

# Planning Justification Statement

## Representation to Hertsmere Local Plan Process

### Commercial Redevelopment

Land and Buildings at the Mercure Hotel Watford, A41  
Bypass WD25 8JH

March 2021



# Contents

1.	Introduction	2
2.	The Site	4
3.	The Proposal	7
4.	Exceptional Circumstances	12
5.	Economic Need	16
6.	Green Belt and Landscape	25
7.	Transport and Accessibility	31
8.	Flood Risk	34
9.	Ecology and Trees	37
10.	Heritage	40
11.	Other Technical Matters	41
12.	Case of Exceptional Circumstances	43
13.	Conclusion	51

Appendix A: Site Planning History

# 1. Introduction

This Planning Justification Statement is submitted by Warner Planning on behalf of Regen Properties LLP. This submission is made to the Hertsmere Borough Council 'Employment Land Call for Sites' 2021.

We promote land and buildings at the Mercure Hotel Watford, A41 Bypass WD25 8JH for allocation for B8 with ancillary B1 commercial development.

The hotel has been struggling for several years, which has been further compounded by the Covid-19 Pandemic, and the hotel is due to close in late 2021/early 2022. This statement, therefore, provides representations in respect of the whole site, including the hotel buildings and the land to the south-east of the building, which is part of the same plot.

Through this statement, we will demonstrate that this is a credible and deliverable opportunity with no technical issues. This submission is supported by a wealth of technical reports, including:

- Masterplans – UMC
- Economic Benefits Assessment - Lichfields
- Landscape Visual Overview – CSA Environmental
- Ecology Overview- CSA Environmental
- Aboricultural Assessment – DCCLA
- Flood Risk and Drainage Appraisal – EAS
- Transport Review – EAS
- Desk Based Phase 1 Environmental Site Assessment – TRC
- This Statement – Warner Planning
- Market Report – Knight Frank
- Employment Call for Sites Submission Form

There are limited alternatives to this proposal. Due to the Green Belt characteristics of Hertsmere, there are no suitable brownfield sites, and this proposal is more sustainable, appropriate and plausible than other employment/commercial sites previously submitted in the Local Plan process.

There are significant benefits to the allocation of the site, including:

- Redevelopment of a soon to be [vacant previously developed site](#)
- [Significant need](#) for commercial sites borough and county
- [Significant job creation](#)
- Substantial [economic benefits](#) generated
- [Defendable](#) Green Belt Boundary
- Location within the [strategic road network](#)
- Strong boundary landscaping
- [Deliverable land ownership](#) position
- Substantial occupier interest

## Ownership

Regen Properties LLP are in control of the single ownership of the site, and no further land assembly is required for the site delivery. The site can be brought forward early in the plan period to meet the acute need for commercial space. Regen Properties LLP would be happy to submit an application during the plan production/examination process to demonstrate the schemes deliverability and our commitment to the scheme.

## The Opportunity

Regen Properties LLP have had detailed discussions with several potential major national and international online retailers, distributors and employers. The site has the potential to accommodate B8 users with ancillary offices. The site is ideally located given its ease of access to the strategic road network, including the M1, M25, A1, and A41, providing direct links to London, the South East and the Midlands. In addition to a strong local workforce.

## 2. The Site

### The Site

The site is located beyond the eastern edge of Bushey, between the A41 Watford Bypass and the M1 motorway. The site is bounded to the north by the Hilfield Brook stream, to the east by the A41 and Sandy Lane, and to the south and west, the National Animal Welfare Trust, and Hilfield Brook. The site has an area of 6.71 hectares.

The site is located within the Green Belt and is occupied by the Mercure Hotel with substantial hardstanding including car parking and sport pitches, associated green space to the south. The green space is overgrown, although was historically partially cleared, and is not accessible to the public. The condition of the hotel buildings is in significant decline.



Figure 1: Aerial View Site Location



In terms of gradients, the site level has a slight fall from the level of the A41 road towards the Brook, although surfaces have been levelled for the access road and car parking. The north-west of the site includes the hotel buildings, which comprise the main hotel which is set out in a quadrangle form with courtyard, and wings on the northern and west edges. The hotel ranges from two storey to three storey height, with the difference reflecting the variation in gradient on the site.

The portion of the site to the south and east of the hotel buildings is an area of semi-mature trees with clearings. This area of the site has previous planning history, including an implemented consent for a golf course, tennis courts and a clubhouse with car parking. A plan showing this approval is illustrated in Figure 2. Historical aerial photographs suggest clearing work was undertaken for the proposal, and there is evidence of trenches for foundations.

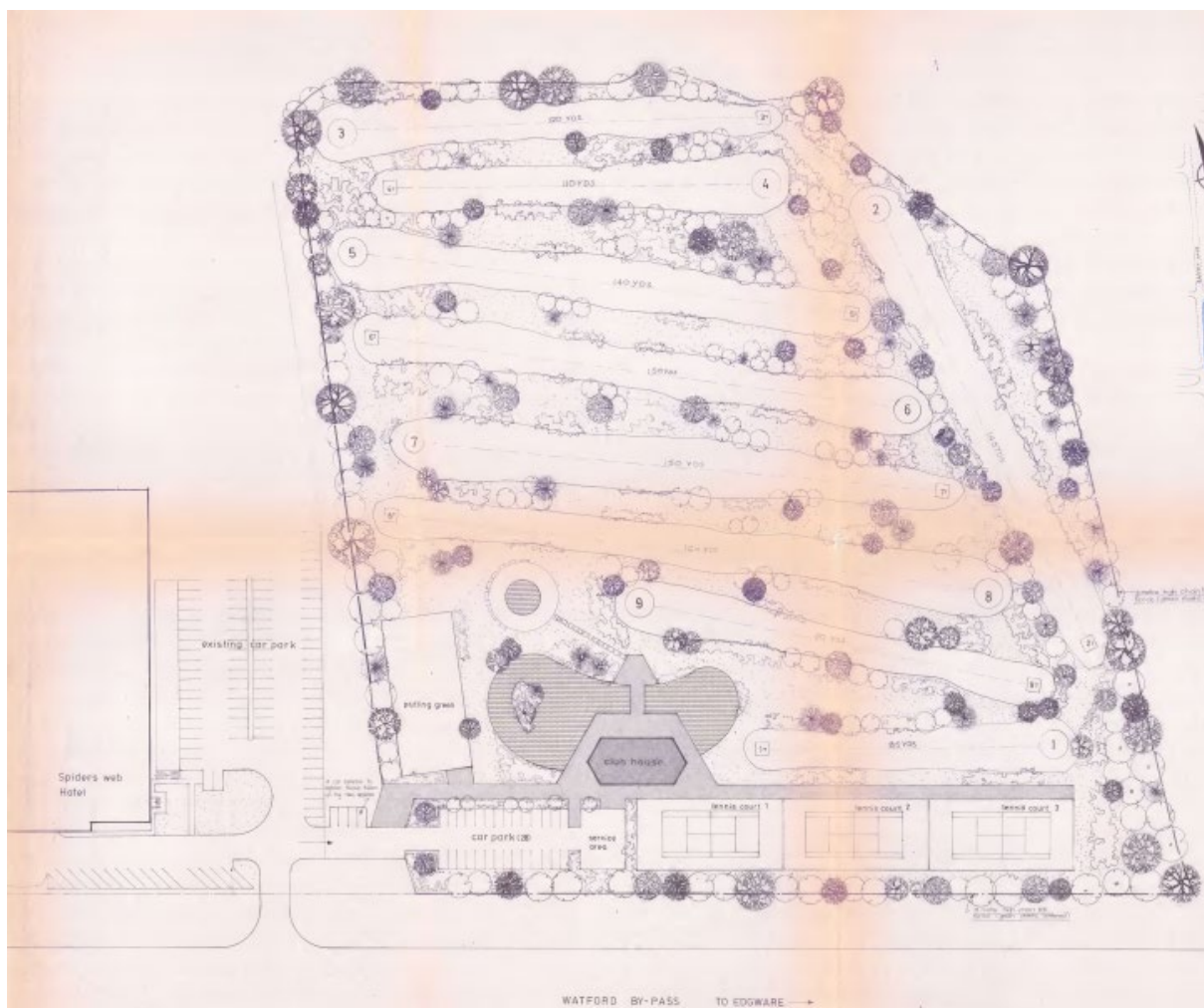


Figure 2: Implemented consent for the golf course and sports facilities (1989)

The proposal was implemented, and therefore the south-west portion of the land is previously developed land within the curtilage of the hotel.

## Planning History

The site has a substantial planning history (full history provided in Appendix 1), with the first reference on the online planning register being extensions to the 'Spiders Web Hotel' in the 1970s. The key permissions are as follows:

- First-floor extension (1978)
- Staff block (1979)
- Renewal of consent for first-floor extension (1983)
- New office (1984)
- Façade improvements (1988)
- A new block including squash courts (1988, revised 1989)
- 72 bedroom extension (1989)
- Rebuild of a portion, providing ten new rooms (1989)
- Bar and restaurant (1989)
- Change Of Use Of Agricultural Land To 9 Hole (Par 3) Mini-Golf Course With Floodlit Tennis Courts Club House And Ancillary Car Parking (1989)
- Two storey extension (1990)
- Change of use of bedrooms to conference facilities (1993)
- Erection of entrance canopy (1995)
- 29 bedroom extension and extended restaurant and bar, with internal road link (1999), an extension of time (2005, 2006)

# 3. The Proposal

Regen Properties LLP seek to secure an allocation for the site for commercial use and removal from the Green Belt. We have undertaken feasibility work and believe the site can easily accommodate approximately 30,000 sq metres of commercial floor space.

