prior extraction of circa 162,000 tonnes of sands and gravels from that part of the site to the north of public footpath Hertingfordbury 023 and to the west of Birchall Wood; and the management and control of the historic landfill in the central part of the site, including measures to ensure the safety of site users.	20/07/2022	Pending	
3/22/1183/FUL	Sayes Park Farm High Wych Road High Wych Sawbridgeworth Hertfordshire CM21 0JE	Change of use of 1 agricultural grain silo and the attached control room to 5 commercial units (use class B1 a). Single storey extension. Creation of first and second floors with an internal lift and external stair cases and first floor balcony. New ground floor, first floor and second floor doors and windows	15/06/2022	Pending	
3/22/0175/CLXU	Watton Mill Mill Lane Watton At Stone Hertfordshire	The existing use of the building and site as use class B1(c) Light industrial - now classified as use class E(g)(iii).	27/01/2022	Grant	17/11/2022
3/21/0632/CLXU	The Cottage Cherry Park Farm Road From Blind Lane To Ardeley Village By The Old Bell Ardeley Stevenage Hertfordshire SG2 7AH	Use of building as Class E (formerly B1) Office use.	11/03/2021	Appeal Dismissed	02/07/2021

Application	Site	Description	Date received	Decision	
3/20/2580/REM	Land At Bishops Stortford South (BISH5) Off Whittington Way Bishops Stortford Hertfordshire	Application for reserved matters in respect of landscaping to planning permission 3/18/2253/OUT for the erection of 142 dwellings, 608 (Class C3), care home (Class C2), up to 4 hectares of employment land (classes B1, B2, B8 sui Generis (car showroom), a local centre including up to 1000 sq m for retail (Class A1), and up to 2200 sq m for other uses (Classes A2, A3, A4, A5 and D1), a primary school (Class D1) up to 3 forms of entry and including early years facilities, a secondary school (Class D1) up to 8 forms of entry, open space including equipped areas for play, sustainable drainage systems, landscaping and all associated infrastructure and development.	05/01/2021	Grant	03/03/2022

e) Market Trends: Office

4.10 In respect of the office market in Hertfordshire there is a total over 25 million square feet, and it is the county is the fourth largest office market in the South East, after London, Berkshire, Hampshire and Surrey (Costar).

4.11 Kirby Diamond report that whilst demand for office space has fallen in line with the wider market, vacancy rates remain at 6.80%, which is below the national average for offices. Leasing activity has increased post-pandemic with retailers taking on HQ buildings in the region.

4.12 Recent deals include:

- Signet taking 20,000 sq ft of space at Croxley Park, Rickmansworth.
- TK Maxx took occupation of their new 210,000 sq ft HQ on Clarendon Road Watford in 2021.

