

WELWYN HATFIELD BOROUGH COUNCIL
CABINET PLANNING AND PARKING PANEL – 03 JULY 2019
REPORT OF THE CORPORATE DIRECTOR (PLANNING, PUBLIC PROTECTION
AND GOVERNANCE)

ECONOMIC AND EMPLOYMENT ISSUES – IMPLICATIONS FOR LOCAL PLAN AND
OTHER WORK

1 Executive Summary

- 1.1 Since the last session of the Local Plan examination, new evidence on the local economy and future requirements has been produced, which will help inform the final stages of the examination. This paper summarises these pieces of evidence and the implications for the Local Plan and other work.

2 Recommendation(s)

- 2.1 That the Panel notes the content of this report and its appendices, which will be forwarded to the Examination Inspector via the Programme Officer and be subject to consultation should the Inspector consider it appropriate.

3 Explanation

- 3.1 Provision of appropriate levels of employment is an important objective of the planning system, and the Council has a legal duty to seek, through this system, to deliver sustainable development. Welwyn Hatfield's two towns; Welwyn Garden City and Hatfield, as a Garden City and Mark One New Town respectively, had employment planned into them from the beginning, so historically, levels of employment were balanced with levels of housing, and this has continued. The main employer in Hatfield, the Aerodrome, which closed in the 1990s, has been replaced with Hatfield Business Park and the University of Hertfordshire, and as a result, both towns in the borough remain important centres for employment.
- 3.2 The Welwyn Hatfield Local Plan, submitted in May 2017, made provision for around 116,000 sqm of employment floorspace. This was new provision in the form of Marshmoor in Welham Green and a small amount of provision at North West Hatfield, along with safeguarding the most significant existing sites in the borough. This was underpinned by an extensive evidence base, including three employment studies between 2015 and 2017 (Document references ECO/5, ECO/7 and ECO/9)
- 3.3 Whilst the Council felt that the approach to employment in the Local Plan was sensible, appropriate and proportionate, the Examination Inspector has raised a number of concerns during the examination process. These largely relate to a concern that the overall level of in-commuting to the borough would increase if there were provision made for employment, but the Objectively Assessed Need (OAN) for housing were not met.

- 3.4 Whilst the Council undertook a call-for-sites earlier in the year in order to try to identify possible further sites for housing, it has also looked again at the approach to employment provision in order to assess whether the policies in the Local Plan are still the most appropriate.

Latest Evidence

Loss of Employment Space

- 3.5 In March 2019, the Hertfordshire Local Enterprise Partnership (LEP) released a report on the loss of employment space in the county in recent years. This showed that there had been extensive losses over the last decade. The most significant losses had been of office space with a net loss of more than 400,000 sqm since 2008/09. Of this, more than 80,000 sqm were in Welwyn Hatfield. More than half the losses of office space in the borough, as well as the county as a whole, had been to residential uses, much of which was through Permitted Development rights for the conversion of offices to residential, which were introduced in 2013 and do not require planning permission.
- 3.6 The report highlights the implications of these losses, which include constraining growth, forced relocations, home working through necessity rather than choice and a deteriorating image of the county as a place to do business. It is important to note that these losses are unpredictable and ongoing.
- 3.7 In addition, Members will be aware that in Autumn 2018, the Council lost a planning appeal for a loss of an employment site at Entech House in Woolmer Green. Reasons quoted for the decision included the lack of a five year housing supply and the Inspector's view that the submitted Local Plan was not "at an advanced stage". Whilst the housing land supply position is better than it was at that time, the supply is still below five years, and only one more session of the Local Plan examination has taken place to cover the Council's Green Belt review. As a result, there is still a risk to existing employment sites from speculative planning applications of this type.
- 3.8 These two factors have demonstrated that the loss of employment space is now at a critical stage, and as a result Officers have investigated undertaking an Article 4 Direction, which would remove the Permitted Development rights which enable offices to be converted to residential uses without the need for planning permission. This is the subject of a separate paper to this committee.

Jobs Growth Data

- 3.9 The most recent set of jobs data was released by the Office of National Statistics (ONS) in late 2018. This showed a significant increase in the number of jobs in the borough, with the data showing a rise from 89,000 to 100,000 between 2016 and 2017. This did not tally with any local knowledge of large company growth or a significant inward investment, so this was queried with the ONS. Though there have been limitations on what the Council can be told due to data confidentiality, it appears to relate to a large company who are headquartered in the borough, and the way in which they report employees working in a "head office" type function at other sites across the country, or with no fixed place of work, such as regional or home based staff. Unfortunately, due to the way that the data is collected, it has been impossible to calculate a more accurate figure for those members of staff actually working within the borough.

- 3.10 Further discussions with the ONS, and further research, have shown that various data sources on this matter are inconsistent, so identifying a precise and robust number of jobs located within the borough is likely to be extremely difficult, if not impossible.