This representation is submitted with two masterplans for the site, each showing different potential configurations of commercial floorspace:

- Option 3 comprises five warehouse units, shown in Figure 3, with the main access point on the A41 (along with a secondary access point for car parking on Sandy Lane). These five units have a combined Gross Internal Area (GIA) of 27,681 sqm (equivalent to 297,965 sqft) of floorspace. This comprises 24,891 sqm of warehouse space and 2,790 sqm of ancillary office space.
- Option 4 comprises four warehouse units, shown in Figure 4, with the largest warehouse (Unit 100) located to the north west of the site. As with Option 3 the main access point is on the A41 and there is a secondary access point for car parking on Sandy Lane. These four units have a combined GIA of 28,436 sqm (equivalent to 306,090 sqft) of floorspace. This comprises 25,694 sqm of warehouse space and 2,743 sqm of ancillary office space.

The key layout and design principles that have informed these layouts, include:

- Vehicular access off the A41, within the western previously developed part of the Site;
- Highway safety improvements including the re-positioning of Sandy Lane entrance away from main junction removing potential conflicts;
- Retention of a minimum 20m wide band of vegetation along the southern edge of the woodland, retaining the mature oak trees and forming a strong visual screen to development in this part of the Site;
- Lowering the ground levels within the interior of the Site to reduce the overall height of the new buildings;
- Retention of the line of semi-mature specimen trees along the southern edge of the hotel area, as these trees contribute to the street scene along the A41;



- Retention and strengthening of existing boundary vegetation to the northern, western and eastern Site boundaries where possible to screen views from adjacent properties; and
- Provision of new tree and shrub planting to break up the office parking areas and within the incidental open spaces.



Figure 3: Option 3 Building Masterplan





Figure 4: Option 4 Buildings Masterplan



Figure 5: Option 3- 3D Perspective





Figure 6: Option 4 - 3D Perspective



Figure 7: Computer Generated Image



Figure 8: Computer Generated Image

There is potential for the site to be utilised within the land use class of B8 for storage and distribution. The B8 units would also include ancillary office functions as appropriate to a warehousing development.

The masterplans demonstrate that the development can be easily accommodated on site with space for parking, manoeuvring and substantial landscaping.

The development provides an opportunity to provide a comprehensive landscaping scheme that would involve tree planting and retention across the perimeter of the site, including the northern part of the site which currently includes the built form. The landscape scheme would be in the form of a 'green buffer', which would screen the site from the residential area opposite Hillfield Brook, and from the National Animal Welfare Trust. The green buffer function would be aided by maximising the potential for retention of the existing trees along the site perimeter. A 20m band of retained woodland along the southern edge next to the A41.

The site location is disconnected from the wider countryside by the major roads, M1 and A41, residential areas, and a range of non-agricultural land use. The historical development of the local area is such that the site does not meet with the NPPF purpose for including land within the Green Belt.

**The masterplans illustrate that the site can easily accommodate the proposals.**

## 4. Exceptional Circumstances

The NPPF requires that exceptional circumstances are demonstrated to justify the release of a site from the Green Belt. This chapter considers the policy context for this before the statement goes on to demonstrate the exceptional circumstances and benefits to the scheme.

### National Planning Policy Framework

The National Planning Policy Framework (NPPF) (2019) outlines the Government's position regarding Green Belt land in Chapter 13. Paragraphs 133 and 134 of NPPF provide commentary in relation to the purpose of Green Belt land.

"133. The Government attaches great importance to Green Belts. The fundamental aim of Green Belt policy is to prevent urban sprawl by keeping land permanently open; the essential characteristics of Green Belts are their openness and their permanence.

134. Green Belt serves five purposes:

- a) to check the unrestricted sprawl of large built-up areas;
- b) to prevent neighbouring towns merging into one another;
- c) to assist in safeguarding the countryside from encroachment;
- d) to preserve the setting and special character of historic towns; and
- e) to assist in urban regeneration, by encouraging the recycling of derelict and other urban land."

Paragraph 136 states that once established, Green Belt boundaries should only be altered where exceptional circumstances are fully evidenced and justified. Before concluding that such circumstances exist, the plan-making authority should be able to demonstrate that it has examined all other reasonable options for meeting its identified need for development.

Sir Duncan Ouseley has recently handed down judgment in the case of *Compton PC, Ockham PC & Cranwell v Guildford BC, SSHCLG & Ors* [2019] EWHC 3242

(Admin), dismissing three challenges to the adoption of the Guildford Local Plan under s113 of the Planning and Compulsory Purchase Act 2004.

The main issues in the case related to the justification for Green Belt release in the local plan to provide for a supply of around 14,000 houses when the objectively assessed need (OAN) was around 10,000 houses.

In considering the requirement in the National Planning Policy Framework that Green Belt boundaries should only be altered in exceptional circumstances, the Judge commented:

All that is required is that the circumstances relied on, taken together, rationally fit within the scope of "exceptional circumstances" in this context. The breadth of the phrase and the array of circumstances which may come within it place the judicial emphasis very much more on the rationality of the judgment than on providing a definition or criteria or characteristics for that which the policy-maker has left in deliberately broad terms.

There is a danger of the simple question of whether there are "exceptional circumstances" being judicially over-analysed. This phrase does not require at least more than one individual "exceptional circumstance". The "exceptional circumstances" can be found in the accumulation or combination of circumstances, of varying natures, which entitle the decision-maker, in the rational exercise of planning judgment, to say that the circumstances are sufficiently exceptional to warrant altering the Green Belt boundary.

General planning needs, such as ordinary housing, are not precluded from its scope; indeed, meeting such needs is often part of the judgment that "exceptional circumstances" exist; the phrase is not limited to some unusual form of housing, nor to a particular intensity of need.

It is clearly implicit in the stage 2 process that restraint may mean that the OAN is not met. But that is not the same as saying that the unmet need is irrelevant to the existence of "exceptional circumstances", or that it cannot weigh heavily or decisively; it is simply not necessarily sufficient of itself. These factors do not exist in a vacuum or by themselves: there will almost inevitably be an analysis of the nature and degree of the need, allied to consideration of why the need cannot be met in locations which are sequentially preferable for such



developments, of the impact on the functioning of the Green Belt and its purpose, and what other advantages the proposed locations, released from the Green Belt, might bring, for example, in terms of a sound spatial distribution strategy.

The analysis in Calverton P.C. of how the issue should be approached was described by Jay J as perhaps a counsel of perfection, but it is not exhaustive or a checklist. The points may not be all matter in any particular case, and others may be important, especially the overall distribution of development, the scope for other uses to be provided for along with sustainable infrastructure.

"Exceptional circumstances" is a less demanding test than the development control test for permitting inappropriate development in the Green Belt, which requires "very special circumstances."

The phrase "exceptional circumstances" should be considered as a whole, and in its context, which is to judge whether Green Belt boundaries should be altered in a Local Plan review. It is not necessary to explain why each factor or the combination is itself "exceptional". It does not mean that they have to be unlikely to recur in a similar fashion elsewhere. It is sufficient reasoning to spell out what those factors are and to reach the judgment. There is a limit to the extent to which such a judgment can or should be elaborated.

Sir Duncan Ouseley also held that it was lawful to allow headroom or a buffer of around 4,000 units of supply over OAN, to ensure that need was met and that a rolling five-year housing land supply was maintained. He concluded that the prospect that a level of housing in excess of the OAN might be achieved could contribute to exceptional circumstances for Green Belt release. In light of the pressing housing problems in Guildford, the Judge recognised that there would plainly be significant benefits in terms of affordability and affordable housing if more housing were provided than simply to meet needs.

The Judge concluded that the advantage of a higher level of housing supply could contribute to exceptional circumstances for Green Belt release. Taken as part of the whole group array of exceptional circumstances, there was nothing unlawful about that being seen as a useful or even significant advantage, in line with NPPF housing policy, and as a contributor to exceptional circumstances.

The Hertsmere Potential sites for Housing and Employment document states that regardless of the precise development requirement in the new plan, the Council expect to have a level of need greater than can be accommodated within our existing settlements, and so we will need to look to Green Belt sites for the shortfall. In 2021, the Council launched this additional employment call for sites to help identify new sites for employment designations. The proposal site would help address the identified shortfall.

Hertsmere is 82% Green Belt, and there are few alternatives to development in the Green Belt. The majority of brownfield sites have already been redeveloped or are in an active use. The need for Green Belt sites to meet employment needs is partially recognised in the existing Local Plan, which safeguards land in and adjacent to the Green Belt for commercial development (Cranborne Road and Elstree Way). The site on Rowley Lane (Elstree Way) has recently secured planning consent for the new Sky Studios development and is no longer available. As a result, within the new Local Plan, Green Belt allocations will be required to meet all the commercial development needs of the Borough.

Within the rest of this report, we will demonstrate that this site is a poorly performing parcel of Green Belt. That there is a severe need for new commercial space in Hertsmere and Hertfordshire, and that there are no planning constraints that restrict this site coming forward for commercial development.