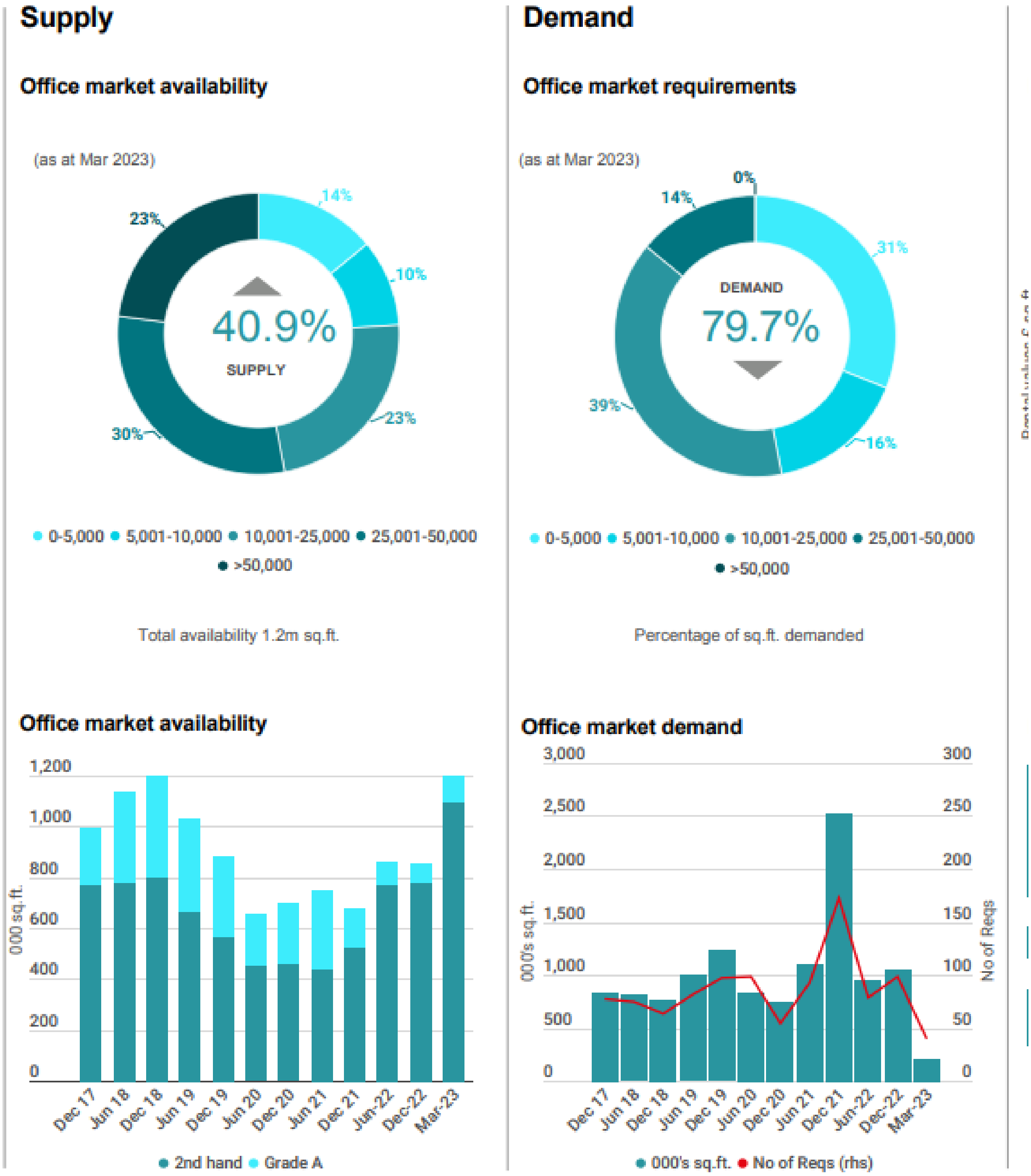
4.13 Other notable deals include:

- Aecom securing a pre-let at 10 Bricket Road, St Albans, a 20,000 sq ft office in late 2021.
- Skanska taking occupation of a newly refurbished 67,000 sq ft office in Leavesden Park in 2022.
- From a public sector perspective, the Department for Work and Pensions took 17,000 sq ft at Eagle 2, Watford and 15,000 sq ft at Able Smith House in Stevenage during the year.
- The largest deal in Hertfordshire in 2022 to date was a letting to Freespace of 12,000 sq ft of office space at Three Rivers Park.

4.14 These deals, and others, have contributed to rental growth of 3.10% post pandemic. With average rents of £23 per sq ft, office rents in Hertfordshire are some of the highest outside of London. In certain sub-markets, rents can push over £30 per sq ft, however Watford and St Albans remain the highest on average at £25 per sq ft, which reflects a £5 per sq ft premium compared to space in East Hertfordshire.

4.15 More recent reports for North London and Hertfordshire (Glenny) suggest that demand moved back below 1m sq ft in the six months to the end of Q1 2023, with all sectors of the market seeing a reduction in requirements. Whilst there has been a withdrawal, or placing on hold, of a number of larger requirements the demand for space between 10,001-30,000 sq ft dominates current requirements (39%) this is followed by the smallest category 0 to 5,000 sq ft (31%).

Figure 14. Office demand and Supply in North London and Hertfordshire



Source: Glenny 2023

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f) Market Trends: Industrial

