

## **Hatfield Plot 5610**

*Economic Statement*

*November 2022*

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# 1 Introduction

1.1 This Economic Statement has been prepared by Sphere25 LLP on behalf of Cambria Property Investments Limited (hereafter referred to as ‘the Applicant’). The statement is submitted in support of the Full Planning Application (‘the Application’) for the development of Plot 5610, Gypsy Moth Avenue, Hatfield Business Park, Hatfield, AL10 9BS (‘the Site’).

1.2 The description of development is as follows:

*“Erection of two industrial units for light industrial processes (E(g)(iii)) / general industrial (B2) / storage & distribution purposes (B8) and ancillary office space, with associated parking, access and supporting infrastructure.”*

1.3 This Economic Statement should be read alongside the supporting documentation as part of the submission. In particular, the Design and Access Statement (DAS) by SRA Architects and the Planning Statement by Sphere25.

## **Structure of the Economic Statement**

1.4 The purpose of this Economic Statement is to set out the economic rationale and benefits that underpin the development proposal and to demonstrate its acceptability in economic terms. This Statement is structured as follows:

1.5 Section 2 provides an overview of the **Site and Surrounding Area** and its context within the Hatfield Business Park following its former use as Hatfield Aerodrome with its significant history of employment.

1.6 Section 3 provides an overview of the **Proposed Development** at the Site, including details of the new commercial units, floorspace, layout, access and their suitability for the Site in light of its locational strengths.

1.7 Section 4 outlines the **Employment Context and Wider Regeneration Strategies** relevant to the planning application. This includes borough-wide statistics relating to population and employment as well as key guidance and policies stemming from local and regional employment strategies.

- 1.8 Section 5 provides details of the **Economic Benefits** of the proposals, including an estimate of the new jobs likely to be created through development and associated indirect benefits.
- 1.9 Section 6 is a short **Summary and Conclusion** of the report.

## 2 Site and Surrounding Area

### The Site

- 2.1 The Site measures approximately 0.96 ha in area and is situated at the northern end of Hatfield Business Park. This part of the park is now well established for a range of commercial uses including offices and warehouses.
- 2.2 The Site has been in use for vehicle parking on a large area of gravel surfacing in the centre of the Site. The western area is predominantly trees and dense undergrowth, with the eastern area consisting of grass and smaller vegetation. The Site is relatively flat ranging between 76 to 77 metres above sea level.
- 2.3 The Plot is bound to the west by the UNO Bus Garage and to the east lies the PCL/Arla distribution facility beyond Gypsy Moth Avenue. The Toolbank warehouse facility lies immediately to the south with other operators including DHL in close proximity. Hatfield Avenue bounds the Site to the north, beyond which lies the residential area of Hatfield Garden Village.
- 2.4 Vehicular and pedestrian access into the Site is currently taken via the existing estate road network via Gypsy Moth Avenue to the south. The Site links to the strategic road network via the A1(M) at junction 4 to the north and 3 to the south. The A1(M) provides a link to the M25 and London to the south and becomes the A1 to the north. Both junctions can be accessed via the A1001 Comet Way, from the main roundabout junction with Hatfield Avenue, B197 Wellfield Road, Manor Road and Birchwood Avenue.
- 2.5 Bus stops are located on the northern and eastern site boundaries with a range of lines providing connections to (inter alia) Welwyn Garden City, Luton and Hitchin. Hatfield railway station can be reached by bus in approximately 10 minutes.



**Figure 1:** Site location. Source: SRA Architects

### Site Specific Designations

- 2.6 The Site falls within the wider Hatfield Business Park, which is designated as an employment area (EA6), under Policy EMP1 of the adopted Welwyn Hatfield District Plan (2005).
- 2.7 The Site is not located within a Conservation Area and does not contain nor is it within the setting of any statutorily listed buildings. A number of trees exist within the Site however none are believed to be subject to Tree Preservation Orders (TPOs).
- 2.8 The Site lies within Flood Zone 1 (low probability), meaning a less than 1 in 1,000 annual chance of flooding from rivers and sea.
- 2.9 The Site is not located within nor is it in close proximity to any Air Quality Management Areas (AQMA).

## Planning and Commercial History

- 3.1 Hatfield Business Park sits on the site of the former Hatfield Aerodrome which was a private airfield and aircraft factory founded in the 1930s. The Aerodrome was first occupied by the DeHavilland Aircraft Works, and later by British Aerospace (BAe), until it was closed by BAe in the mid 1990's with the loss of 8,000 jobs<sup>1</sup>.
- 3.2 Following its closure, Goodman (formerly known as Arlington) in partnership with Welwyn Hatfield Borough Council, Hertfordshire County Council and St Albans District Council, developed a masterplan and Supplementary Planning Guidance document (Hatfield Aerodrome SPG (1999)) to facilitate the re-development of the site. The over-arching principles of the document were to:
- Promote sustainable development on the site;
  - Provide for a mix of uses on the site;
  - Promote economic development on the site to help replace the jobs lost when BAe closed; and
  - Provide work and homes for local people.



**Figure 2:** Hatfield Aerodrome and De Havilland Aircraft Works c. 1948. Source BAe Systems

[URL](#)

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<sup>1</sup> Officer report for planning application ref. 6/2015/2043/OUTLINE. Available online at <https://planning.welhat.gov.uk/Planning/Display/6/2015/2043/OUTLINE>

- 3.3 Outline planning permission which was subsequently granted in December 2000 (ref. S6/1999/1064/OP) for the following description of development:

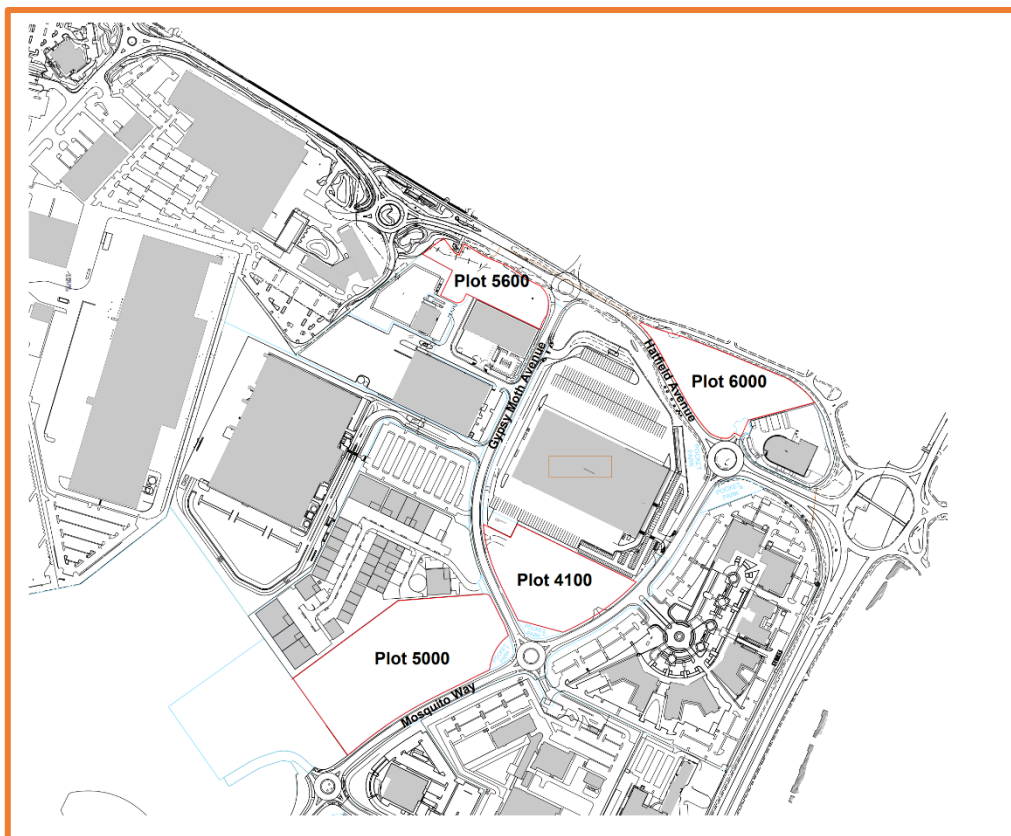
*“Demolition of existing (unlisted) buildings, removal of runway and other hard standing areas and redevelopment for the following purposes: as a business park comprising uses within use class B1, B2, B8 and sui generis use; housing; new university campus (use class D1 and D2) to include replacement De Havilland sports and social club and associated playing fields; two hotels; primary school and associated facilities; district centre; works of conversion to enable recreation use of existing listed hangar; aviation heritage centre. Together with associated highway, transport and service infrastructure (including a strategic transport corridor), landscaping and open space, diversion of Ellenbrook. Means of access to be determined”*