# 5. Economic Need

## Strategic Importance of Industrial, Commercial and Logistics Development

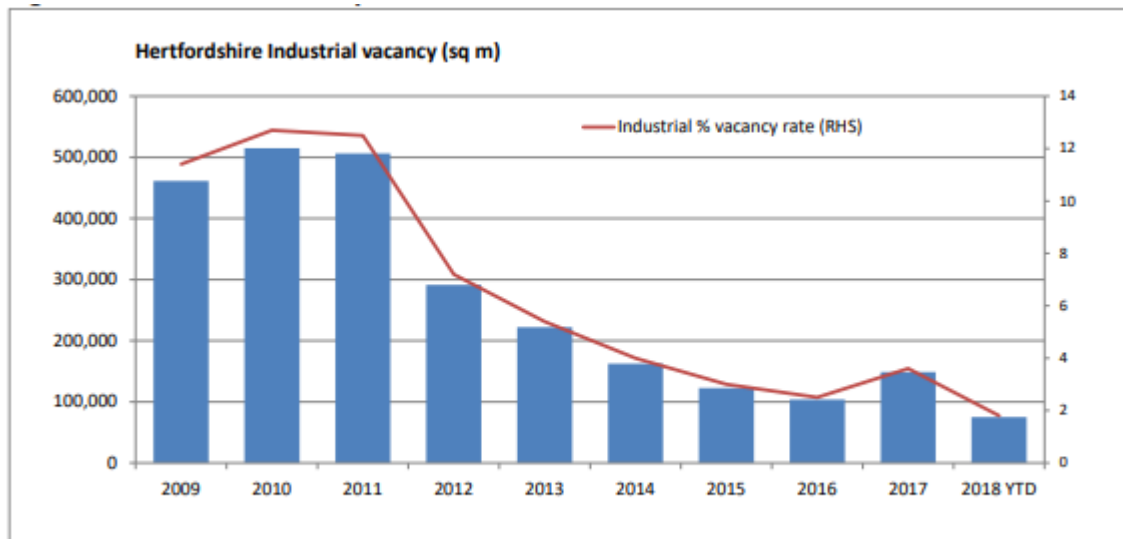
The industrial and logistic sector is increasing in strategic importance. Previous research undertaken by the British Property Federation, 'Delivering the Goods', highlights the economic contribution of the sector. Logistics activity currently accounts for 8% of the UK's workforce, and employment in warehousing operations has increased by 40% between 2009 and 2013. In terms of salaries, the average wage has grown at a higher rate (7%) over the last five years than the national average (3%). The perceptions of the sector are changing.

However, despite the economic contribution of the sector, there is a risk that the availability of land suitable for industrial uses is declining. Research undertaken for the report 'Keep London Working' shows that importance of retaining industrial sites and resisting the loss of sites to housing in London. The report shows that demand for industrial and logistics space is not just driven by population growth, but also by changing consumer habits. The UK already has the largest e-commerce sector in Europe and is estimated to be circa 20% of total retail trade in 2018.

The GLA in the Draft London Plan takes a protective approach to Strategic Industrial Land (SIL); the policy has shifted from managed release to "not a net loss of industrial floorspace". In order to meet the needs of future London residents, the GLA is also looking to authorities outside of London to assist in provision. There is a proposed policy of 'substitution'; Local Plans can consider, in collaboration with neighbouring authorities within and outside London, the scope to facilitate the substitution of some of London's industrial capacity to related property markets beyond London's boundary.

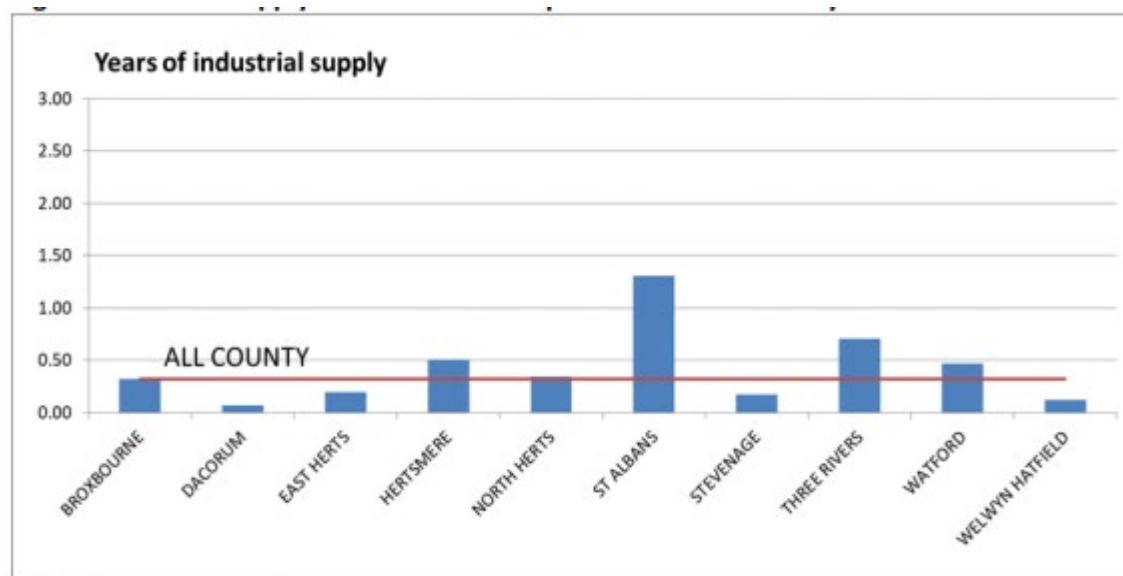
The Hertfordshire Local Enterprise Partnership along with LSH, published a study in February 2019 on the Loss of Employment Space in Hertfordshire. This found that the industrial sector has witnessed strong demand for industrial space, but the severe lack of available supply is constraining the market. This is demonstrated in Figures 9 and 10, which show how industrial vacancy rates have declined significantly and how little notional 'years' supply' of floor space there is to cater for demand. New stock is coming forward, but it is insufficient to meet demand levels. Development opportunities do exist, but difficulties with land

ownership and assembly are holding back some of these potential schemes. These factors are driving rental growth, which is reducing the competitive advantage of the County. However, alongside yield reductions, it is reinforcing development viability, although opportunities do need to come forward.



Source: LSH and CoStar

Figure 9 Hertfordshire Industrial Vacancy



Source: LSH and CoStar

Figure 10 Years of Industrial Space Supply

In terms of the industrial sector, Figure 11 summarises the picture for the industrial sector in Hertfordshire. This shows that there has been a net loss of approximately 370,500 sq. m. of industrial floorspace over the past decade. There were gains of approximately 550,000 sq. m. of industrial floorspace over this period, but this was off-set by the loss of almost 920,480 sq. m. of industrial floorspace.

<b>Industrial</b>	<b>VOA Stock 2008-09 (sq m)</b>	<b>Floorspace Gains (sq m)</b>	<b>Floorspace Losses (sq m)</b>	<b>Net Change (sq m)</b>	<b>Adjusted Stock 2017-18 (sq m)</b>
Broxbourne	567,000	61,520	50,110	11,410	578,410
Dacorum	679,000	83,311	126,616	- 43,305	635,695
East Hertfordshire	658,000	48,999	139,120	- 90,121	567,879
Hertsmere	381,000	23,660	65,351	- 41,691	339,309
North Hertfordshire	654,000	71,009	97,425	- 26,416	627,584
St Albans	408,000	29,263	71,308	- 42,045	365,955
Stevenage	595,000	61,072	113,239	- 52,167	542,833
Three Rivers	150,000	67,896	111,487	- 43,591	106,409
Watford	431,000	40,176	64,833	- 24,657	406,343
Welwyn Hatfield	688,000	63,077	80,990	- 17,913	670,087
<b>Total</b>	<b>5,211,000</b>	<b>549,983</b>	<b>920,479</b>	<b>- 370,496</b>	<b>4,840,504</b>

*Source: Hertfordshire County Council and LSH*

Figure 11: Composition of Changes in Stock of Industrial Floorspace in Hertfordshire

<b>Industrial</b>	<b>VOA Base Stock 2008-09</b>	<b>LPA Adjusted Stock 2012-13</b>	<b>LPA Adjusted Stock 2017-18</b>	<b>Stock Change 2008-9 to 2017-8</b>
Broxbourne	567,000	586,439	578,410	2%
Dacorum	679,000	643,600	635,695	-6%
East Hertfordshire	658,000	643,667	567,879	-14%
Hertsmere	381,000	358,792	339,309	-11%
North Hertfordshire	654,000	646,679	627,584	-4%
St Albans	408,000	393,017	365,955	-10%
Stevenage	595,000	559,323	542,833	-9%
Three Rivers	150,000	96,845	106,409	-29%
Watford	431,000	427,900	406,343	-6%
Welwyn Hatfield	688,000	679,194	670,087	-3%
<b>Total</b>	<b>5,211,000</b>	<b>5,035,456</b>	<b>4,840,504</b>	<b>-7%</b>

*Source: Hertfordshire County Council and LSH*

Figure 12: Change in Total Stock of Industrial Floorspace in Hertfordshire

## South West Herts Economic Land Study 2019

Hatch Regeneris has identified a need for 481,500 sq m of industrial space between 2018 and 2036. This can be further divided into 152,000 sq m of B1c/B2 space and 329,500 sq m of B8 space. We estimate this could support around 7,400 new FTEs between 2018 and 2036.

This requirement is based on past trends in the take-up of industrial space in South West Herts. The target is not aligned with any of the labour-demand or supply-led scenarios and marks a significant uplift on the estimates from the 2016 study (a net change of 11,300 sq m although this was made up of a fall in B1c/B2 space of 122,300 sq m and a positive requirement for 133,600 of warehouse space).

Although this is a considerable change, we believe it is justified by the consistently strong levels of demand for industrial space in South West Herts, which could have been even higher if the market was not undersupplied. The continued growth of online shopping is also likely to mean this strong demand is sustained.