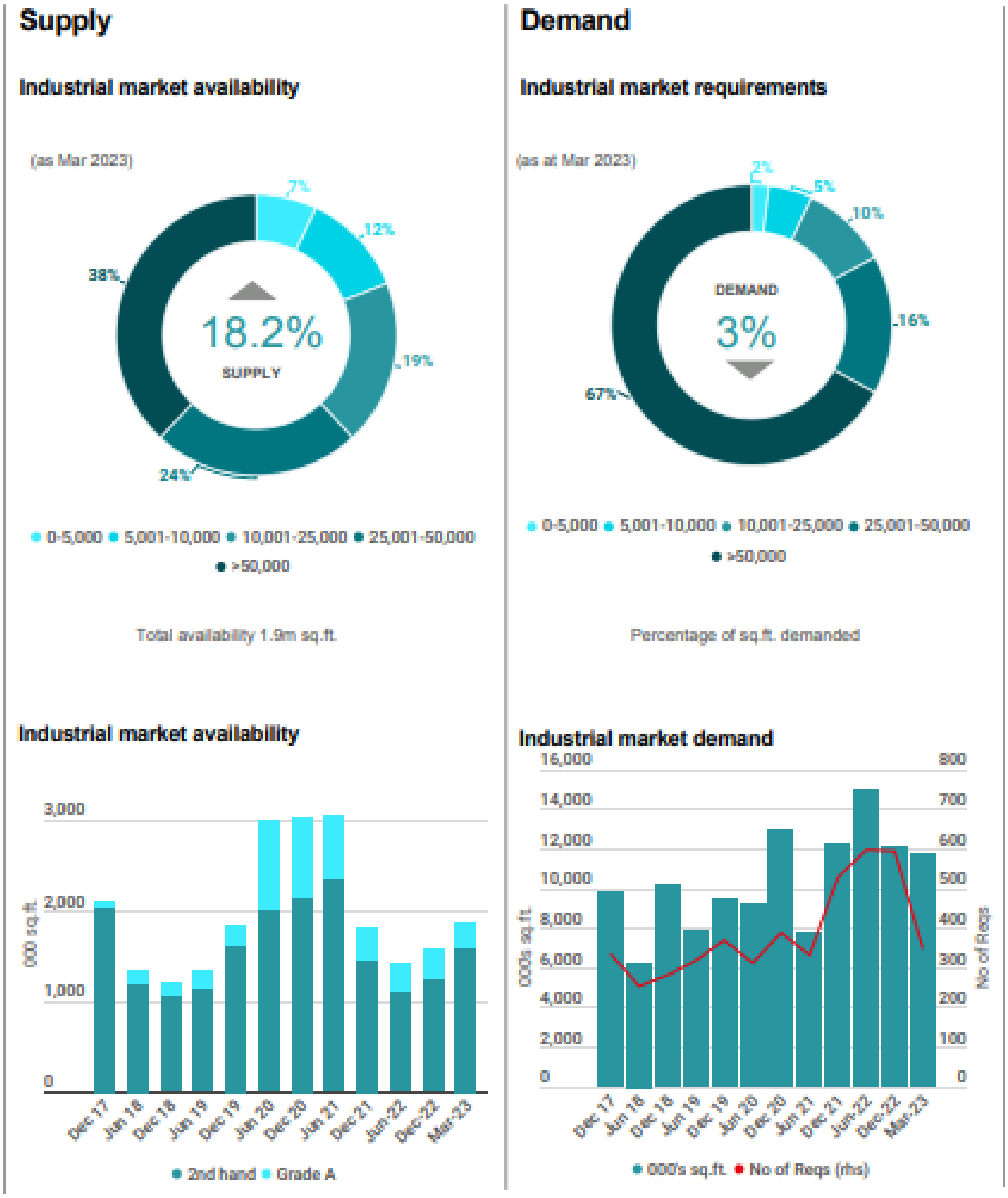
4.16 According to Glenny take up In the North London & Herts industrial market has fallen back from the peak levels recorded in the previous 12 months, with total activity of 1.2m sq ft in 2022.

4.17 Supply continued to edge up to 1.9m sq ft in the early part of 2023 but remains below the post pandemic peak, which topped out at 3m sq ft at the end of 2020. Grade A supply is now down to 348,230 sq ft from just under 1m sq ft at the peak. The main increase in supply has occurred in second hand space, which is up to 1.5m sq ft, with the only Big Box units on the market at the end of Q1 2023 being the 169,760 sq ft at Cranbourne House, Potters Bar and 117,100 sq ft at Pretoria Road, N18.

4.18 In contrast to the demand for office floorspace there is little demand for the small scale 0 – 5000 sq ft industrial floorspace (2%) with the large majority of the demand (67%) being for the larger footprint in excess of 50,000 sq ft.

