

Appendix 7 - Employment and Economic Development

Employment and Economic Development

Strategic approach to employment land

- 1) The Council will seek to facilitate the growth and forecasted change of business development over the plan period by promoting the supply of office and industrial space across the District to meet the any identified shortfall. A range of types and sizes of employment sites and premises will be encouraged throughout the District to meet the needs of the local economy. Proposals for business development should be of a high-quality design and in keeping with the surrounding environment.

Designated Employment Areas

- 2) Within designated Employment Areas, as defined on the policies map, the Council will support the delivery of additional Industrial floorspace and the intensification of office and industrial uses within these locations, subject to there being no unacceptable impact on the surrounding highway network or local amenity.
- 3) Proposals for non-employment uses on designated employment areas should only be permitted where:
 - a) There would be no unacceptable impact on amenity;
 - b) There would be no hindrance to the site's operation as a key employment area.
- 4) Sites allocated as having potential for mixed use development may provide for mixed use development including, but not limited to business, industrial and storage or distribution; residential or community uses.

Outside Designated Employment Areas

- 5) Outside the Designated Employment Areas, office and industrial development will be supported where:
 - a) The type, scale and intensity of the proposed business activity is appropriate to the locality and accessibility of the site.
 - b) The proposed use would not harm the amenity or operation of neighbouring uses.
- 6) Outside the Designated Employment Areas, the redevelopment of employment land to other uses will be supported where the site has been allocated for an alternative use or where it can be demonstrated that:
 - a) There is no reasonable prospect of the site remaining in employment use;
 - b) Opportunities to reconfigure or reuse the site to retain its current use have been exhausted;

- c) The site has been actively but unsuccessfully been marketed at a realistic rate for a 12-month period; and where there is up-to-date evidence demonstrating there is no longer a need for the employment use;
- d) The proposed alternative use would not adversely affect the efficient operation or economic function of other employment uses or businesses in the locality;
- e) The proposal does not substantially prejudice the overall supply of employment land over the plan period; and

7) Proposals for creative industries and the expansion of Leavesden Studios will be supported where they are in accordance with local and national policy. Policy Option X provides the policy for Warner Bros. Studios.

Reasoned Justification

7.1 In order to maintain and improve the economic performance of the District, it is important to make provision for future employment and economic development alongside housing growth and protection of the environment. To provide a balance between homes and jobs, economic growth should be in broad alignment with housing development.

7.2 Economic development includes development within the office uses, industry and warehousing uses, public and community uses, leisure and tourism uses and main town centre uses. It also includes any other development which provides employment opportunities, generates wealth or produces or generates an economic output or product. It does not include housing development

7.3 The majority of responses to the Issues & Options consultation in 2017, which was undertaken before the South West Herts Economic Study Update (20) was completed, and responses to Reg 18 consultation in 2021 the suggested safeguarding the existing allocated employment sites and allocating additional land for employment use as well as allowing mixed use schemes (mix of employment, residential, retail, leisure uses).

7.4 The economy of the south west Hertfordshire functional economic market area (Dacorum, Hertsmere, St Albans, Three Rivers and Watford) is highly dependent on professional services as well as construction, retail and hospitality. These sectors provide the greatest opportunity for economic growth in the future. Three Rivers specifically has a strong TV and Film sector (at Leavesden Studios and Langleybury) and a high concentration of knowledge-based industries, growth of these sectors should be encouraged. The significant concentration of small businesses in professional services and ICT suggest a need for flexible and affordable workspace to support the growth of these businesses.

7.5 The influence of surrounding areas on the economy of Three Rivers is significant. This is demonstrated for example by the high levels of out-commuting from the District, reflecting proximity to the London job market and to other larger centres such as Watford and Hemel Hempstead.

7.6 Employment in the area has continued to grow at a strong rate and there has been a large fall in unemployment in recent years. This combined with the high levels of out-commuting from the District could limit the labour supply. The growth levels planned for in the Local Plan will provide a significant boost to the labour supply.

7.7 Three Rivers has a predominantly office based economy with 55% of jobs being office based. The main employment locations offer very high quality office space in large floorplates. This, together with the highly skilled workforce in Three Rivers, has attracted a number of large headquarters to the District. The majority of this office floorspace is spread across the existing allocated employment sites which should be retained to ensure that Three Rivers remains an attractive destination for businesses and to keep a check on the existing high levels of out-commuting by Three Rivers' residents.

7.8 Three Rivers is the home of Leavesden Studios which is a key asset for the District and the wider south west Herts area. As such, it is key to the growth of creative industries across the functional economic market area. There is still significant growth potential at the site and there will likely be a significant growth in demand for studio space over the next 15 years. The South West Herts Economic Study (2019) recommended that land should be safeguarded for the expansion of Leavesden Studios.

7.9 The Study also indicated that on the basis of projected growth within the area, Three Rivers cannot afford to lose any more employment floorspace. It also identified

- a demand of 30,100 sqm office space for the period to 2036. This is expected to be met by existing commitments at Croxley Park which will deliver 36,363 sqm resulting in a 6,263 sqm oversupply in the period and
- a requirement for 28,800 sqm industrial and warehousing floorspace over the period to 2036. equating to a requirement of 5.5ha employment land which will need to be planned for over the period to 2036.

7.10 The South West Herts Economic Study update (2024) that is currently underway however confirms that future demand is substantially different to that of the conclusions of the 2019 South West Herts Economy Study especially on the industrial and floorspace needs for the plan period. The Study identifies a need for 211,800 sqm of industrial and warehousing floorspace need across SW Herts for the period up to 2040 equating to 59.5 ha of employment land. There are no local need figures identified for individual authorities. The study concludes that there is a shortfall of roughly 9 ha land across SW Herts however there are no suitable sites identified in Three Rivers to address that shortfall. In terms of office space need, the Study recommends that any loss of employment space be resisted due to low vacancy rates and increasing labour supply.