- 3.4 Paragraph 4.139 and the corresponding table of the Section 106 Agreement for planning permission S6/1999/1064/OP set out a total of c. 190,000sqm of development floorspace on the Hatfield Business Park, spread over B1, B2, B8 and Sui-Generis uses (not including the hotel). We understand this has subsequently been revised to a higher quantum of floorspace through a number of supplemental deeds as a result of high market demand for B8 uses in recent years<sup>2</sup>.
- 3.5 An outline planning application was later submitted in 2015 (ref. 6/2015/2043/OUTLINE) for undelivered floorspace across a number of plots, including the subject site (then known as Plot 5600). The Illustrative Site Layout Plans for this plot approved within the outline application show an option for 3,120sqm ‘B1c/B2’ use and 1,100sqm ‘B1 office’ use (drawing ref. DR-411-213-03) and another for 5,600sqm of ‘B1 office’ use (drawing ref. DR-411-215-00). Outline planning permission was granted on 5 July 2016, effectively extending the life of the original 2000 outline permission. An application for approval of Reserved Matters was not submitted for the area of the subject Site at Plot 5600, such that outline scheme and associated potential economic benefits have as yet not been realised here.

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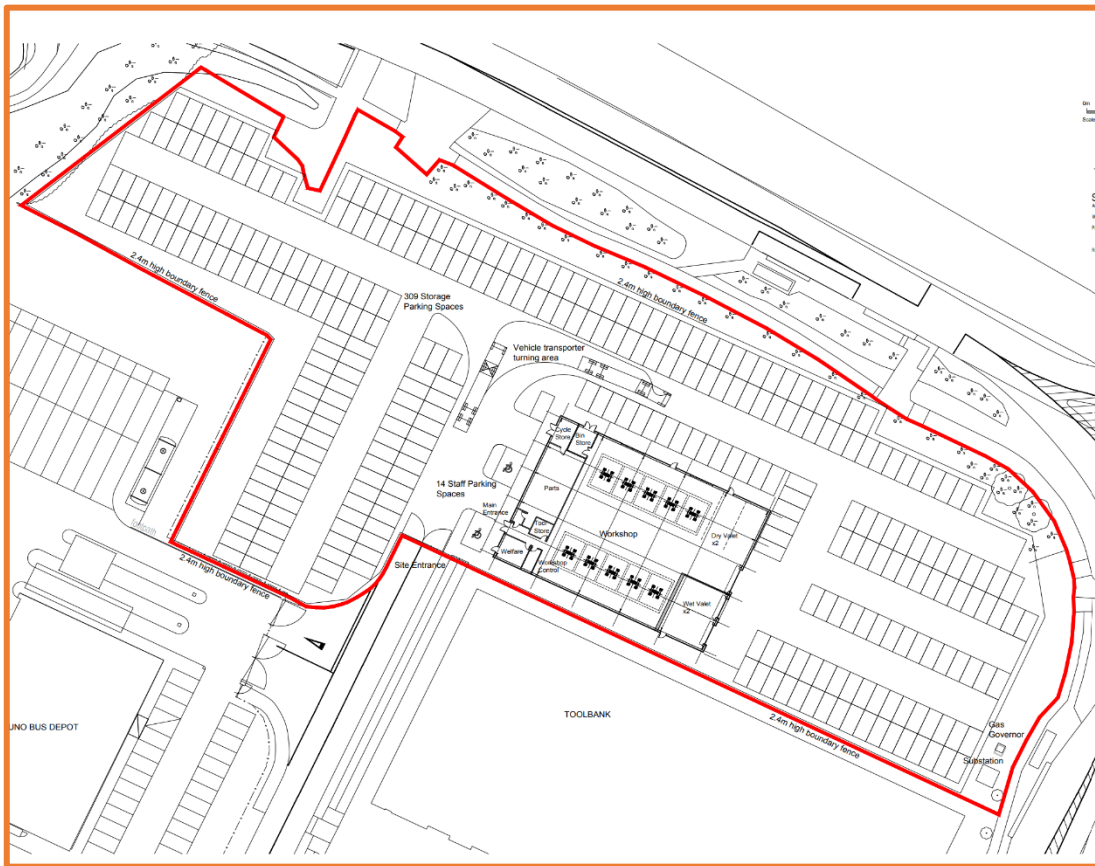
<sup>2</sup> Pre-application response from WHBC dated X





**Figure 3:** Plot boundaries as defined within ref. 6/2015/2043/OUTLINE. Note subject Site was at this point known as Plot 5600.

- 3.6 An application for a temporary planning permission was later submitted in 2018 (ref. 6/2018/2946/FULL) to use part of the western side of the subject Site for a period of 18 months for vehicle storage in association with Cambria Automobiles’ principal car dealerships on Plot 4100 in Hatfield Business Park. The application was approved in January 2019.
- 3.7 An application for a pre-delivery inspection facility (Use Class B2) and car storage area (Use Class B8) at the Site was also submitted in 2018 (ref. 6/2018/3255/FULL) to serve as a supporting facility to Cambria’s main car dealership scheme on Plot 4100. The application was approved in March 2019, however the permission has not been implemented.



**Figure 4:** Proposals at Plot 5610 subject of application ref. 6/2018/3255/FULL. Credit: Scott Brownrigg.

## 3 Proposed Development

3.8 The description of development subject of this Planning Application is as follows:

*“Erection of two industrial units for light industrial processes (E(g)(iii)) / general industrial (B2) / storage & distribution purposes (B8) and ancillary office space, with associated parking, access and supporting infrastructure.”*

3.9 The Design and Access Statement (DAS) submitted in support of this Application sets out the design development process in detail. The following sections outline the key development principles that have formed the basis of the proposals, as are explored in more detail in the accompanying DAS.

### **Use and Quantum**

3.10 This application seeks permission for two warehouse units for flexible commercial use at this currently under-utilised allocated employment plot.

3.11 Following an assessment of the Site’s opportunities and constraints a total of 4,181 sqm GIA of floorspace as follows:

- Building A: 2,936sqm
- Building B: 1,245sqm

3.12 The plot occupies a prominent position of the business park with direct access to strategic road infrastructure, and is highly attractive to a range of potential occupiers operating across use classes B2 and B8 in particular.

### **Layout**

3.13 The design team in conjunction with feedback from WHBC planning officers has sought to optimise the layout of the Site to deliver a high quality employment development.

3.14 Existing site services have been avoided while the landscaping buffer around the site perimeter is retained so as to deliver a plot in keeping with the wider business park aesthetic.

- 3.15 Building A on the eastern portion of the plot is free of constraints and comprises the largest of the 2 warehouses, set adjacent the very large Toolbank unit to the south. Service doors are located closest the existing vehicular entrance to the south while the office entrance is located closest to the car parking and proposed pedestrian site entrance.
- 3.16 Building B as the smaller of the 2 units is located south of a large existing drainage pipework easement and set within the southernmost tip of the Site. A suitable buffer is retained around both units.
- 3.17 The layout strategy seeks to maximise efficiency of the business park plot while safeguarding existing easements, ensuring efficient access and vehicular circulation and delivering a logical and sympathetic completion of this section of the business park.