4.19 The Glenny report states that prime industrial rents in the North London & Herts region continued to move ahead in the six months to the end of Q1 2023, with values in Tottenham and Edmonton rising to £28.50 per sq ft on the back of lettings at SEGRO Park, Tottenham. These increases filtered out to Harlow, where values are up by 3.7% to a new high for the town at £14.00 per sq ft. Owner occupier capital values have continued to slip, falling back by 7.6% on average over the past 12 months, with values at the top end of the market now down to £575 per sq. ft.

Figure 15. Demand and Supply for industrial floorspace in North London and Hertfordshire



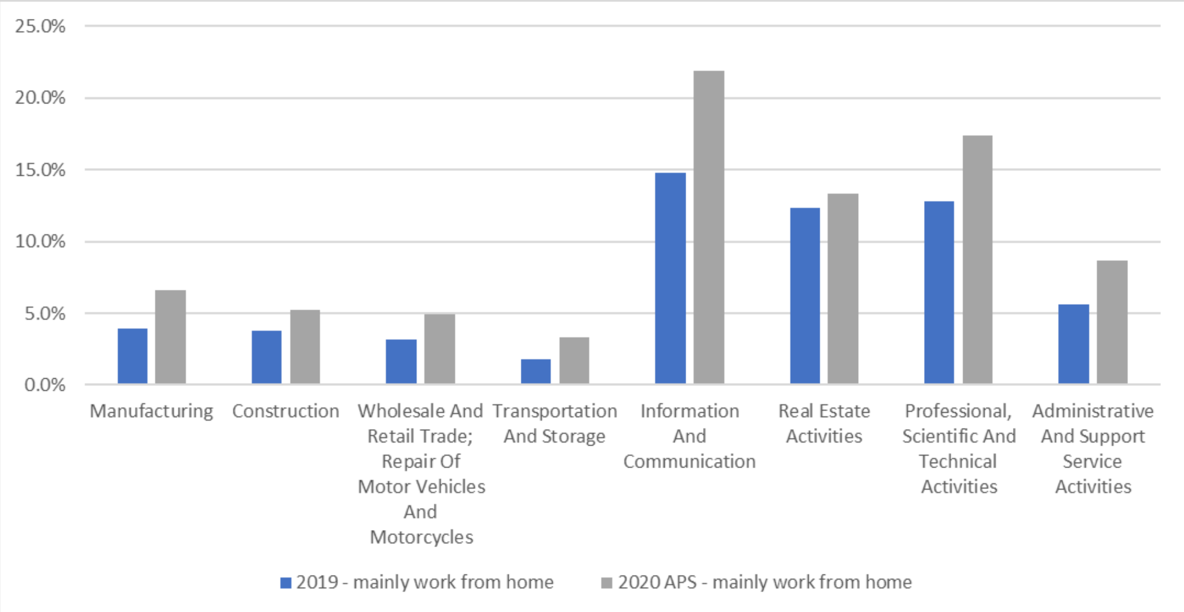
Source: Glenny March 2023

g) Changing Trends in Working from Home

4.20 The lockdowns that were imposed during the COVID-19 pandemic necessitated a large shift in the amount of home working across a number of sectors and many companies adjusted their operating practices and cultures in order to facilitate longer-term home working.

4.21 During the height of the pandemic, sectors with high levels of office-based activities saw particularly high levels of remote working, and large increases from the rates of home working seen pre-lockdown. The latest data from the 2020 Annual Population Survey, illustrated in Figure 16, shows an increase in the proportion of workers who worked 'mainly from home' across all sectors compared with the pre-pandemic 2019 figures. However, these figures are lower than the proportion working from home during the height of the lockdowns when working from home was enforced.

Figure 16. Remote Working by Sector, 2019 vs 2020 Annual Population Survey



Source: SPRU analysis of ONS data

4.22 This recent evidence therefore suggests that whilst levels of home-working have declined from the high levels seen in particular sectors during the pandemic, levels of home-working continue to remain above those seen pre-pandemic as many of the cultural and technological barriers have been overcome and many advertised roles, particularly in office-based sectors, now offer 'hybrid' or 'flexible' working arrangements. This change in working practices is therefore likely to impact on the quantum of employment space required to be planned for to support existing and future jobs growth.

4.23 Continued survey-based assessments of homeworking trends undertaken by the ONS further demonstrate the uncertainty of future working practices[1]. This particularly relates to expectations for 'hybrid' work patterns where employees will continue to utilise conventional floorspace for at least part of their activities and thus potentially limiting the likelihood of a rapid reconfiguration of premises requirements. As of May 2021, the Business Insights and Conditions Survey found of those currently homeworking 85% expected to share their time between their usual place of work and remote working in the future.