Table 2 Indicative distribution of industrial space by district, 2018-2036		
	Total	p.a.
Dacorum	196,500	10,920
Hertsmere	81,900	4,550
St Albans	75,900	4,220
Three Rivers	28,800	1,600
Watford	98,400	5,470
Total	481,500	26,750

**Figure 13: Indicative distribution of industrial space by district 2018 to 2036**

With regard to the need for large scale (c.9,000sqm+) industrial space, the Study concludes that:

*"...These tend to be strategic warehouses occupied by national or global companies who prioritise access to the strategic road network and look for higher quality state of the art premises. This market is dominated by Maylands Business Park which offers good access to the M1. This has an availability rate of 4.7% indicating a shortage of space.*

*With such limited space available, it will be very difficult to accommodate demand for even modest amounts of space. There is therefore a significant danger that the FEMA will lose out on potential investment. There may also be*



*knock-on consequences for productivity if local businesses are dependent on a supply of local storage and distribution facilities for their supply-chains.*

*Although there have been a number of recent completions of industrial space, most notably the Prologis development at Maylands Business Park, overall there has been a net loss of space since 2008/9 (-195,000 sq m). This represents a 10% decrease in South West Herts' industrial stock since 2008...." (emphasis added) (South West Herts Economic Study Update 2019 Executive Summary paragraph xiv-xvi)*

The Study notes that the availability rate for industrial space has fallen dramatically since 2010 when it was 17.4%, further evidencing the existing level of shortfall in this sector. The potential indirect impacts of not meeting this demand on the wider economy are also noted and emphasised in the Study; as set out earlier in this Section, the direct and indirect employment impacts associated with the ongoing operation of the proposed redevelopment amounts to in excess of 700 FTE jobs.

When considering future needs, the Study identifies a need for 481,500sqm of industrial space across South West Herts between 2018 and 2036, of which just under 330,000sqm would be specifically associated with B8 use (the remainder would be for B1c/B2 use). Once commitments, allocated sites and safeguarded/proposed sites are accounted for the Study identifies that there remains a shortfall of 211,000sqm of industrial space across South West Herts<sup>14</sup>, however this should be treated with caution – the true scale of shortfall is likely to be higher because:

- When identifying supply in allocated sites, the Study (para 8.35) notes that some sites face significant constraints or face ongoing uncertainty about how much employment space will be delivered;
- For safeguarded and proposed employment sites there is significant uncertainty around the East Hemel Hempstead site in St Albans (see Study para 8.36) because St Albans Council has indicated it would prefer to avoid an over-concentration of large B8 uses on this site and include a mix of employment uses including office space (and in any event, the St Albans Local Plan was withdrawn in November 2020). The Study also raises concerns that the site is in close proximity to a number of existing business parks where there is an oversupply of office space and weak demand, in part due to poor transport connections; and
- Sites included as 'potential future allocations' were still subject to allocation in emerging local plans, most of which were also currently still within the Green Belt and would remain so until released through the local plan process. These sites would be subject to Green Belt impact assessments (amongst numerous other considerations) and there is therefore no certainty about these sites coming forward.

In conclusion, the Study finds that supply of employment space in South West Herts is at "*critically low levels*" (Study, para 10.9) and that the identified need for industrial space is justified in light of current demand and future forecasts, supported by recent trends (which have been accelerated by the Covid-19 pandemic). The Study acknowledges that the forecast need across South West Herts for industrial space represents significant growth potential, however notes that previous studies have relied upon forecasts which underestimated growth in industrial sectors and are inconsistent with recent trends, particularly around the increases in online retail (this reflects the Hertsmere Core Strategy which, at the time of being prepared, did not anticipate or plan for significant growth in the industrial sector). The Study notes that industrial sites will require good access to the strategic road network.

The proposed redevelopment of the Mercure Hotel site, which amounts to around 28,000sqm of business space, will make a significant contribution to the industrial land shortfall across the sub-region in a location which benefits from excellent access to the strategic road network.

Within Hertsmere specifically, the Study identifies an overall need for just under 82,000sqm of industrial space. Notably, the Study finds that there are no opportunities for intensification or redevelopment on existing industrial sites in Hertsmere, meaning additional industrial floorspace must come forward through new sites. 2.39 The most up-to-date evidence therefore indicates the scale of need and shortfall faced for large scale industrial space in South West Herts generally and in Hertsmere specifically; this is a shortfall that the proposed redevelopment of the Mercure Hotel site can help address. The Council's own evidence has identified that failing to meet this need could have wider economic consequences as the sub-region misses out on potential investment and local businesses could have difficulty in their supply chains.

Once supply is taken into account, when compared against the identified need of 82,000sqm, the Study finds a shortfall of 20,370sqm of industrial space in Hertsmere; whilst the proposed scheme is evidently larger than the shortfall identified for Hertsmere alone, it is important to note that:

- The overall shortfall across the Functional Economic Market Area (FEMA – which comprises the rest of South West Herts) justifies providing this scale of development. The nature of a FEMA is that it represents the geographical areas across which people and businesses will migrate in search of employment and business space. In the case of South West Herts, the FEMA also corresponds with the Housing Market Area [HMA] which represents the geographical areas across which individuals generally search for housing, taking into account factors such as commuting; and
- The Study's assessment of supply in Hertsmere includes 44,800sqm (i.e. roughly half of the identified need) of safeguarded and proposed sites, a

significant proportion of which are not allocated and as such remain in the Green Belt.

The most up-to-date evidence therefore indicates the scale of need and shortfall faced for large scale industrial space in South West Herts generally and in Hertsmere specifically; this is a shortfall that the proposed redevelopment of the Mercure Hotel site can help address. The Council's own evidence has identified that failing to meet this need could have wider economic consequences as the sub-region misses out on potential investment and local businesses could have difficulty in their supply chains.

### **Economic growth is a priority in local planning policy**

The strategic location of Hertsmere for transport and availability of a skilled local workforce is emphasised in the Hertsmere Local Plan (2012-2027), adopted in January 2013. It is noted in the current Local Plan that one of the document's key roles is to "maximise economic development and employment opportunities in the Borough".

'Policy CS8 Scale and distribution of employment land' states that "The Council will support development proposals in appropriate locations, which attract commercial investment, maintain economic competitiveness and provide employment opportunities for the local community". The Proposed Development supports these aims of the Council and helps meet these needs now, in a deliverable form.

### **Growing the local economy will continue to be a priority in the new Local Plan**

Hertsmere has set the early vision and direction of the Local Plan. Which states a "strong local economy" is a key component of the vision statement for Hertsmere, alongside being "an attractive and more affordable place to live" and having a "better environment".

In order to support the vision, the priorities for economic growth include identifying more sites for development and promoting investment. Amongst other sectors, jobs in the wholesale, storage and distribution will play a critical part in delivering growth in the local economy.

## Economic Planning Policy

At a national level, the planning system is expected to play an economic role. The National Planning Policy Framework (NPPF) and accompanying Planning Practice Guidance (PPG) set out the Government's statutory planning policies for England. Both are built around a policy commitment to sustainable development. In addition to a social and environment objective, the planning system has an economic objective (paragraph 8):

"an economic objective – to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure."

At the heart of the NPPF is a presumption in favour of sustainable development, which requires local authorities to adopt a positive approach in order to "seek opportunities to meet the development needs of their area".

The "economic role" of a development is emphasised in the HM Treasury's 'Fixing the Foundations' report in July 2015, which sets out the plan for increasing national productivity and creating a more prosperous nation. The plan establishes the importance of productivity growth alongside increased levels of employment, which is the key to achieving a stronger nation with richer families and improved living standards, such aspirations are continued in the recent planning white paper – 'Planning for the Future' 2020.

The Government's approach to raising national levels of productivity focusses on two elements:

- Encouraging long-term investment in economic capital, including infrastructure, skills and knowledge; and
- Promoting a dynamic economy that encourages innovation and helps resources flow to their most productive use.

The purpose of the 'Modern Industrial Strategy White Paper' is to strengthen the five foundations of productivity which have been identified by the Government: ideas, people, infrastructure, business environment and places. The purpose of the strategy will be to foster collaboration between universities, companies and entrepreneurs to increase the productivity of the UK economy. The publication of this White Paper demonstrates the Government's commitment to a holistic and "joined-up" strategy for the industry.

Within Hertsmere, there is an acute need for new commercial space both in the short term. Commercial space needs to be delivered on larger sites, such as this, to get the sufficient scale buildings to meet occupiers requirements. As a result, to meet the need Hertsmere need to release Green Belt land to meet this need. This previously developed site within the Green Belt is a sustainable and deliverable site which will help meet this need.

## **Covid Response**

Hertsmere Councillors have recently agreed on a strategy setting out how the Borough's economy will recover from the Covid-19 Pandemic.

The council looked at the impact of the Pandemic on people, businesses and the town centres and what Hertsmere Borough Council and its partners need to do over the next five years to recover from this major economic shock.

As well as measures to support businesses and people through the immediate Pandemic the plan sets out wide-ranging actions to ensure that the economy is able to respond to new opportunities in green growth, film and television, technology, sport, clean energy and medical technology. Innovation and skills are at the heart of the strategy. Given the Borough's strategic position close to London and within the strategic road network – the Council is well placed to respond.

**This proposal will help support the Council's aspiration to respond to the Pandemic with a significant increase in new jobs, and economic generation as set out above.**

## 6. Green Belt and Landscape

CSA Environmental has produced a landscape and visual assessment (March 2021) to support this submission.

### Purposes and characteristics of the Green Belt

The NPPF (paragraphs 133 and 134) identifies that the essential characteristics of Green Belts are their openness and permanence and that they serve the following five purposes:

- a) To check the unrestricted sprawl of large built-up areas.
- b) To prevent neighbouring towns merging into one another.
- c) To assist in safeguarding the countryside from encroachment.
- d) To preserve the setting and special character of historic towns.
- e) To assist in urban regeneration, by encouraging the recycling of derelict and other urban land.

Any harm to the Green Belt, therefore needs to be assessed against these key characteristics and purposes. As a result, CSA Environmental, the appointed landscape consultants and ourselves, have assessed the site against these purposes:

#### *a) Checking unrestricted urban sprawl*

The Site is detached from any large built-up area, although it is situated within a developed parcel of land and represents part brownfield, part infill development. It plays no role in preventing sprawl of large built-up areas and is considered to make **no contribution** to this Green Belt purpose. Importantly this site is also a previously developed site which is due to become vacant in late 2021/early 2022.