### **Design Principles**

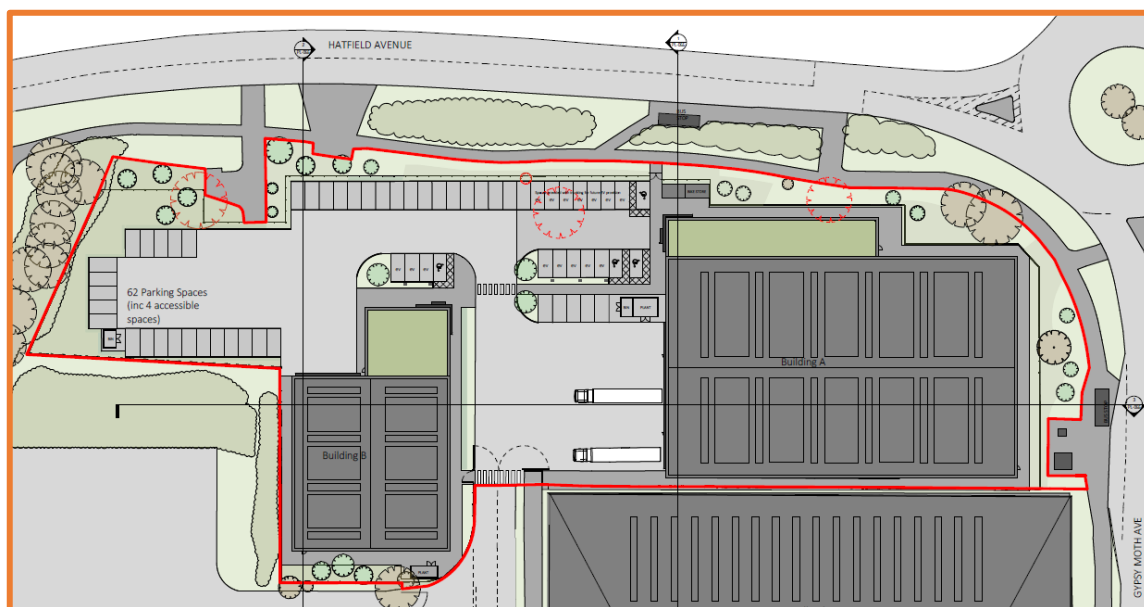
- 3.18 The buildings have been designed in keeping with the commercial context of the area while seeking to provide a transition from the larger existing Toolbank building to the south to the smaller scale residential development to the north. As such, the office components are lower in height than the warehouse units, which reduces the perceived scale and minimises the visual impact from surrounding locations.
- 3.19 To further reduce the impression of massing, the office elevations have been defined by a horizontal band of cladding with ribbon windows punched through. Below the windows a different profile cladding is proposed to break up the mass of the building.
- 3.20 The warehouse elevations have been kept simple using a horizontal blue cladding as these are subservient to the office elevations, while double height glazing has been used to define the building entrances.

### **Landscaping**

- 3.21 The Landscaping Strategy is provided within the accompanying DAS and has been prepared by Macgregor Smith.
- 3.22 The Landscape Proposals are designed to create a green frame to the Site. Planting has been maximised and trees have been planted where possible, adhering to the constraints of the easements and respecting the requirement for structural landscape to the site edge.

3.23 The landscape treatment to the new plot road frontage along the north eastern and eastern boundaries of Hatfield Avenue and Gypsy Moth Avenue, would respond to and visually extend the parkland style landscape of the wider business park.

3.24 A layering of trees and shrub planting to the perimeter of the site will help soften and screen views of the warehouses and associated parking and settle the development into the landscape.



**Figure 5:** Proposed site plan. Source: SRA Architects

### Access and Parking

#### Access

3.25 The Site will be served by a singular vehicular access utilising the existing estate road to the south via Gypsy Moth Avenue. This is suitable for cars and articulated lorries for deliveries to and from the Site. A large c. 25m turning circle is permitted in front of Building A while offering continuous access to Building B through the northern portion of the Site.

3.26 A new gated pedestrian access into the Site is proposed on the northern boundary adjacent the existing bus stop on Hatfield Avenue. This provides convenient access to the office entrance of Building A while footpaths through the Site are provided to Building B as well as around the perimeter of both buildings.

3.27 Refuse stores are located close to both buildings for ease of storage and collection.

### Car and Cycle Parking

- 3.28 A total of 62 car parking spaces are provided for staff including 4 accessible spaces split proportionately adjacent the two building entrances. 10 spaces are also provided as active electric vehicle charging spaces, with 8 spaces provided with passive cable routes.
- 3.29 Secure cycle parking is also provided within a bike store adjacent building A with 8 Sheffield stands providing 16 cycle parking spaces.

## 4 Employment Context and Local Strategies

- 4.1 This chapter provides an overview of the baseline employment and socio-economic conditions of the area before an examination of the relevant economic and corporate strategies and ambitions relevant to Hatfield Business Park and the wider area.
- 4.2 An overview of the planning policy framework is set out in the Planning Statement by Sphere25. This includes relevant planning policies and guidance at the national and local levels. For brevity, this Economic Statement does not seek to repeat that information, rather highlights the relevant context with regard to the economic strategy and vision within the borough.

### Employment in Hatfield

#### Population

- 4.3 The population of the borough at the 2011 Census was 110,500 people. This was an increase of 13.3% from the borough's population at the 2001 Census, the fastest rate of growth of any of the districts in Hertfordshire<sup>3</sup>.
- 4.4 The Welwyn Hatfield Borough now has an estimated population of 123,900 residents<sup>4</sup>. It is anticipated that the borough will grow by roughly 4% to c. 129,000 by 2030 and by 2040 the resident population is expected to be c. 134,000 (8% increase)<sup>5</sup>. Approximately 66% of the population are between the economically active ages of 16 – 64, mirroring that of London (67%) and above the East of England (61%) and Great Britain averages (62%)<sup>6</sup>.

#### Economic Activity, Employment and Earnings

- 4.5 The economic activity level of the borough's residents aged 16-64 was 77% in (2021-2022). The average for the East of England was 80.3% and Great Britain was 78.6%.

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<sup>3</sup> WHBC, Draft Local Plan Proposed Submission (August 2016) – [URL](#)

<sup>4</sup> ONS, Mid-Year Population Estimates (2020) – [URL](#)

<sup>5</sup> ONS, Population projections for local authorities (2018)– [URL](#)

<sup>6</sup> Nomis - Labour Market Profile – [URL](#)

- 3.30 The latest number of out-of-work benefit claimants in the borough of residents aged 16-64 (October 2022) in the borough is 2.2%. This is lower than the average for the East of England (2.9%) and for Great Britain (3.6%).
- 3.31 The majority of employment locally, as can be seen in Figure 6, is comprised of professional, scientific and technical activities (19.6%) and trade/repair of motor vehicles and motorcycles (16.3%). Both are over-represented compared to national and east of England average. Other prominent industries include human health/social work, administrative and support services and construction.
- 3.32 In terms of local businesses, the borough is fairly representative against the East of England and national averages, with nearly 90% of local enterprises classified as “micro”, having fewer than 10 employees.
- 3.33 Average gross weekly earnings of employees in the borough at £682 are higher than East of England (£602) and Great Britain averages (£613).



<b>Employee jobs (2021)</b>				
	<b>Welwyn Hatfield (Employee Jobs)</b>	<b>Welwyn Hatfield (%)</b>	<b>East (%)</b>	<b>Great Britain (%)</b>
Total Employee Jobs	92,000	-	-	-
Full-Time	57,000	62.0	66.9	68.1
Part-Time	35,000	38.0	33.1	31.9
<b>Employee Jobs By Industry</b>				
B : Mining And Quarrying	0	0.0	0.1	0.1
C : Manufacturing	3,500	3.8	7.3	7.6
D : Electricity, Gas, Steam And Air Conditioning Supply	0	0.0	0.2	0.4
E : Water Supply; Sewerage, Waste Management And Remediation Activities	1,750	1.9	0.7	0.7
F : Construction	6,000	6.5	5.9	4.9
G : Wholesale And Retail Trade; Repair Of Motor Vehicles And Motorcycles	15,000	16.3	15.2	14.4
H : Transportation And Storage	4,000	4.3	5.5	5.1
I : Accommodation And Food Service Activities	3,000	3.3	6.9	7.5
J : Information And Communication	3,500	3.8	4.1	4.5
K : Financial And Insurance Activities	600	0.7	2.1	3.6
L : Real Estate Activities	700	0.8	1.7	1.8
M : Professional, Scientific And Technical Activities	18,000	19.6	9.2	8.9
N : Administrative And Support Service Activities	9,000	9.8	11.8	8.9
O : Public Administration And Defence; Compulsory Social Security	3,000	3.3	3.4	4.6
P : Education	8,000	8.7	9.5	8.8
Q : Human Health And Social Work Activities	12,000	13.0	12.2	13.7
R : Arts, Entertainment And Recreation	1,250	1.4	2.2	2.3
S : Other Service Activities	3,500	3.8	1.8	1.9