4.24 Both businesses and individuals preferred a "hybrid" working approach (a mixture of both office and homeworking) in the future. However, while nearly two-fifths (38%) of businesses expected 75% or more of their workforce to be at their normal place of work, a large proportion (36%) of those currently homeworking thought they would spend the majority or all their time homeworking in the future. 37% of businesses surveyed as of May 2021 anticipated that their workforce would return to the main location of work within three months, potentially indicating a further narrowing of pre-Coronavirus and post-Coronavirus trends although Annual Population Survey data from 2021 are not yet available to substantiate this.

4.25 This provides justification for the application of trend-based adjustments to rates of homeworking rather than forecasting a substantial reduction in the absolute net demand for floorspace based on the main impacts of the pandemic.

4.26 One of the largest impacts of COVID-19 and workplace behaviour in the course of the subsequent recovery has been the sustained numbers of people working from home. A repeated theme of the stakeholder engagement has been that this has resulted in many of the barriers to home working being overcome out of necessity.

4.27 The removal of these barriers suggests that the prevalence of remote working is likely to increase in future. However, the scale of growth has been moderated, with a significant return to the workplace across all sectors following the easing of restrictions although a continuation of pre-COVID levels also seems unlikely.

4.28 Remote working is traditionally factored into employment land modelling implicitly via the employment densities from the HCA Employment Densities Guide (2015). These figures consider the average amount of floorspace required per worker for different uses. It factors levels of remote working – such as hot-desking and agile working – into the employment density ratios.

4.29 There are a number of barriers to home working. Three main issues have been identified:

- Technological barriers
- Corporate attitudes towards homeworking and fears about reduced productivity
- Limitations on teamworking, training, and client facing.

4.30 These barriers have meant that the growth in the proportion of workers mainly working from home is relatively small and growth has been relatively slow. It also raises significant questions about the scale of future growth in the rates of homeworking, and none of the recognised forecasting houses produce forecasts of how this might increase in future.

4.31 Feedback from stakeholders suggests that enforced homeworking due to COVID-19 has resulted in the first two of these barriers being overcome, at least to some degree. However, the third barrier largely remains. This suggests that this would likely result in increased working from home in the future, but this differs greatly between different sectors.

4.32 We have therefore considered how the working from home trends are likely to change from 2015 onwards to 2040, as shown in Table 15 below which groups data from individual industrial categories by broad sector. This has been done using national data on home working from ONS for the period 2012-19. This has been extrapolated forward to 2040. This is done for each sector (the modelling uses the detailed industrial breakdown and trend for each individual category, where relevant) and results in a total proportion of home working of 8.7% by 2040 although for some (predominantly office-based) sectors this is higher – the highest is IT and Communications which grows to 23.3% by 2040. Using 2015 as a base-date – as this aligns with the latest HCA employment densities data – we have calculated the increase in the proportion of homeworking for each year to 2040.

Table 13. Working from Home Trends by Sector

	2015	2040
Manufacturing	3.7%	6.9%
Electricity, gas & water	2.2%	8.7%
Construction	4.1%	7.3%
Wholesale and retail trade	3.4%	6.1%
Transport & storage	1.5%	2.9%
Accommodation & food services	3.6%	2.4%
Information & communications	14.4%	23.3%
Financial & business services	8.5%	15.6%
Government services	2.7%	5.9%
Other services (including recreation)	9.7%	13.2%
All Jobs	**5.3%**	**9.2%**

Source: ONS; APS; SPRU Analysis

4.33 The increase in homeworking for each sector is then factored into the employment land modelling for Buntingford. This identifies the number of jobs growth in each sector by 2040 which will not require additional floorspace. (This only accounts for the growth since 2015 so the implicit homeworking assumptions in the HCA employment densities remain in the modelling). The additional homeworkers are assumed not to require additional floorspace and so are discounted from the analysis at Stage (iii) in Table 15 above.

4.34 The changes in working from home rates applies to all jobs in Buntingford, not just the additional jobs shown in the forecasts. Therefore, where any sector within an individual forecast shows a negative jobs growth, the increasing working from home rates further reduce employment land needs under this scenario.