#### *b) Preventing the merging of towns*

The Site forms a small part of a wider gap between Bushey Heath and North Bushey, and the smaller settlement of Patchetts Green, large parts of which are already developed, with the M1 motorway also providing a strong separation. The western part of the Site is previously developed and development of the Site as a whole result in a negligible change to the existing situation, and would not lead to coalescence or the perceived merging of settlements when travelling along the A41. The Site is considered to make a **relatively weak contribution** to this Green Belt purpose.



*c) Safeguarding the countryside from encroachment*

The western part of the Site is previously developed land occupied by various hotel buildings, whilst the woodland vegetation visually contains the eastern part of the Site. The Site also adjoining built development to the east (at Burn Close), north (at the Sandy Lane Caravan Park) and to the west (along Sandy Lane). Furthermore, the Site is located within a narrow parcel of land between the A41 and the M1, which physically separate it from the wider countryside. The Site is considered to make a **relatively weak contribution** to this Green Belt purpose.

*d) Protection of Historic Towns*

The Site lies within an area of land between two main roads and does not adjoin any historic town or Conservation Area. The Site is considered to make **no contribution** to this Green Belt purpose.

*e) Assisting urban regeneration*

The Council's Employment Land (South West Herts) Review clearly identifies there to be a lack of available and suitable sites outside of the Green Belt to address identified employment needs in the Borough and to accommodate sub-regional demand for high-quality logistics development within the M1, M25 and A41 corridor. Viability issues related to the delivery of brownfield sites for employment development contributes to this, with land values for employment generally being insufficient to deliver viable schemes, which leaves them vulnerable to higher-value uses, notably housing. It is therefore considered that there is clear evidence to show that a development in the form proposed could not be accommodated or delivered on any alternative site that would better assist urban regeneration. The development is therefore considered to create **no harm** in relation to this Green Belt purpose.

## **Permanence and openness**

The proposed development would result in some limited harm to the openness of the Green Belt, given the development of large-scale employment units on a previously developed site. However, the extent of harm is significantly limited by the existence of very strong natural boundaries to the site, and the effect that these boundaries have in defining the character of the site as a contained tract of land on the urban fringe, rather than as open countryside.

Overall, the Site is assessed as making very little – no contribution to the Green Belt purposes, and would recycle previously part developed land. The Site could therefore be released from the Green Belt and/or allocated for development,

without conflicting with the Green Belt purposes.

## **Visual Effects**

The Site is very well contained by virtue of the dense vegetation to its boundaries and within the surrounding landscape. Where views are possible from the A41 and Sandy Lane, they look towards the existing hotel buildings and the vegetation along the southern boundary in the east of the Site.

The new industrial warehouse buildings would be visible from the section of the A41 which adjoins the southern site boundary, with views from further afield being restricted by roadside vegetation. The warehouse building in the east of the Site will be well screened by retained vegetation along the southern Site boundary.

Views from Sandy Lane and properties on its western edge, adjacent to the Site boundary, will look towards the new industrial buildings in the west of the Site, filtered by retained boundary vegetation. New planting along this boundary will provide further containment and screening of views, as it matures.

A heavily filtered view of the new warehouse building in the east of the Site will be possible from the adjacent property at Burn Close, although retention and strengthening of the eastern boundary vegetation will further screen this view, as it matures.

Heavily filtered views of the new industrial buildings in the west of the Site will be possible from parts of the Bushey New Jewish Cemetery to the south, during winter months when vegetation is without leaf cover. These views will be screened in the summer months.

The proposed development will not be visible in views from the M1 motorway, with intervening roadside vegetation screening views.

Glimpsed views of the upper sections of the buildings may be possible from the Sandy Lane Caravan Park to the north, although retained vegetation to the northern Site boundary will screen the vast majority of these views.

## **Landscape Effects**

The site has been assessed as being of low landscape sensitivity to the proposed development type, in the western part and medium sensitivity in the eastern part. The Site Plans illustrate how the proposals have been designed to retain existing vegetation to the Site boundaries, which will provide strong containment to the development, particularly in the eastern part of the Site. The majority of

the interior of the existing woodland would require clearance in order to facilitate development, although the higher quality oak trees along the southern edge of the woodland would be retained within a 20m band of vegetation. The Site boundaries would be reinforced with additional native planting, and new tree and shrub planting will soften the car parking and incidental open space areas within the Site.

The character of the Site would undergo some change, as the existing hotel buildings are replaced with industrial warehouses. However, the well-contained nature of the Site and limited opportunities for views, together with its location between two main roads, will mean the effects on the local landscape will be limited to the immediate confines of the Site, as illustrated in Figure 14.



**Figure 14: Aerial perspective of the Site**

## Landscape Conclusion

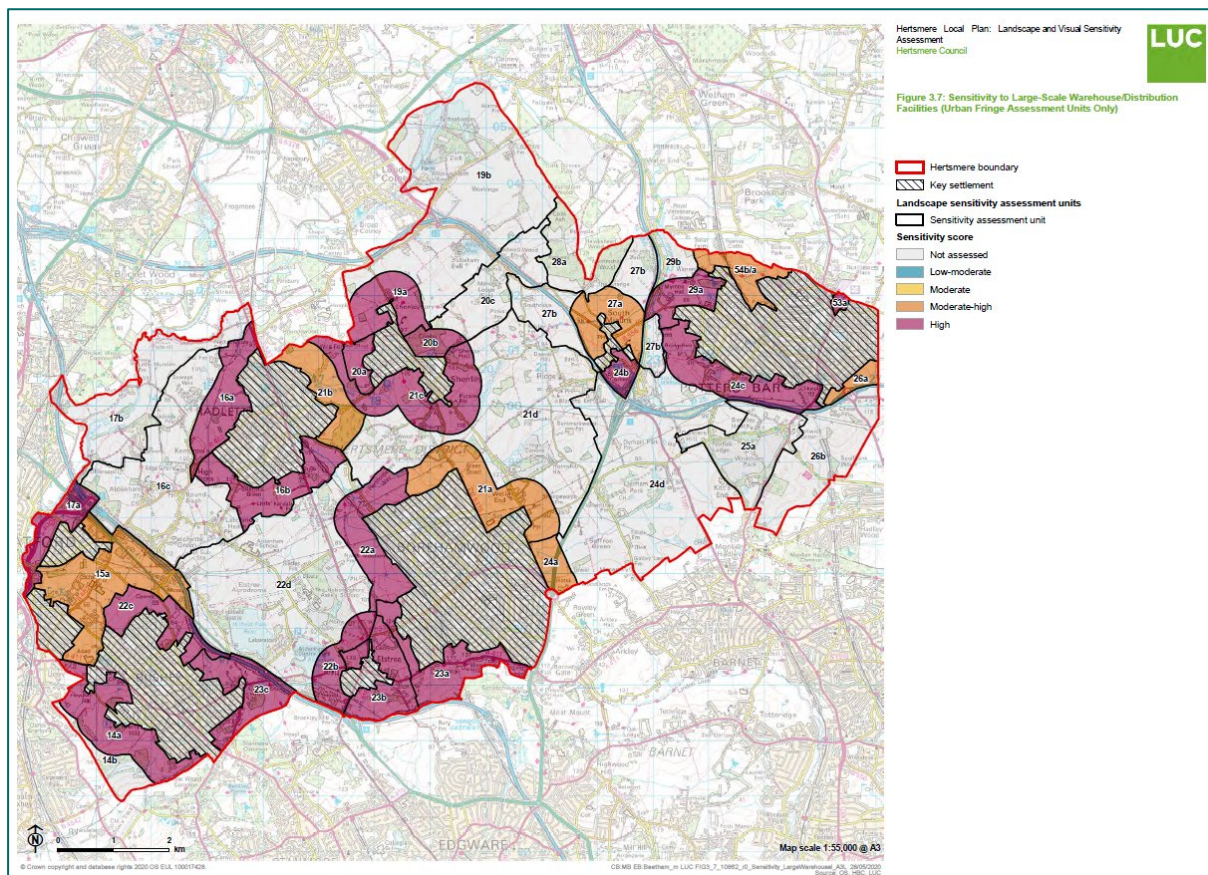
The Site forms part of a narrow swathe of land between the A41 and the M1 motorway. It is bound to the east by a cluster of development at Burn Close, to the south by the A41, beyond which is the Bushey New Jewish Cemetery, to the west by Sandy Lane and built form along its western edge including McDonalds, and to the north by the Sandy Lane Caravan Park.

The Site is not covered by any designations for landscape character of quality. It is not publically accessible, and views of the Site are limited to the immediately



adjacent roads and properties. The western part of the Site is previously developed with some scattered trees to its boundaries and car park areas, whilst the eastern part of the Site comprises an area of woodland. Overall the western part of the Site is assessed as being of low landscape quality, sensitivity and value, whilst the eastern part of the Site is assessed as being of medium landscape quality, sensitivity and value.

Hertsmere has also commissioned consultants LUC to review the landscape sensitivity of areas of Green Belt to different forms of development. As illustrated in Figure 15, the submission site was identified as an area of lower sensitivity than other edge of settlement Green Belt areas for Warehouse/Distribution development in Hertsmere. As a result, it is a more appropriate location for commercial development in the Green Belt than other areas of Hertsmere.



**Figure 15: Aerial perspective of the Site**

As shown on the Site Plans, the Site could be developed for new industrial warehouse development, with associated offices. The proposals will retain existing vegetation to the Site boundaries, including a 20m wide band of vegetation along the southern edge of the woodland. The majority of the interior

of the woodland would however, require clearance in order to facilitate development in the eastern part of the Site. New planting is however, proposed in the form of native tree planting to strengthen the existing boundaries, and tree and shrub planting to soften the car parking and incidental open space areas.