Forecasting Work

- 3.11 In order to inform the final stages of the Local Plan process the Council has commissioned work from consultants AECOM, in the form of an update of employment forecasts, undertaken previously in February 2017.
- 3.12 This assessment showed that the forecast level of employment growth in the period covered by the Local Plan was slightly lower than when the exercise was done in 2017, with a forecast increase of 5,200 jobs in B class sectors in the period 2013-2032, compared to a previous forecast of 6,800 jobs. This has been translated into a need for 116,000 sqm of floorspace over the plan period.
- 3.13 An assessment was also undertaken to look at the need for new employment provision from the increase in population, in order to ensure that there were an appropriate number of jobs to meet the needs of the growing population, which would address the Local Plan Inspector's concern that commuting into the borough should not increase. This showed that there was a need for 3,120 jobs in B class sectors to meet the needs of the growing population, which translated to a need for 78,600 sqm of floorspace over the 2013-32 plan period.
- 3.14 If the plan period were to change, both of these floorspace figures would change accordingly, and this is set out in more detail in the Technical Paper. This will be determined in conjunction with the Inspector during the final stages of the Local Plan examination.

Implications for Local Plan

- 3.15 In order to summarise the latest data on the local economy and to explain the issues detailed above, a technical paper has been produced to inform the next stages of the Local Plan process. This sets out the latest available data, summarises the Loss of Employment Space study and the recent forecasting work.

Implications for Other Work

- 3.16 As noted in paragraph 3.8, above, officers consider that losses of employment space are reaching a critical stage. As a result, it is proposed to undertake an Article 4 Direction, which would remove permitted development rights allowing conversion to residential uses without planning permission, for certain identified employment sites. This is the subject of a separate paper to this committee.

Implications

4 Legal Implication(s)

- 4.1 It is a legal requirement to produce a Local Plan, and the Council has a legal duty to seek, through the planning system, to deliver sustainable development.

5 Financial Implication(s)

- 5.1 There will be a small revenue cost associated with the production of an Article 4 Direction. This is explained in that paper.

6 Risk Management Implications

- 6.1 Councillors need to be aware of the risks if the plan is not progressed in a timely manner or not found sound for any reason. The Council already finds itself in the position of not having a five year housing land supply, a requirement to prepare a Housing Delivery Test Action Plan and a presumption in favour of sustainable development. This increases the likelihood of receiving speculative planning applications for brownfield sites, employment land and green belt sites. The Council will then have to decide whether to approve them in the absence of an up-to-date local plan or to refuse them and run the risk of defending expensive appeals and inquiries and potential costs awarded if those appeals are lost. The Government has issued a number of warnings to councils that do not progress their local plans in a timely manner, including the possibility that plan-making powers will be transferred to the relevant county council, to the Planning Inspectorate or to MHCLG itself. Examples of such letters to Wirral and Thanet councils can be found at <https://www.gov.uk/government/publications/local-plan-intervention-secretary-of-state-letters-to-local-authorities>.
- 6.2 There is a risk associated with any amendment to the plan, including a possible legal challenge. This will be managed by undertaking a consultation on the evidence base and proposed way forward, in discussion with the Inspector:
- 6.3 There is a risk that decisions are made based on data which is not seen as robust (see explanation above). This will be mitigated by keeping the various data sources under review.

7 Security & Terrorism Implication(s)

- 7.1 It is not envisaged that there will be any security or terrorism implications arising from this work.

8 Procurement Implication(s)

- 8.1 The Council has procured a small amount of external consultancy support to assist with the economic forecasting work detailed in this paper. This has been funded from the Local Plan budget.

9 Climate Change Implication(s)

- 9.1 Enabling residents to have opportunities to work locally can reduce the need to travel and can help reduce carbon emissions.

10 Human Resources Implications

- 10.1 It is not envisaged that there will be any Human Resources implications arising from this.

11 Health and Wellbeing Implications

- 11.1 Ensuring a supply of employment closer to home can help health and wellbeing outcomes, by more easily allowing residents to walk and cycle to work, and by reducing the negative impacts of commuting.

12 Communications and Engagement Implications

- 12.1 There will be a need to consult upon the new evidence and the implications, and the Council will need to communicate the results once undertaken.

13 Link to Corporate Priorities

- 13.1 The subject of this report is linked to the Council's Corporate Priority is linked to the Council's Business Plan 2018-2021 and particularly Priority 4 to support sustainable economic growth.

14 Equality and Diversity

- 14.1 An Equalities Impact Assessment (EqIA) was not completed because this report does not propose changes to existing service-related policies or the development of new service-related policies. All of the policies in the Submitted Local Plan have been subject to EqIA and any new policies would also be subject to EqIA.

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Appendices:

Economy Technical Paper (June 2019)