4.35 While rates of home-working are lower in industries such as Retail/Wholesale and Transport & Storage these sectors nonetheless contribute towards the total of remote workers within 2015-based estimates. Official statistics also identify a modest trend towards these rates increasing to 2019 and beyond (and likely to reflect for example activities such as online support, remote stock management and couriering). Lower jobs densities within these sectors results in a relatively greater potential impact on net requirements for land, however the Council may wish to conclude the opportunities for home-working within these industries have a negligible 'real world' effect on the physical requirements for buildings and floorspace to conduct activity. The opportunity for the delivery of space and accommodation capable of supporting and accommodating home working is a notable benefit of the proposed scheme,

4.36 The council might also wish to consider that while there will be little impact on the level of commercial floorspace that is required there is also likely to be an impact on the demand for larger dwellings that offer the opportunity to have a dedicated home office.

h) Local Market Conditions

4.37 The review of the sub regions employment floorspace needs above and the review of planning applications for the district suggest that there remains a strong demand for employment floorspace. A review of existing properties for sale/lease in Buntingford suggest that there is very little availability. Below is a review of recent transactions and these again suggest that there is little availability.

4.38 The size of these transactions also supports the evidence that informed the local plan and Neighbourhood Plan policies as well as more recent evidence that there is a significant demand for small scale space for smaller companies.

Table 14. Office to let in Buntingford.

Location	Address	Description	Size	Cost
Rural	Church End, Ware SG11	Converted farm yard complex		£22,500 pa (£25.51/sq. ft. pa)
Urban	Ermine Street	Refurbished office suite no longer available	720 sq ft (66 sq m)	£1000pm £16.60/sqft

Source: Rightmove/Prime location/NovaLoca/Zoopla

Table 15. Light industrial to let in Buntingford.

Location	Address	Description	Size	Cost
Urban	Ermine Street, Buntingford SG9		547 SQ FT	£8,000 pa (£14.63/sq. ft. pa)
Rural	Church End, Ware SG11	Converted farm yard complex	3,408 sq. ft	£37,500 pa (£10.76/sq. ft. pa)
Rural	Hall Lane, Buntingford SG9	Converted farm yard complex	1213sqft	From £12,600 pa (£22.53/sq. ft. pa)
Rural	Furneux Pelham, Buntingford SG9	Converted stables	13sqm	£780 pa (£7.00/sq. ft. pa)

Source: Rightmove/Prime location/NovaLoca/Zoopla

4.39 In respect of office rentals levels in the wider area these appear to be in the following range:

- From £15.50 sqft (3-4 Portmill Lane Hitchen) to 23.50/sqft (Shire Park is the premier office campus)
- Serviced offices £8.33 sqft (Start Hill, Bishop's Stortford) to £52.68/sqft (Peerglow Centre, Marsh Lane, Ware) although most are around £42 to £44.

4.40 In respect of industrial floorspace neighbouring towns have the following range:

- From £9.99/sq. ft. pa (Light industrial Raynham Road) to £14.29/sq. ft. pa (1,224 sq. ft Light industrial Woodside, Dunmow Road) in Bishop's Stortford.
- From £10.03/sq. ft. pa (4,236 sq. ft Workshop / Warehouse Unit with Offices Wilbury Way, Hitchin) to £16.00/sq. ft. pa (3,018 - 5,519 sq. ft (Roebuck Trade Park, London Road, a former retail park being repurposed and extended as a trade counter scheme) in Stevenage. Although most around £14.51 sq ft.

4.41 There is only limited information available for comparison, but the available information does not appear to suggest that the market in for offices or industrial floorspace in Buntingford is different to that of the wider district or sub region.

4.42 These findings support those of the Buntingford West - Local Centre and Employment Area Report paragraph 5.8 that there is a serve shortage of employment stock across the board in the immediate vicinity.

4.43 The findings of this current research which highlight the demand for smaller floorspace developments for smaller enterprises are also reflected in the Buntingford West - Local Centre and Employment Area Report which states:

"7.2 Hybrid style research and development units should be within a 150 - 250 sq m size range per unit. There is an allocation within the proposal of 500 sq m total which we believe is sufficient to meet current demand.

7.3 For standard Industrial E(g)iii and B8, unit sizes should be in the 500 sqm -1,000 sq m range as this is the ideal size range demonstrated by current demand and existing enquiries."

4.44 The demand for smaller scale provision was also highlighted in the Buntingford West - Local Centre and Employment Area Report paragraph 10.1 and table, again like the findings of this current research the demand is largely for smaller scale provision which the application site would deliver.