The proposed development will be well contained by boundary vegetation, with views limited to the immediately adjoining roads and properties along Sandy Lane and the A41. Retained boundary vegetation will also be strengthened with new native planting, which will further screen any views as it matures.

Given the Site's location within a largely developed parcel of land between the M1 and A41, and its part previously developed nature, **the Site is capable of being removed from the Green Belt and allocated for development, without compromising the objectives and purposes of the Green Belt or impacting on the wider landscape character of the area.**

## 7. Transport and Accessibility

EAS Transport Planning has prepared a Transport Review (March 2021), which demonstrates that the site is highly suitable for being brought forward as a commercial development from a highways and transport perspective.

EAS have started to model the proposed vehicle movement proposed from the site; any impact would be within the anticipated day to day traffic variation levels on the highway network. A full assessment would be undertaken when traffic flows are considered to be valid for assessment purposes. A form of assessment has, however, been completed to establish the likely additional traffic in percentage terms, and this is expected to be 3.8% in each direction at the site frontage and around 1% or less in the peak hour at the M1 J5 interchange. As a result, the proposal fully meets the NPPF, Local Transport Plan and the current Hertsmeire development plan

Pedestrian and cycle connectivity will be improved. At present, there is no facility to cross the A41 at the traffic signals at the junction of Sandy Lane. The rationalisation of road space afforded by the closure of the northern access into the site would assist with the implementation of a crossing point and a new pedestrian/cycle phase in the signal cycle.

This access point would then be relocated further east along Sandy Lane so that it is further away from the A41 solving current negative traffic interactions. This new access point would be to a car park only, and so no large vehicles would use this better-positioned access point.

A continuous pedestrian route could then be implemented linking the existing cycle route on the western side of the A41 to the site and eastwards along Sandy Lane, also allowing pedestrian and cyclist access to the McDonalds restaurant and the permanent residential caravan site etc.



The rationalisation of the highway will improve the efficiency of the signal junction operation, and the benefits described would most likely improve road safety. It is noted that there have been a number of slight accidents in the vicinity of this junction.

The main access point for HGV use would remain more or less at the current position, which has been shown to be very safe. There have been no accidents recorded in the past five years, and junction visibility is very good. As a fall back position, this access may also be converted to a signalised junction that could also incorporate a pedestrian and cycle crossing stage. In this eventuality, both junctions would be linked, and a new controller would be implemented, potentially working on a SCOOT system.

Regen Properties LLP are undertaking ongoing highways pre-application discussions with Hertfordshire County Council who have stated:

*HCC consider the site well situated to comply with Policy 16 (Freight and Logistics) of LTP4. However, due to the lack of bus service provision and the restricted car parking proposed it is essential that other methods of sustainable travel (walking, cycling, car share etc.) are maximised through a Travel Plan to ensure compliance with the remaining policies of LTP.*



**Figure 16: Aerial perspective of the junction**



**Figure 17: Streetview perspective of the junction**

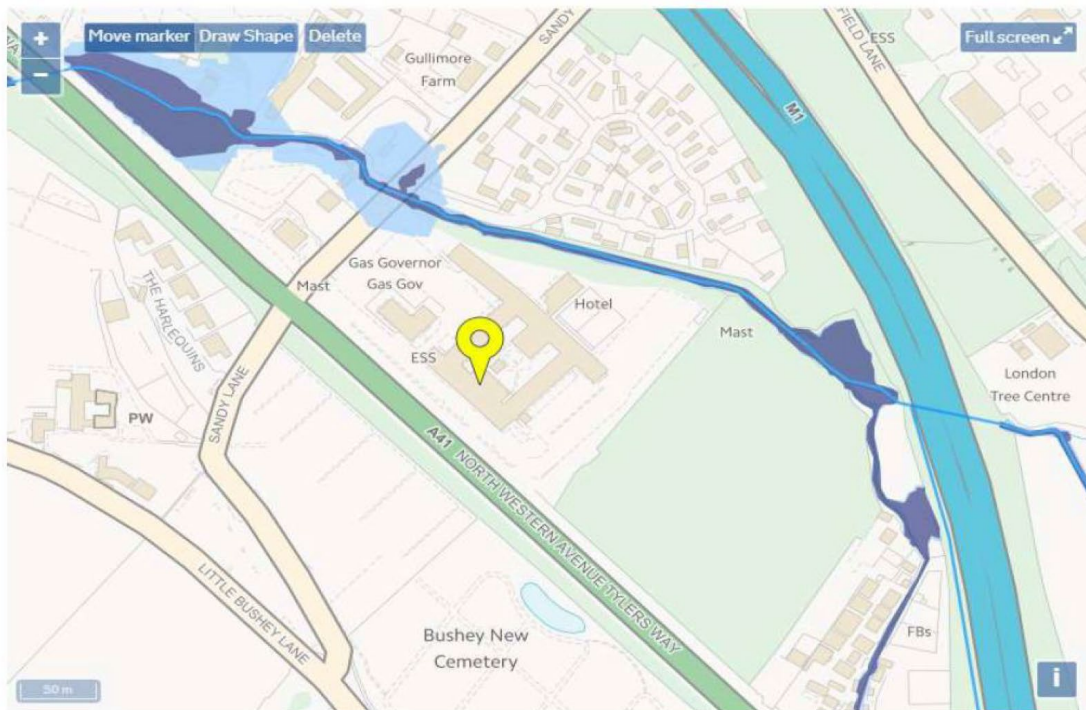
The proposed highway amendments associated with the development are beneficial in highways and transport terms and offer significant improvements to local network while being compliant with national and local policies. The improvement of the existing and potential varied junction arrangements would improve road safety and significantly improve crossing connectivity for sustainable modes which is lacking at this point of the highway network, where the east and west side of the A41 are currently effectively severed to non-motorised users. **There is, therefore, no highways or transportation reason why the proposed development should not be considered favourably in the Local Plan review process.**



# 8. Flood Risk

This representation is submitted with a Flood Risk and Drainage Site Appraisal from consultants EAS (March 2021).

According to the Environment Agency Flood Map for Planning inset below, the majority of the site is located in Flood Zone 1 with a minor area of Flood Zone 2 located. The area in Flood Zone 2 will not be subject to any development and therefore does not present a concern for this style of development. In any event a 'B8 land use' is a 'less vulnerable' land use in terms of EA guidance.



**Figure 18: Extract of the EA Flood Map for Planning**

It should be noted that the Environment Agency Long Term Flood Risk map, inset below, shows the site to be located in a reservoir flood extent, in this instance sourced from the Hillfield Park and Aldenham Reservoirs located approximately 1.5km to the south east of the site. This extreme flood event would mean that the reservoir would have failed. Reservoirs are subject to rigorous inspections and are designed to the standards as set out in the Reservoirs Act. It is not possible to have a prior warning of a failure of this type, and for this reason, it has been considered a 'residual risk'. This is, of course, a very low likelihood.



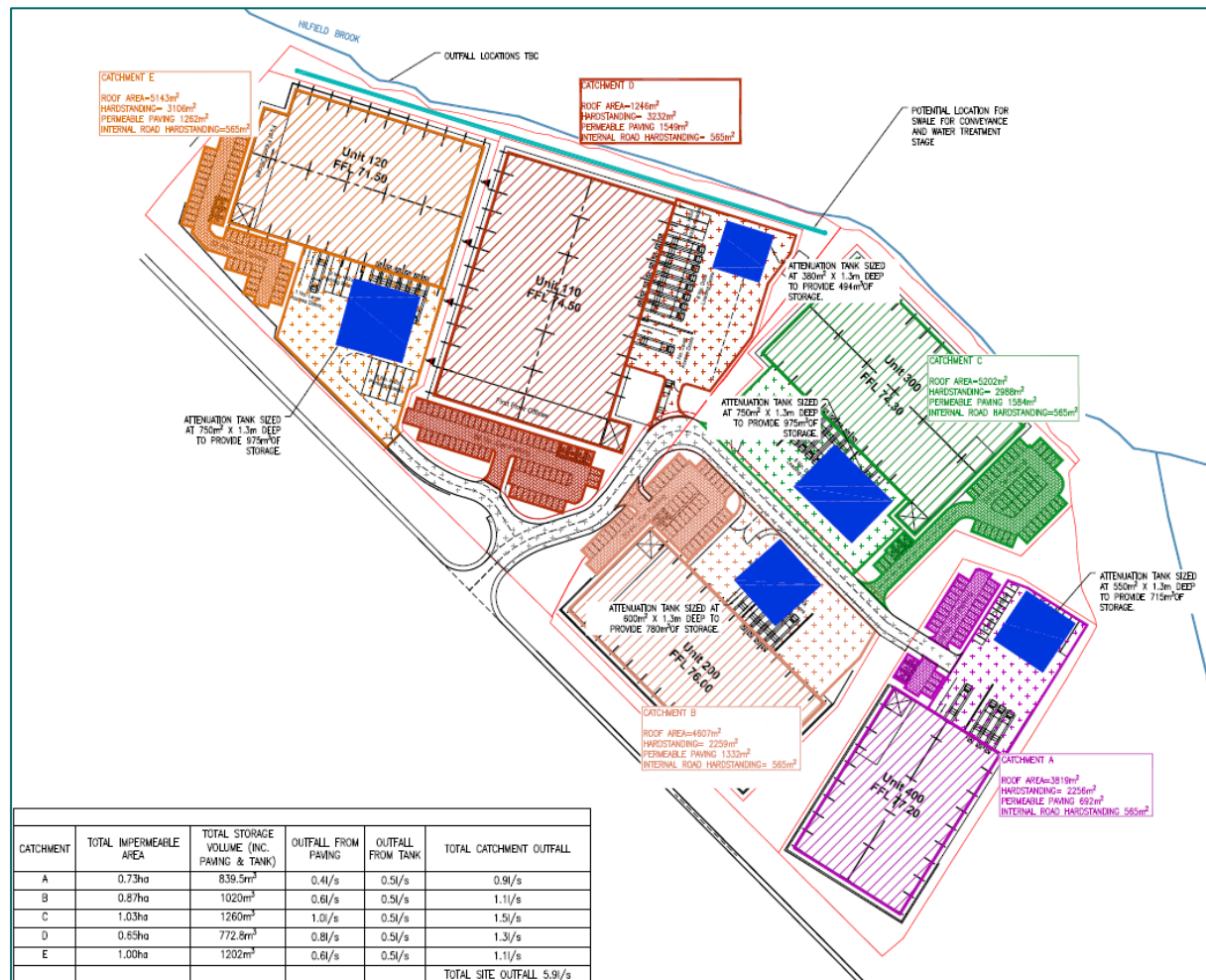
**Figure 19 Flood Risk from Surface Water map**

There are sporadic areas within the existing site shown to be at high risk of surface water flooding however the site is largely at very low risk. Alterations to the site layout and levels alongside the introduction of a sustainable and effective surface water drainage strategy is likely to alleviate if not eliminate the identified surface water flooding. Groundwater flooding has not been identified as an issue at the site however site-specific investigations would inform groundwater levels at the site. Overall, no significant flood risks which cannot be mitigated or managed have been identified.