Source: ONS Business Register and Employment Survey : open access  
 - Data unavailable  
 Notes: % is a proportion of total employee jobs excluding farm-based agriculture  
 Employee jobs excludes self-employed, government-supported trainees and HM Forces  
 Data excludes farm-based agriculture

**Figure 6:** Employee jobs in Welwyn Hatfield. Source: Nomis

<b>Businesses</b>				
<b>UK Business Counts (2022)</b>				
	<b>Welwyn Hatfield (Numbers)</b>	<b>Welwyn Hatfield (%)</b>	<b>East (Numbers)</b>	<b>East (%)</b>
<b>Enterprises</b>				
Micro (0 To 9)	4,635	89.8	245,350	90.0
Small (10 To 49)	410	7.9	22,415	8.2
Medium (50 To 249)	80	1.6	3,975	1.5
Large (250+)	30	0.6	955	0.4
<b>Total</b>	<b>5,160</b>	<b>-</b>	<b>272,695</b>	<b>-</b>
<b>Local Units</b>				
Micro (0 To 9)	5,105	84.7	267,540	85.6
Small (10 To 49)	710	11.8	36,485	11.7
Medium (50 To 249)	175	2.9	7,515	2.4
Large (250+)	45	0.7	995	0.3
<b>Total</b>	<b>6,030</b>	<b>-</b>	<b>312,530</b>	<b>-</b>

Source: Inter Departmental Business Register (ONS)

Note: % is as a proportion of total (enterprises or local units)

**Figure 7: Businesses in Welwyn Hatfield. Source: Nomis**

### Qualifications

- 4.6 45.9% of the local population have qualifications of NVQ4 and above (2021). This is higher than East of England (39.6%) and Great Britain averages (43.6%). Data does not exist for those in the borough with no qualifications.

### Deprivation

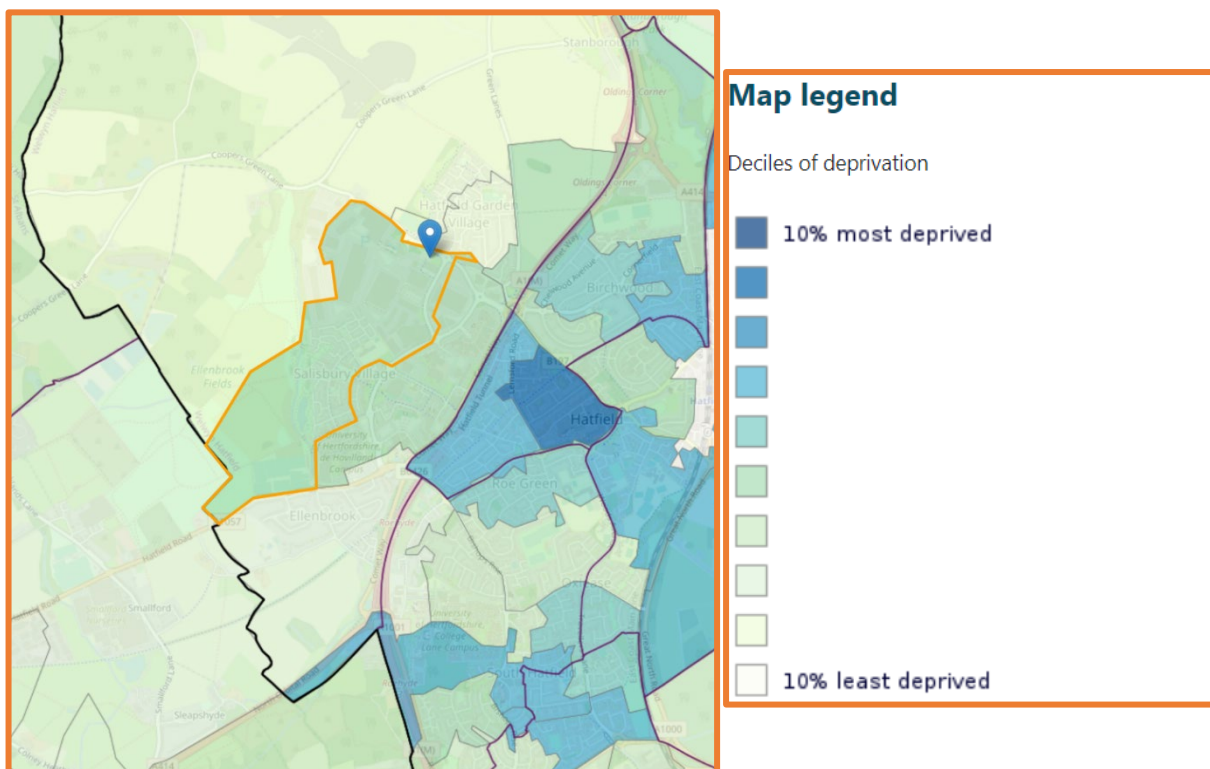
- 4.7 The Department for Levelling Up, Housing and Communities (DLUHC) measures deprivation using the Indices of Multiple Deprivation (IMD)<sup>7</sup>, which uses a series of data to rank areas across seven domains that range from income to health. These categories are combined to produce an overall deprivation rank for each local authority and LSOA in England.
- 4.8 The most recent IMD data (2019) identifies that out of the 317 local authorities in England, Welwyn Hatfield is ranked as the 215<sup>th</sup> least deprived (i.e. 102<sup>nd</sup> most deprived) authority.

<sup>7</sup> English indices of deprivation 2019: mapping resources – [URL](#)

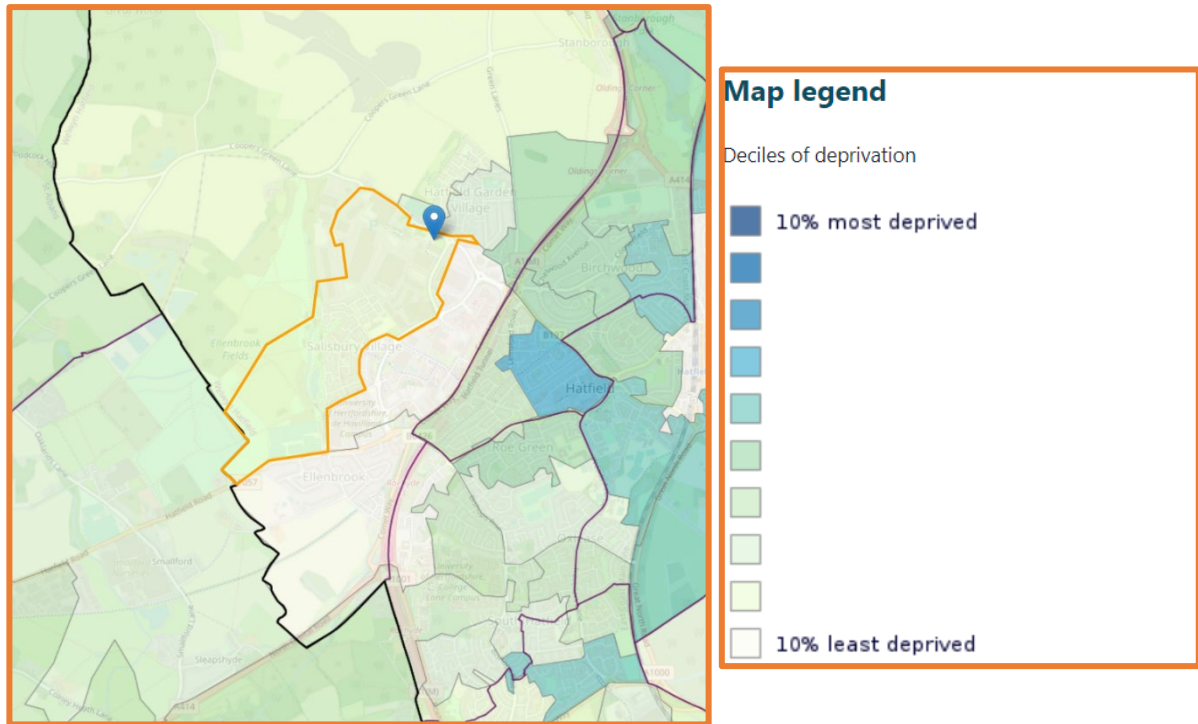
Figure 8 below shows the deprivation by LSOA (relevant ward highlighted). The information states the ward is within the 50% least deprived neighbourhoods in the country (ranked 19,631 out of 32,844 LSOAs in England). However, a number of LSOAs within the wider area are ranked among the top 20-40% most deprived in England, including a concentration in the centre of Hatfield.

