

North Hertfordshire Local Plan 2011-2031 – Public Examination: Position Statement

Participant Letchworth Garden City Heritage Foundation

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Subject **Matter 13 – Economic Development (B Class Uses) (Policies SP3, ETC1 and ETC2).**

1.0 Introduction

- 1.1 Letchworth Garden City Heritage Foundation (LGCHF) is a Community Benefit Society, which owns the freehold of the Letchworth Garden City Estate. It is successor to First Garden City Limited and the Letchworth Garden City Corporation and is subject to the Letchworth Garden City Heritage Foundation Act 1995. We apply a basic principle of reinvesting surplus generated from a primarily commercial property portfolio back into the local community, by way of a series of charitable services and grant related activity. Our charitable commitments are set out in the 1995 Act.
- 1.2 LGCHF is also the largest landlord of commercial premises in the Letchworth, with a series of ground lease and rack rented tenants. Their income is reliant on a Letchworth based commercial portfolio worth in excess of £150 million, which allows in excess of £4 million each year to be reinvested through its charitable commitments, controlled by a community governance model.
- 1.3 Therefore the LGCHF adopts a commercial approach to ensure that its portfolio provides an effective return, but also considers the vitality of the employment areas to be of high importance to support other charitable commitments, such as education and learning within Letchworth. One of LGCHF's objectives is to ensure that the long term sustainability of the local economy is protected and enhanced.

2.0 13.6 The Policies Map identifies Business Areas, Employment Areas and Employment Sites

a) Is there a policy that specifically allocates the new Employment Sites as set out in Policy SP3 and those listed in Section Four of the Plan?

- 2.1 Letchworth Garden City Heritage Foundation ("LGCHF") considers that there needs to be clearer cross-referencing between the Council's identified employment policies and allocations, how these are indicated on the Policies Map, and the sites that are listed within Section 4.0 of the Plan.
- 2.2 In the case of Letchworth Garden City, Section 4.0 identifies a new employment site known as "Former power station, Works Road" (Site LG12) which is cross-referred to Policy SP3 and the Policies Map. However, there is no specific policy reference given for "Designated employment areas" (i.e. sites LE1 – 4) or "Parts of employment areas designated for business use only" (i.e.

sites LB1 – 5). Whilst these sites are indicated on the Policies Map, no cross-reference is provided in the text to either Policy SP3 (b) or Policy ETC1, nor are these sites expressly identified within Policy SP3 (b) or Policy ETC1.

2.3 Therefore, LGCHF considers that there is a lack of clarity between Policies SP3 and ETC1 and the sites identified in Section 4.0 of the Plan.

3.0 b) Are the Employment Areas the existing employment areas that Policy SP3 seeks to safeguard? If so, should the plan be clearer?

3.1 LGCHF supports the safeguarding of Employment Areas within the District. However, as noted above, LGCHF seeks clarification as to whether the Employment Areas in Policy SP3 represent the existing employment areas and/or include the newly designated Employment Sites.

4.0 c) What are the Business Areas? Is it Policy ETC1a. that leads to their geographic representation on the Policies Map? Should the Plan be clearer about this (for example, by referring to “Business Areas identified on the Policies Map” within Policy ETC1)?

4.1 The Policies Map specifically refers to Policy ETC1 in reference to Business Areas. However, Policy ETC1 does not itself use the term “business areas” but instead makes reference within part a to “those parts of the Employment Areas designated for business use only”

4.2 In light of this, LGCHF agree with the Inspector that Policy ETC1 should make specific reference to the “*Business Areas as defined on the emerging Policies Map*”, in order to define the Business Areas more clearly. We consider that this terminology should also be cross-referred within Section 4.0 of the Plan where sites are specifically identified.

5.0 13.7 SP3 Designates existing employment areas. Do these remain an active part of the employment land supply? Is safeguarding them an appropriate approach?

5.1 LGCHF strongly supports the safeguarding of existing employment areas and considers the safeguarding of the Employment Areas to be appropriate.

6.0 Employment uses (B Use Classes): development management policies (Policies ETC1 and ETC2)

13.8 Is the approach to appropriate uses in Employment Areas in Policy ETC1 justified and effective?

6.1 LGCHF strongly objects to the restriction of designated sites LB1, LB2, LB3 and LB4 in Letchworth for Use Class B1 only in accordance with Policy ETC1. LGCHF consider that the designation of the sites for B1 use limits the employment opportunities that can be accommodated and will hinder delivery of future employment development.

6.2 LGCHF noted in its November 2016 representations that the Council’s evidence base did not support a policy approach which specifically restricted the identified sites to B1 use only, either in terms of overall quantitative requirements within North Hertfordshire or based on recent patterns of development.

- 6.3 LCGHF consider that the Employment Background Paper (September 2016) in particular does not include sufficient justification for restricting the uses to within Use Class B1. The restriction of designated sites LB1, LB2, LB3 and LB4 is contrary to the 2013 Employment Land Review, which concludes that there is a “modest demand for B1 floorspace in North Hertfordshire” (para 7.45). Moreover, the Employment Land Review states that the forecasts for employment land suggested that there would be a low demand for B1 floorspace, amounting to between 2.3 to 3.7ha required up to 2031.
- 6.4 The Council’s proposed approach to appropriate uses in Employment Areas does not reflect the characteristics of the local economy. As the largest landowner within Letchworth Garden City, we can confirm that the B1a office market within Letchworth is relatively weak and, in itself, therefore unlikely to sustain delivery of viable employment premises.
- 6.5 Recent analysis of commercial market information in Letchworth indicates that the gross amount of office (B1a/B1b) space developed in Letchworth during the period 2011 to 2016 was 2,410 sqm, which is equivalent to an annual average gross completion rate of 402 sqm. This compares to gross completions in North Herts of 8,990 sqm over the same period. This indicates that demand for office space in Letchworth is not strong. Furthermore, there is no clear reasoning as to why the sites LB1, LB2, LB3 and LB4 are restricted to B1 use only. The Local Plan and the supporting employment evidence base do not set out parameters as to how the sites have been assessed for B1 use only as opposed to B2 or B8 use classes. As explained in 4.1 of this document, there is very little information within the Local Plan and supporting evidence base as to what constitutes Business Areas. It is therefore considered that there is not a clear evidential basis as to why sites LB1, LB2, LB3 and LB4 are allocated for B1 use only.
- 6.6 The Council’s approach is considered to be overly-prescriptive and therefore could pose significant risks to the ability of Letchworth to deliver future employment growth. This does not accord with para 21 of the NPPF which requires Local Planning Authorities to:
- *set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth;*
 - *set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;*
 - *support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances;*
 - *plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;*
 - *identify priority areas for economic regeneration, infrastructure provision and environmental enhancement; and*
 - *facilitate flexible working practices such as the integration of residential and commercial uses within the same unit.*
- 6.7 LGCHF has suggested an alternative form of wording that would ensure greater flexibility between B-class uses can be provided for, and is more positively framed, within the spirit of Policy ETC1 a. This is reproduced below for ease of reference:

“Within those parts of the Employment Areas designated for business use, there is a presumption in favour of development for Use Class B1. Alternative ‘B’ class uses will be considered, if it is demonstrated that they will have a positive impact on local employment and the local economy and will not be harmful to the amenities of any local residents or the environment of existing business operations.”