Preliminary attenuation calculations have been undertaken at this stage using site layout Option 3. The geology of the site alongside its proposed use means infiltration has not been pursued. In the absence of surface water sewers and in line with the SuDS hierarchy, it is proposed to have a restricted outfall to the Hilfield Brook. The initial calculation show that there is ample storage available on site to restrict flow to the QBAR greenfield runoff rate.

At present the attenuation storage has been provided by attenuation tanks and permeable paving however above ground features need to be provided on site. These features will be able to provide the needed water treatment stages prior to the outfall to the brook.

The surface water drainage strategy should include features that improve water quality, biodiversity, amenity and habitat creation. The proposed drainage strategy should provide the required water treatment stages as outlined in Table 26.2 of the CIRIA SuDS Manual C753. There are opportunities within the proposals to improve water quality and reduce runoff when compared to the existing site.



**Figure 20 Preliminary Surface Water Drainage Scheme**

Consultation with Thames Water regarding foul sewer capacity is currently underway.

In conclusion, the proposals adhere to the NPPF with regards to flood risk. It is likely that this proposal would reduce the severity of flooding at the north eastern corner of the site as runoff from the site will be considerably lower than that which exists at present. There are also practical and sustainable solutions for the surface water drainage. **There is no reason from a flooding and drainage perspective for this site not to be allocated in the forthcoming Hertsmere Local Plan.**

## 9. Ecology and Trees

CSA Environmental have undertaken produced an Ecological Overview (March 2021) to support this submission.

Within their report, they note that no impacts to nature conservation designations are predicted as a result of commercial development of the Site, subject to the provision of open space which is proposed to the south of the site and informally to the north.

The western parcel (Mercure Hotel) of the Site comprises previously developed land of limited intrinsic ecological interest. Subject to appropriate protections of notable grassland, and native trees, development of this portion of the Site is unlikely to give rise to significant adverse effects in respect of ecology.

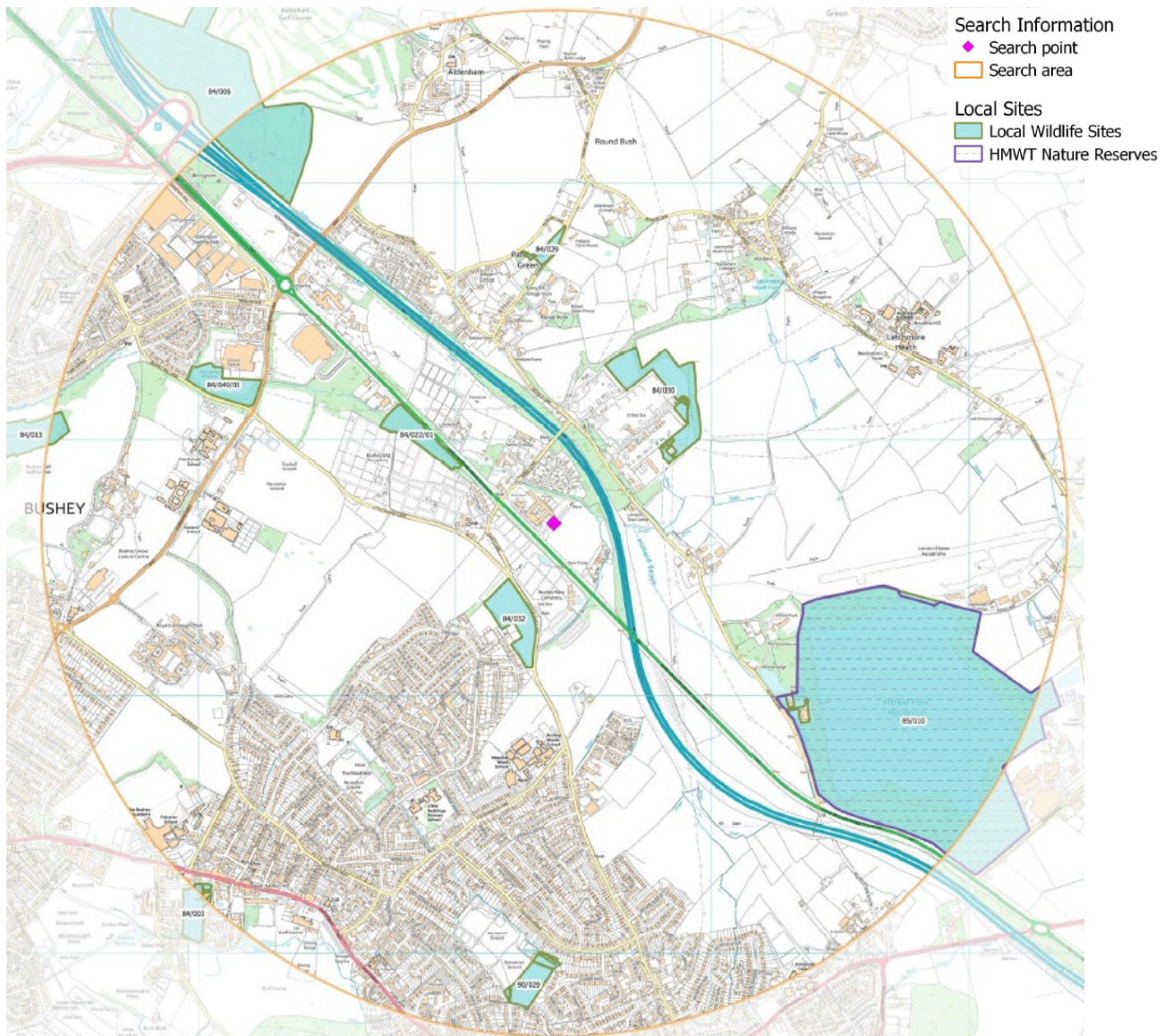
The eastern parcel of the Site comprises both scrub wooded and open habitats anticipated to support a range of fauna. The loss of this secondary woodland habitat, whilst undesirable, could be mitigated for through the creation of more extensive and/or diverse woodland habitat off-site, to ensure accordance with the National Planning Policy Framework (NPPF, 2019). Furthermore, such intervention could be designed and implemented to deliver biodiversity benefits in excess of the mitigation requirements, and thereby align with future Biodiversity Net Gain (BNG) requirements. Such an approach would need to fully document that mitigation hierarchy has been accorded with, and that all opportunities to minimise impacts are taken. It is likely that any off-site mitigation/compensation would need to allow for measures in respect of protected and/or notable fauna subject to the findings of further survey works, which are currently underway.

Overall, given the Site's urbanised and isolated context, and the nature of the recently established habitat, providing new habitat that is better integrated into the local ecological network would, in-time, deliver greater benefits for biodiversity than leaving the site undeveloped.

Further survey work is underway and the results of these surveys will be shared with the Council at the appropriate times:



- Detailed botanical survey and Habitat Condition Assessments
- Bat surveys: Preliminary Roost Assessment (PRA) of Structures and Trees; Nocturnal Bat Roost Surveys of Structures and Trees; Remote Monitoring of Bat Activity
- Breeding Bird Surveys
- Otter and Water Vole Surveys
- Badger Survey
- Reptile Surveys



### Figure 21 Ecological Sites

Consultants DCCLA (March 2021) have reviewed the trees on site. There are no protected trees on the site. A tree note is submitted with this representation and makes conclusions and recommendations. In terms of the hotel area, the trees

are low quality or unremarkable trees as set out within BS 5837:2012. However, trees along the site boundaries provide screening to the existing development and any proposed development and should be retained where possible. The consultant notes recommend that trees are retained and planted at site boundaries to assist with screening.