4.9 Figure 9 shows the employment domain rank by LSOA in the local area. The map indicates that this domain of deprivation in the LSOA ranks in the lowest 20% (27,727 out of 32,844 LSOAs in England), reflecting the substantial employment brought about by the development of Hatfield Business Park to date combined perhaps with the lower sample size of residential use in the subject ward. Lower levels of employment can be found in the centre of Hatfield.

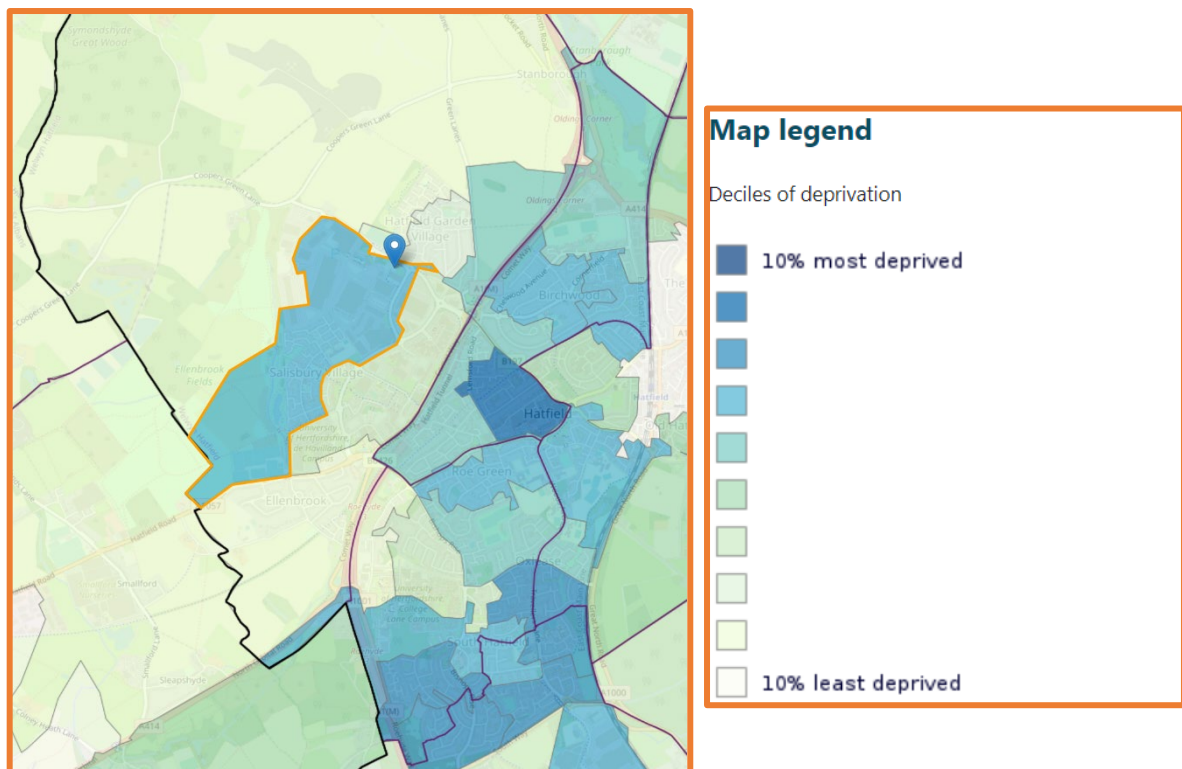
4.10 In terms of education, skills and training, however, Figure 10 shows that this the subject ward ranks as 12,767 out of 32,844 LSOAs in England, and therefore in the 40% most deprived wards on this domain. This is similarly the case for much of the wider area including central and south Hatfield.



**Figure 8:** – IMD overall rank, Welwyn Hatfield 010G ward, subject site identified by pin



**Figure 9:** – IMD employment rank, Welwyn Hatfield 010G ward, subject site identified by pin



**Figure 10:** – IMD education, skills and training rank, Welwyn Hatfield 010G ward, subject site identified by pin

## Employment Strategies

### Hatfield Aerodrome SPG (1999)

- 3.34 Hatfield Business Park sits on the site of the former Hatfield Aerodrome which was a private airfield and aircraft factory founded in the 1930s. The Aerodrome was first occupied by the DeHavilland Aircraft Works, and later by British Aerospace (BAe), until it was closed by BAe in the mid 1990's with the loss of 8,000 jobs<sup>8</sup>. Clearly this was a significant blow to the local economy at the time, with the area in need of re-positioning to attract inward investment and employment facilities fit for the 21<sup>st</sup> Century.
- 3.35 Following the aerodrome's closure, Goodman (formerly known as Arlington) in partnership with Welwyn Hatfield Borough Council, Hertfordshire County Council and St Albans District Council, developed a masterplan and Supplementary Planning Guidance document (Hatfield Aerodrome SPG (1999)) to facilitate the re-development of the site. The over-arching principles of the document were to:
- Promote sustainable development on the site;
  - Provide for a mix of uses on the site;
  - Promote economic development on the site to help replace the jobs lost when BAe closed; and
  - Provide work and homes for local people.
- 3.36 Outline planning permission which was subsequently granted in December 2000 (ref. S6/1999/1064/OP) for comprehensive redevelopment of the site for B1, B2, B8 and sui generis use; housing; new university campus; two hotels; primary school and associated facilities.
- 3.37 Paragraph 4.139 and the corresponding table of the Section 106 Agreement for planning permission S6/1999/1064/OP set out a total of c. 190,000sqm of development floorspace on the Hatfield Business Park, spread over B1, B2, B8 and Sui-Generis uses (not including the hotel). We understand this has subsequently been revised to a higher quantum of floorspace

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<sup>8</sup> Officer report for planning application ref. 6/2015/2043/OUTLINE. Available online at <https://planning.welhat.gov.uk/Planning/Display/6/2015/2043/OUTLINE>

through a number of supplemental deeds as a result of high market demand for B8 uses in recent years<sup>9</sup>.

- 4.11 Given the age of the SPG guidance, a certain degree of flexibility should be considered with regard to the guidance within, as agreed with officers at pre-application stage of this current Planning Application, and in respect of national planning guidance in particular. At the national level, Chapter 6 of the NPPF focuses on how the playing system can help build a strong and competitive economy. Paragraph 81 states 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.
- 4.12 Paragraph 82 further states that planning policies should be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances.