5.0 THE DELIVERY OF EMPLOYMENT FLOORSPACE

5.1 The Council's reasoning for only placing moderate weight on the proposed provision of employment floorspace is summarised in paragraph 9.30 of the officer's report which concludes:

"It is acknowledged that the scheme includes the provision of just below 5,000m2 of employment land. However the Council has doubts as to the suitability of this element of the scheme, as set out in the design section below, and whether or not occupiers could be found for these units. As such, without a better employment offer, the proposal would contribute to out-commuting from the town by car and so would not be an environmentally sustainable outcome."

5.2 In considering the employment element of the scheme, the Council have failed to afford significant weight, as prescribed by the NPPF to the provision of employment land, in line with the weight afforded in the determination of the two schemes at Watermill Industrial Estate, The provision of employment land and the associated jobs creation and wider economic benefits should be afforded significant weight in the planning balance exercise, particularly given commuting patterns and the need to create sustainable job opportunities at a District and localised level.

5.3 Ultimately the land was allocated for the delivery of a school in the local plan (BUNT2) and developed for Buntingford First School however this was in accordance with the advice in the Buntingford Employment Study 2014 (Executive Summary paragraphs 24) which did not consider that the site should be constrained to just B class uses. This will notably have impacted on the jobs contribution and long term employment opportunities.

5.4 Not only has this report demonstrated the need for employment provision to be made in Buntingford but it also demonstrates that this can be achieved by the use of conditions and or legal agreements in accordance with the councils past advice and practice

6.0 CONCLUSIONS

6.1 The provision of employment floorspace is promoted both in national and local policy. The NPPF provides for significant weight to be added to this.

6.2 Local Plan policy in particular seeks to provide for Small and Medium sized firms throughout the District while the Neighbourhood Plan objective is to increase provision of appropriate workspace, including shared workspace for small and micro businesses and includes a permissive approach to the provision of a range of employment facilities in BE4 including the following for which there is evidence of continuing need:

- Small scale B1 flexible serviced office accommodation
- Larger multi-let floor space development.
- Live work units and shared desk space

6.3 The Local Plan particularly highlights the potential of the town to be an “ideal base for small businesses” and while makes a further allocation fails to address the issue that many small and medium businesses will not be able to design and build their own units but will need to rent them.

6.4 The background evidence to the Neighbourhood Plan highlighted the need to grow the employment base of the town (paragraph 8 and 9 of the Executive Summary). It also highlighted the use of conditions on mixed use schemes to secure this objective.

6.5 More recent evidence at the District and Sub Regional level highlights a growing need for employment floorspace and for a skilled population to support that growth with East Hertfordshire becoming an area of net in commuting.

6.6 Demand for both office and industrial floorspace has been strong and the loss of office floorspace in Hertfordshire is considered to have put increased pressure on businesses (Lambert Smith Hampton titled “Loss of Employment Space in Hertfordshire Study into extent, implications and solutions February 2019 page i).

6.7 There is a general consensus from the evidence reviewed and reflected in the local policies that there is a continuing and growing need for employment floorspace in the district and in Buntingford, in particular the need in Buntingford appears to be for small scale floorspace, possibly in the form of small industrial units and serviced offices. What the policies do not reflect is that these smaller enterprises are unlikely to building or fund such provision.

6.8 In respect of the population of Buntingford it has a higher number of economically active residents and a growing number of its residents in senior and professional roles. In percentage terms more of its resident’s travel to work by car and travel further.

6.9 Since 2017 the District has become an area of net in commuting so additional dwelling provision within the District will assist in moving this more towards being in balance.

6.10 In the last 10 years the District has experienced the lost both office and industrial floorspace however Buntingford appears to have not followed the trend and seen an increase in office floorspace suggesting that there is demand in the areas. Although the loss of floorspace within the District appears not to be due to low demand but the pressure from competing uses such as housing.

6.11 Like earlier studies this report has found that there is very little available employment floorspace within Buntingford and that rental levels are broadly comparable with other locations within the District.

6.12 The delivery of much needed employment floorspace for the small and medium business can be delivered by the application scheme, with the potential option for delivery of the employment floorspace by the applicant.

6.13 In conclusion, there is a proven demand for additional employment provision at Buntingford. The proposed employment provision is required to allow residents of Buntingford to work closer to home should they choose, but it is also required to assist the local economy and in particular to provide small and medium sized businesses with the opportunity to grow.

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