#### [Welwyn Hatfield District Plan \(2005\)](#)

- 4.13 The economic vision for the borough is also set out within the Local Plan (2005), although a degree of flexibility should also be seen to apply given passing of time since adoption and saving of only certain policies in 2008.
- 4.14 The overarching aim of the Local Plan is to improve quality of life in the district by providing for sustainable development. Drawing on the UK strategy for sustainable development 'A Better Quality of Life' four key objectives underlying sustainable development are identified including (inter alia) *“Maintaining high and stable levels of economic growth and employment.”*
- 4.15 The district plan identifies among other things a key planning issue of “Maintaining Economic Prosperity and Jobs”:

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<sup>9</sup> Pre-application response from WHBC dated 19 October 2022

*“2.19 Although Welwyn Hatfield has a prosperous economy with low unemployment, there is still a need to encourage economic development that will maintain prosperity and is socially inclusive, enabling all sections of the community to participate in the economy. Therefore, it is important that the district remains attractive to businesses and can offer jobs of the right type and skills to local people. The Plan will have a central role in enabling development to secure this.*

*“2.20 Over the past 10 years the district's economy has strengthened and diversified, with growth in services and 'knowledge-based' activities to offset the decline which has occurred in manufacturing and aerospace. It is important that this diversity is maintained, to avoid over-dependence on any one business sector. As business practices change, so the amount and type of floorspace required will change. It is important that the district's employment areas are able to offer land and floorspace of the right quality and quantity to meet the expansion or modernisation needs of local firms. This includes the specific requirements of small businesses and other business sectors whose requirements are under-provided for. The redevelopment of the former Hatfield Aerodrome site will be a key to achieving this, but the Plan must also enable redevelopment and flexibility for a wider range of employment uses within the existing employment areas.”*

4.16 Taken together, the District Plan utilises the principles of sustainable development to outline 10 key objectives of the plan, including (inter alia):

*2. Provide for development to meet the recognised needs of local people in terms of housing, jobs, shopping, leisure, services, health and community facilities, education and training.*

*10. Increase economic prosperity through the regeneration of key areas of the district, in particular Hatfield Town Centre and the former Hatfield Aerodrome site.*

4.17 Even at the time of the District Plan's publication, the need for diversity and flexibility in its approach to economic development was recognised and in meeting the aims of the plan :

*“12.12 The local community has expressed its concerns about the loss of major companies and the desire to avoid this in the future. The Council cannot control the commercial decisions of individual companies. However, through economic development and planning policies the Council can help to maintain the diversity of the local economy, to reduce its dependence on any one company or sector, so that the closure or contraction of large companies has less overall impact.*

*12.13 Whilst the economy is now more balanced, the Plan seeks to encourage it to continue to diversify. It can do this by influencing the type of business units*

*developed, ensuring a range of unit sizes are provided in new developments or that flexible units are provided which can be used for a range of company types and sizes. It can also encourage diversification by supporting the development of small businesses through the provision of incubator units and small business accommodation.*

*12.14 In the light of the rapidly changing nature of the economy, the Council will continue to monitor changes in labour market skills, the sectoral composition of the industrial base, business and industrial floorspace requirements and other features of the economy.”*

4.18 The overarching Economic Development Strategy of the District Plan is set out at supporting text para 12.16, with the overall aim to promote sustainable economic development and to encourage the creation of a thriving local business community; the associated wealth creation a means of enhancing quality of life in Welwyn Hatfield and of tackling social exclusion. The aims and objectives of the Economic Development Strategy are as follows:

- a. ensure that there continues to be enough employment land and floorspace available in the district, in the right locations and of the right quality, to provide jobs for local people, maintain a diversity of employment uses and accommodate the requirements of local businesses and firms seeking to locate in the area;*
- b. to bring about a better balance between the levels and types of housing and jobs in the district and between the skills of the local workforce and the skill requirements of the jobs created, in order to help in reducing commuting flows into and out of the district and thereby reduce the need to travel;*
- c. to encourage the development of small businesses, in order to stimulate more stable, indigenous economic development and increase the potential for living and working locally;*
- d. to maximise the opportunity for a range of business and employment opportunities on the former BAe site at Hatfield, and throughout the district, to meet local job needs.*

4.19 The District Plan proceeds to detail specific employment guidance and policies to deliver the aims of the plan including spatial strategy for delivery of jobs and economic growth. The plan states:

*“12.8 The Hatfield Aerodrome site provides by far the largest opportunity for meeting the district's future business and employment needs. It is likely to provide the majority of new floorspace supply over the plan period...*

...



*12.17 ... the former Dynamics and Sports Ground Employment Areas on the Hatfield Aerodrome Site have been extended and amalgamated to form the Hatfield Business Park Employment Area, including the area of land identified for a business park in the master plan for the site.”*

4.20 Policy EMP1 ‘Employment Areas’ in turn allocates a range of Employment Areas within the borough including the 85ha Hatfield Business Park (EA6), within which the subject Site sits. As per Policy EMP2 ‘Acceptable Uses in Employment Areas’, development within Use Classes B1, B2 and B8 will be permitted within the designated employment areas, subject to a range of development criteria. The policy states that proposals for Class B8 development should also be well located in relation to the primary road network.

4.21 Policy HATAER2 ‘Mixed Use’ states that the redevelopment of the Hatfield Aerodrome Inset Site should provide for a variety of land uses, while Policy HATAER4 ‘Land Use Proposals for the Hatfield Aerodrome Site’ allocates 46.5 hectares (115 acres) of employment land and an indicative quantum of 191,000sqm at the Hatfield Aerodrome site.

4.22 Policy EMP9 ‘Training’ meanwhile states that the Council will actively encourage the provision of employment training in light of local needs, the supporting text stating:

*“12.40 ... There are signs of possible skill mismatches in the district evidenced by local employers experiencing recruitment difficulties and the high level of commuting into the district. The Council will actively encourage developments which would provide training to help to alleviate this mismatch between jobs and skills.*

...

*12.43 The Council will work with the Hertfordshire Learning and Skills Council, the local College of Further Education and the University of Hertfordshire, to provide training initiatives within the district to address identified local skill shortages in the labour market.”*

4.23 Policy EMP11 ‘Local Recruitment’ further states that the Council will seek to ensure that any large-scale employment generating development runs effective programmes to recruit local people in light of a high rate of out-commuting in the borough, the supporting text stating:

*“12.45 Nearly half of the district's population of working age and in employment work outside the Welwyn Hatfield District. There may be opportunities to encourage a proportion of those who currently commute out of the district to seek*

*local employment, for example, the Council will encourage major employers moving into the district or existing employers that are expanding to run local recruitment campaigns, targeted at commuters.”*

WHBC – Draft Local Plan Proposed Submission (August 2016)

- 4.24 WHBC are currently in the process of preparing a new Local Plan which, once adopted, will supersede the Saved Policies in the current District Plan.
- 4.25 The draft Local Plan provides a range of updated data and evidence to underpin its emerging policies and guidance including with regard to economy, deprivation and exclusion:

***“Economy, deprivation and exclusion***

- *The borough is generally prosperous with lower levels of unemployment than the national average, however levels of unemployment have started to rise and some areas of Welwyn Hatfield are amongst the most deprived in Hertfordshire. There is a need for job growth to continue to support the local economy and meet the needs of a growing population.*
  - *However recent changes in planning legislation and policy mean the Council does not have the same ability to protect the supply of employment land for the future.*
  - *During the 2000s, there was substantial inward investment in Welwyn Hatfield by major companies in Hertfordshire leading to significant increase in the number of jobs and, in particular, allowing the economy of Hatfield to diversify successfully in the wake of the closure of the British Aerospace factory in 1993. However, due to changing world economic circumstances, this inward investment is now starting to dry up and job growth has started to become more like that experienced in the rest of Hertfordshire.”*
- 4.26 13 borough-wide strategic objectives are set out within the draft Local Plan, including (inter alia):
2. *To deliver a sustainable pattern of development by directing the majority of new development to the main towns and limited development to the excluded villages where it can be supported by appropriate infrastructure, the need to travel is minimised and opportunities for redevelopment on previously developed land can be maximised.*
  12. *To enable Welwyn Garden City and Hatfield to fulfil their role as the main centres of economic activity in the borough, working in partnership with relevant bodies to support growth in the local economy and lifting areas out of deprivation by providing opportunities to improve training, education, health and economic prosperity.*

*13. To work with and support locally established companies, employers and higher education providers to encourage new investment in the borough.*

4.27 The draft Local Plan discusses the economic evidence base prepared in support of the plan:

*“5.4 The Council's evidence base considered three different scenarios for job growth from 2013 to 2032. The scenario based on Experian employment projections forecast an increase of 15,960 total jobs. The East of England Forecasting Model (EEFM)-based scenario forecast an increase of 17,900 total jobs. So this suggests the need to plan for a range of 15,960 to 17,900 total jobs from 2013 to 2032...”*

*5.5 The hybrid scenario would require an increase in floorspace for offices, industry and warehousing of 138,000 square metres. Since 2013, substantial amounts of Class B floorspace have been allowed through the permitted development right enabling offices to be converted to residential without planning permission, with losses likely to continue. Although there is some new supply, it is only possible to plan for about 116,400 square metres of additional Class B floorspace from 2013 to 2032, assuming that the borough's best resources of existing office space have been protected, by the use of Article 4 Directions, from conversion to residential uses...”*

4.28 Policy SP 2 ‘Targets for Growth’ accordingly states that 294.1 hectares of employment land are identified to maintain a sufficient supply of jobs in the borough and provide the opportunity for new employment floorspace to be provided between 2013 and 2032, allowing for flexibility in the face of economic changes. Provision will be made for at least 116,400 sq.m of new floorspace for industry, offices and warehousing over the plan period from designated employment areas and mixed use sites.

4.29 Supporting text in the draft Local Plan further states:

*“10.7 ... the Council is planning for the number of total jobs in the borough to increase by about 16,900 from 2013 to 2026. Notwithstanding the gains in floorspace that will accrue from the mixed use designation (including Class B1 employment) at Marshmoor and Broadwater Road West, losses of Class B1(a) floorspace that have taken place since 2013 and the losses likely to occur in future mean that the supply of Class B floorspace the Council is planning for is about 22,000 square metres short of the 138,000 square metres recommended in the Economy Study Update, 2015, though this is subject to some uncertainty. It is clear that the Council cannot meet its full requirement for employment floorspace without having to designate further sites in the Green Belt. National policies have also restricted the ability of the Council to retain existing employment land. For this reason, it is important that existing reserves of employment land are, as far as possible, retained in Class B uses and measures are implemented to ensure that this happens.”*

4.30 Policy SP 8 ‘The Local Economy’ states that the Council will support economic prosperity, encourage inward investment and the creation of a range jobs by (inter alia) ensuring that

provision is made to meet the needs of business sectors that are already well represented in Welwyn Hatfield and those that are looking to invest in the area; maintaining a balance of types of employment so that opportunities are available for people with a range of different skills and levels of skill; and ensuring that provision is made for a range of opportunities, in terms of sites and premises, to allow new and emerging sectors to be accommodated.

- 4.31 New office, industry and warehousing development should be located in the designated employment areas defined on the Policies Map.
- 4.32 The provision of training facilities or other opportunities to improve the skills and qualifications of the resident workforce and help sections of the workforce that are disadvantaged in the labour market (particularly school leavers not in employment, education or training) will be promoted and contributions to support these schemes will be sought. Training initiatives will be also supported.
- 4.33 Policy SADM 10 ‘Employment development’ allocates a range of designated employment areas, including previously developed parts of Hatfield Business Park which is allocated for B1, B2 and B8 uses, and undeveloped parts of Hatfield Business Park for B1 uses (area EA6).

#### [Welwyn Hatfield Economic Strategy 2017/20](#)

- 4.34 The strategy builds upon the year one (2015-2016) Strategy and sets a common framework and vision towards which Welwyn Hatfield Borough Council and its partners can focus their work in support of a robust and sustainable local economy. The strategic priorities within the Economic Strategy will set the context for a 3-year Economic Development Action Plan, identifying corporate actions and defining the work programme for the council’s economic development function.
- 4.35 4 key themes are identified with corresponding actions that the Council will seek to undertake to advance and improve these domains:

1. *Inward investment, care and retention*

*The private sector is the engine of growth. Successful businesses drive growth, create jobs and pay the taxes that finance services and investment.*

2. *Land and premises*

*Business growth is reliant on the availability and choice of a range of land and premises, from small serviced offices for business start ups and modern headquarter office developments, to fit for purpose manufacturing facilities and modern warehousing units.*

3. Skills for growth

*We recognise that for Welwyn Hatfield to fulfil its economic potential, the importance of skills cannot be over-estimated. Skills are critical to all employers in all sectors. A highly skilled workforce will facilitate the growth of existing businesses and increase the attractiveness of the area to inward investors, generating job creation and fuelling economic growth.*

4. A business friendly Council

*Council initiatives and services can have a significant impact on local business performance. We will strive to be sympathetic and supportive, to ensure companies flourish, generating wealth and employment for the area.*

[Welwyn Hatfield Borough Corporate Plan \(2021-2024\)](#)

- 4.36 The latest Corporate Plan sets out the key priorities of the Council, including ‘Evolving, Vibrant Town Centres and a Growing Economy’. This includes a commitment to support business as they adapt for the future by working with partners to understand and deliver the help needed to help businesses recover from and thrive after Covid; and to deliver and regenerate employment land through the Local Plan and planning permissions.

[Welwyn Hatfield Borough Council Business Plan \(2015-2018\)](#)

- 4.37 The Welwyn Hatfield Business Plan sets out the council’s vision and priorities for the borough. The council’s vision set out in the Business Plan is “to make Welwyn Hatfield a great place to live, work and study with a growing vibrant economy”.
- 4.38 The five corporate priorities identified in the Business Plan form the basis for defining the services which will be provided for residents from April 2015 onwards, including (inter alia) Help build a strong local economy: promote the borough as an attractive place in which to invest; revitalise town centres and other shopping areas.

### Welwyn Hatfield Borough Council Business Action Plan (2020-2021)

4.39 The Council’s Business Action Plan contains a range of measurable objectives, including with regard to the economy. These include (inter alia):

- Lead the Hatfield 2030+ Renewal Partnership in its proposed regeneration programme for Hatfield
- Participate in the implementation of the Hertfordshire Local Enterprise Partnership’s Local Industrial Strategy taking into account the local impacts of Covid-19
- Enact the Article 4 Direction to remove permitted development rights for the change of use of offices to residential in strategic employment sites
- Coordinate the identification of potential EU exit impacts on local businesses in the borough and report this in a timely and accurate manner
- Implement the Eastern New Energy project to help local businesses reduce their carbon footprint and help local supply chains move into low carbon and environmental goods and services sectors

### Hatfield 2030+: Hatfield New Town Renewal Framework (July 2016)

4.40 Developed by Hatfield Renewal Partnership, the Hatfield 2030+ renewal framework seeks to drive economic activity and provide a framework for both public and private investment across Hatfield, setting a strategic context for renewal whilst identifying a portfolio of more specific projects intended for implementation to 2030 and beyond. The renewal framework sits alongside the Welwyn Hatfield Borough Council Local Plan, which establishes a growth agenda for the town and wider district.

4.41 The key aspiration of the Hatfield Renewal Framework is to unlock the potential of Hatfield by (inter alia) *“Enhancing business growth, enterprise and learning, building on the success of the Hatfield Business Park and University of Hertfordshire.”* A key objective of the action plan within the framework seeks to *“Provide flexible and affordable high quality business units to support start up industries and small businesses.”*

[Hertfordshire Local Enterprise Partnership Strategic Economic Plan 2017-2030 \(July 2017\)](#)

4.42 The Hertfordshire LEP Strategic Economic Plan sets out the vision for economic development at the county level, where there are currently 58,000 enterprises and approximately 665,000 jobs. The strategy is focused around four key objectives which seek to build on Hertfordshire's location within the UK's 'Golden Triangle' of scientific and related research:

- Maintain global excellence in science and technology
- Harness interconnectedness, particularly relationships with London and elsewhere
- Re-invigorate places for the 21<sup>st</sup> Century
- Build wider foundations for growth of businesses and people

## 5 Economic Benefits

5.1 This section analyses the potential economic benefits of the proposals in light of the employment context and local economic strategies and guidance emanating from key planning and other policy documents. .

### **Construction employment**

5.2 Construction employment represents part of the continual supply of work that construction firms and local tradesmen rely upon. Without new schemes, construction and related employment opportunities are significantly reduced. This is significant in Welwyn Hatfield, where 6.5% of local employment is made up of construction jobs, higher than East of England and Great Britain averages.

5.3 The scale of employment depends on the scale and type of construction project being undertaken, which in turn is reflected in the overall capital construction costs. Thus, the scale of employment is a direct function of the overall capital construction costs.

5.4 The average level of construction expenditure required to support a construction job for a year has been derived from ONS data, on the turnover of construction businesses in Great Britain for 2019 (£290.3 billion), divided by the number of construction workers for that year (1,278,800)<sup>10</sup>.

5.5 The resulting figure of c. £227,000 is the approximate amount of capital construction expenditure that supports one-person year of employment. Based upon a ratio of the capital construction cost of the proposed development provided by the applicant, it is estimated that approximately 26.4 gross person years of employment (PYE) will be generated over the life of the construction period of the proposed development.

5.6 This is equivalent to 26 FTE jobs in the economy during the assumed 1 year construction period.

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<sup>10</sup> ONS, (2021); Construction statistics, Great Britain: 2019 – [URL](#)



## **Operational employment**

- 5.7 The scale of operational employment generation can be forecast through the application of ‘employment densities’. The term ‘employment density’ refers to the average floor space per person in an occupied building. It is a measure of intensity of use and indicates how much space each person occupies within the workplace.
- 5.8 The Homes and Communities Agency (HCA) have produced the third edition of the Employment Density Guide<sup>11</sup>, which provides guidance on the employment densities associated with different types of commercial uses.
- 5.9 To forecast the number of ‘workspaces’ associated with the proposed development and to quantify the benefits, the recommended employment densities have been applied. Given the flexible nature of the proposed development, a range of employment generation is given according to the differing densities applicable to light industrial, industrial & manufacturing and storage & distribution uses. The ancillary office areas of the units has also been applied on a proportional bases (7% of total floor area). This is considered a representative if slightly conservative indication of potential employment generation.
- 5.10 As shown in Table 1 below, it is projected that the proposed development will provide between 72 to 320 FTE jobs during the operational phase.

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<sup>11</sup> Homes and Communities Agency, (2015); Employment Density Guide, 3rd Edition.

	Light industrial	Industrial & Manufacturing	Storage & Distribution (average)	Office (average)
<b>Floor area</b>	3,580sqm NIA (93%)	3,888sqm GIA (93%)	4,019sqm GEA (93%)	269 sqm NIA (7%)
<b>Density</b>	12	36	80	12
<b>Sub-total</b>	298	108	50	22
<b>With office (+22)</b>	<b>320</b>	<b>130</b>	<b>72</b>	-

**Table 1:** Operational Employment Generation**Indirect benefits**

- 5.11 A range of indirect benefits are expected to arise as result of the proposed development, through both the construction and operational phases. These secondary impacts will arise from the need to purchase materials and use of the wider supply chain by construction contractors, and for supplies and services for the businesses operating within the proposed development (indirect employment). Furthermore, increased expenditure in the locality by the construction and operational workers (induced employment) will bring further local benefits. Together this beneficial economic multiplier effect will sustain and generate further economic activity in the area, boosting the local economy.
- 5.12 As noted within the current Local Plan, nearly half of the district's employees work outside the Welwyn Hatfield District. The delivery of further employment space will bring about environmental benefits via a reduced need to travel outside the district, including helping to reduce vehicle journeys. The Site is well located for access by active and public transport modes with a new pedestrian access to the Site linking to bus stops on Hatfield Avenue. A Travel Plan submitted with the application also seeks to encourage sustainable behaviours among site staff to achieve at least 30% of peak hour trips by non-car modes.

### **Local recruitment, skills and training**

- 5.13 The baseline IMD data presented in Section 4 indicates barriers to accessing education, skills and training within Hatfield, such that the subject LSOA is within the 40% most deprived wards on this domain.
- 5.14 The current Local Plan further identifies that there are skill mismatches with employers experiencing recruitment difficulties and a high level of commuting into the district. In line with Policy EMP9, the proposals will comprise commitments to the provision of employment training to up-skill employees for the benefit of their long-term transferable skills.
- 5.15 In line with Policy EMP11, the proposals will also target recruitment on the local population so as to ensure the benefits are retained within the local area (avoiding so-called ‘leakage’) as well as helping to address the high levels of out-commuting identified above.
- 5.16 These commitments can be enshrined within a S106 Agreement attached to a grant of planning permission, and the Applicant welcomes such discussions with the Council. These commitments will ensure the delivery of significant local economic benefits in line with current Local Plan and the strategic objectives of the emerging draft Local Plan.

### **Delivery of flexible long-term employment facilities**

- 5.17 The closure of Hatfield Aerodrome in the mid 1990’s and associated loss of 8,000 jobs was clearly a significant blow to the local economy at the time, with the area in need of re-positioning to attract inward investment and employment facilities fit for the 21<sup>st</sup> Century.
- 5.18 The wider Aerodrome site has been allocated for employment development since adoption of the Hatfield Aerodrome SPG in 1999 and the associated approval of the overarching outline planning permission (S6/1999/1064/OP) in December 2000.
- 5.19 Significant commercial development has come forward since with Plot 5610 one of the last undeveloped plots at Hatfield Business Park. Accordingly, as set out within the draft Local Plan, the borough enjoys lower levels of unemployment than the national average with significant investment and job creation during the 2000s and a general diversification of the Hatfield economy.

- 5.20 The draft Local Plan continues however to state that levels of unemployment have started to rise and some areas of Welwyn Hatfield still amongst the most deprived in Hertfordshire. There is a need to plan for further employment growth to continue to support the local economy and meet the needs of a growing population.
- 5.21 Recent change in planning legislation and policy, via the introduction of certain permitted development rights for change of use from employment to residential uses, mean the Council does not have the same ability to protect the supply of employment land for the future. This has undoubtedly led to the loss of valuable employment space locally, at a time when changing world economic circumstances means inward investment locally *“is now starting to dry up and job growth has started to become more like that experienced in the rest of Hertfordshire.”* This trend has since become even more of a concern with the need to rebound from the stagnation associated with the Covid-19 pandemic, and the pending recession brought about by global events including the Russian invasion of Ukraine and cost of living/energy crises.
- 5.22 The proposals subject of this application seek to deliver the long-term employment premises that this important and well-connected plot befits within well designed and sustainable commercial units. In line with local planning policy and objectives, including (inter alia) emerging Policy SP 8, the units can be flexibly fitted out to suit a range of employment uses and as such are attractive to a range of contemporary occupiers, ensuring the proposals are responsive and adaptable to local market trends and helping to further diversify the local economy. The proposals effectively complete this section of the business park and deliver the economic and employment benefits that to date have not been realised.

### **Physical regeneration**

- 5.23 A range of proposals have come forward for employment use at the subject Site, however none to date have been implemented. The Site has most recently been used for informal vehicle storage, creating an impression of left-over space not in keeping with the well maintained and landscaped business park setting.
- 5.24 The proposals seek to deliver the high quality employment scheme that this prominent plot has long warranted. The proposed development is in keeping with the character of this part

of the business park and would create definition and purpose for this space. It would enable the site boundaries to be strengthened with planting, increase the quality of the edges and tie into and perpetuate the wider business park landscape, which is well maintained and maturing.

- 5.25 This is considered to be highly beneficial to the wider business park as a whole considering the Site's location on such a prominent and highly trafficked gateway into the employment area. The regeneration of the Site demonstrates the continued inward investment and economic activity of the area, serving us a vital physical demonstration of the success and appeal of Hatfield in which to do business.

## 6 Summary & Conclusion

8.1 This Economic Statement has been prepared by Sphere25 LLP on behalf of Cambria Property Investments Limited. The description of development for the proposals is as follows:

*“Erection of two industrial units for light industrial processes (E(g)(iii)) / general industrial (B2) / storage & distribution purposes (B8) and ancillary office space, with associated parking, access and supporting infrastructure.”*

8.2 The proposed development serves a number of key regeneration and economic objectives. The proposals comprise a high quality commercial development on land allocated for employment use but that has sat largely vacant for over 20 years since approval of the overarching outline planning permission for redevelopment of the Aerodrome site.

8.3 The proposals importantly comprise flexible commercial units that can be fitted out to suit a range of employment uses and as such are attractive to a range of contemporary occupiers, ensuring the proposals are responsive and adaptable to local market trends and helping to further diversify the local economy.

8.4 Overall, the economic benefits of the scheme can be summarised as follows:

- Construction employment
- Operational employment
- Indirect benefits (indirect and induced employment) and environmental benefits
- Local recruitment, skills and training
- Delivery of flexible long-term employment facilities in support of the local economy
- Physical regeneration at a key gateway to the Business Park

8.5 In light of the above economic benefits, in tandem with the wider planning benefits and material considerations discussed in the accompanying Planning Statement, the proposed development is considered to weigh favourably in the planning balance.

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