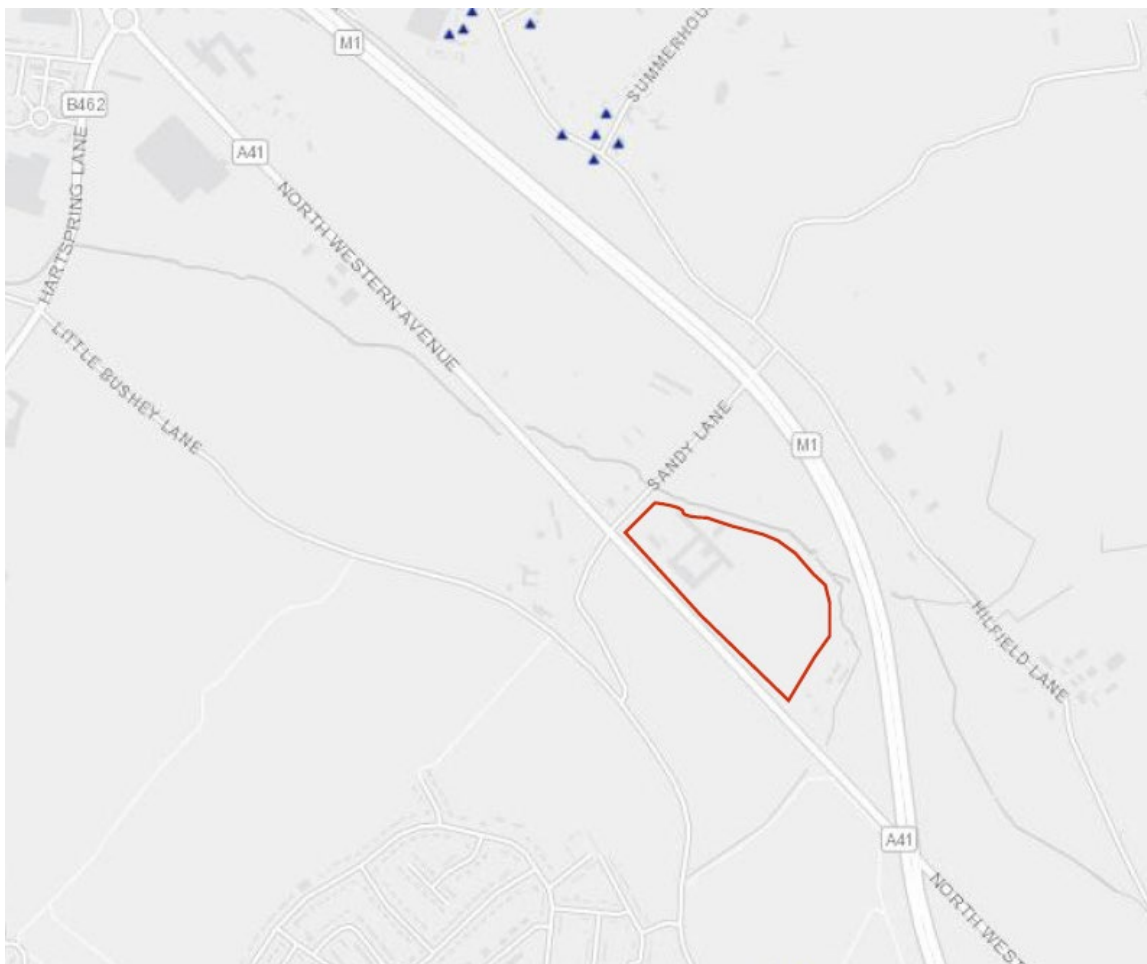
There are, therefore, **no ecology or arboricultural reasons why the proposed development should not be considered** favourably in the Local Plan review process.



# 10. Heritage

The site does not contain any listed buildings or locally listed buildings. Nor is it within a conservation area. The site is also not an area of archaeological interest.

The nearest heritage assets are located on Hilfield Lane, which is the opposite side of the M1 motorway and as a result, would be unaffected by the proposals.



**Figure 22: Heritage Assets**

Therefore, this proposal will have **no impact upon heritage asset** and is policy compliant with the NPPF and current Local Plan. The proposed development should be considered favourably in the Local Plan review process.

# 11. Other Technical Matters

Regen Properties LLP have appointed consultants TRC to review a number of technical matters at the site.

## Ground Investigation

Earliest available mapping (1872) shows that the Site is undeveloped. The Site appears to be first developed in the mid-late 1930s and is occupied by a swimming pool, a large development and a few smaller developments named Spiders Web, which was a roadhouse club. Between the 1960s – 1970s the roadhouse club appears to be demolished, with some of the building structures remaining on Site.

Between the late 1970s and early 1980s a motel is developed. The motel building expands in 1999 and is identified as a hotel on the 2003 maps. A road appears on Site on in 2013 associated with the hotel and the Site. Historically the surrounding areas largely comprised a mixture of undeveloped, commercial, industrial and residential land uses. There have also been sandpits and marshland on the Site and in the vicinity of the Site.

TRC consider the Site to be generally low to moderate risk with respect to contaminated land liability. Historic commercial land uses on Site and industrial and commercial land uses in close proximity to the Site have been identified by this review, which may have resulting in potential impact to underlying soils and groundwater. Previous phases of redevelopment may also have resulted in the placement of Made

The development proposals will likely include Site wide hardstanding with some soft landscaping. The hardstanding will continue to largely eliminate pathways between Site users and potential contamination within the soils and groundwater and any soft landscaped areas will be suitably capped with clean material (300mm – 150mm topsoil over 150mm subsoil). The scrub area is to have any historical completed development (just the implemented golf course) and therefore there is an absence of potential contaminant sources; as a result it is considered development for commercial should be acceptable without significant requirements for remediation.

TRC recommends a Phase II which is currently being undertaken.

### Air Quality

The site has also been assessed with regards to air quality; the initial readings identify that the site is within the accepted standards and readings. The proposed use would not result in any undue impact with potential occupiers utilising low carbon vehicles and technologies.

### Noise Survey

Noise surveys have been undertaken at the site, and the initial results demonstrate that the site is appropriate for the proposed commercial use, and there would be no undue impact as a result of the proposal. The proposal a sufficient distance from residential properties to cause any harm.

Therefore, this proposal will have **no impact on contamination, air quality and noise**, and is policy compliant with regards to NPPF and the current Local Plan. The proposed development should be considered favourably in the Local Plan review process.

# 12. Case of Exceptional Circumstances (Benefits)

## The Need

The supply of industrial space has been acute across the County over the past few years, having fallen steeply from a relatively elevated position in 2011. According to blended Co-Star and LSH published by the Hertfordshire LEP, only 75,128 sq. m. of industrial space is currently vacant across the County (2019), leaving the vacancy rate at a record low of only 1.8%. Furthermore, in terms of sizing, there is currently nil vacancy of units in excess of 5,000 sq. m. Strong take-up seen earlier in the decade was fuelled in part by significant levels of supply in the market, with the early stages of economic recovery coinciding with the ready availability of competitively priced space. The position has since turned on its head, with a severe shortage of space in the market driving strong rental growth but arguably stifling potential activity. Whilst permitted development has played a key role in removing vacant space from the office market, the fall in industrial supply has been particularly driven by the strength of demand. Driven by technological advances, structural change in shopping patterns is supporting the growth of logistics and distribution activity, a trend being seen all around the UK and particularly so in the wider South-Eastern corner of the UK. The demand for industrial space has increased significantly in 2020 as a result of the COVID-19 Pandemic – with a significant increase in online and home delivery sales, occupiers are desperately seeking additional space close to residential areas, and major road infrastructure to meet their customer's needs and demands.

'Years of supply' usefully places industrial vacancy levels into context with prevailing take-up. For Hertfordshire, current vacancy equates to only 0.3 years of supply (i.e. four months), based on average annual take-up of 200,000 sq. m. per annum. This represents an exceptionally low level of supply and can be considered as inhibitive to occupier movements, leaving pre-lets or pre-purchase agreements as the only option to secure quality space. As a result, a number of existing businesses are having to relocate to the Midlands where there is more commercial space.

In addition to extremely low levels of vacancy, Grade A space (i.e. new / refurbished and the highest specification) represents just a fraction of the total available space in the market. Indeed, Grade A space is limited to just several options across the County and focused across several units at Trade City, Watford. Extreme shortages of quality space have knock-on implications for the whole market, prompting rental growth for lower quality second-hand space whilst limiting the prospects for inward investment.

Over the past few years, the UK has seen a wave of speculative development in the industrial market, albeit this activity has been focused at the larger end of the spectrum (i.e. units in excess of 5,000 sq. m.). The trend has been largely driven by structural changes to consumer patterns stemming from the growth of e-commerce, which has driven the demand for logistics and warehousing facilities. Rising rental levels and capital values over the past three years have greatly assisted viability prospects, bringing a multitude of investors and developers into the market. Whilst Hertfordshire benefits from its strategic location for distribution; development has been relatively limited in this cycle compared with other locations in the UK, such as the Midlands and North West region. Over the past decade, total development completions for the county amount to 223,000 sq. m., which is equivalent to 5% of current stock, or a development rate of only 0.50% per annum. Such issues need to be addressed in Hertfordshire and in Hertsmeire to meet the needs of residents and also meet the needs of national and local employers.

The South West Herts Economic Study Update September 2019 identifies an overall need for just under 82,000sqm of industrial space. Notably, the study finds that there are no opportunities for intensification or redevelopment on existing industrial sites in Hertsmeire, meaning additional industrial floorspace must come forward through new sites.

There is an acute need for sites in the location to provide end of the line deliveries for home delivery companies who seek to do last miles of deliveries with smaller vehicles. These vehicles are low emission electric vehicles and seek to serve areas such as Hertsmeire, Watford and North London, all in close proximity of the site.

As demonstrated earlier in this report, there is a significant need for new industrial space in Hertsmeire to reprovide for lost space and meet the existing needs. The current COVID-19 Pandemic has exacerbated this demand further. The most up-to-date evidence therefore indicates the scale of need and shortfall

faced for large scale industrial space in South West Herts generally and in Hertsmere specifically; this is a shortfall that the proposed redevelopment of the Mercure Hotel site can help address. The Council's own evidence has identified that failing to meet this need could have wider economic consequences as the sub-region misses out on potential investment and local businesses could have difficulty in their supply chains.

Our project team have had extensive advanced discussions with a number of potential occupiers who are desperately seeking a site in this locality.

### Economic Benefits

The proposal results in significant economic benefits both in the construction phase and once operational. There are acute economic benefits that justify the principle of development and an allocation.

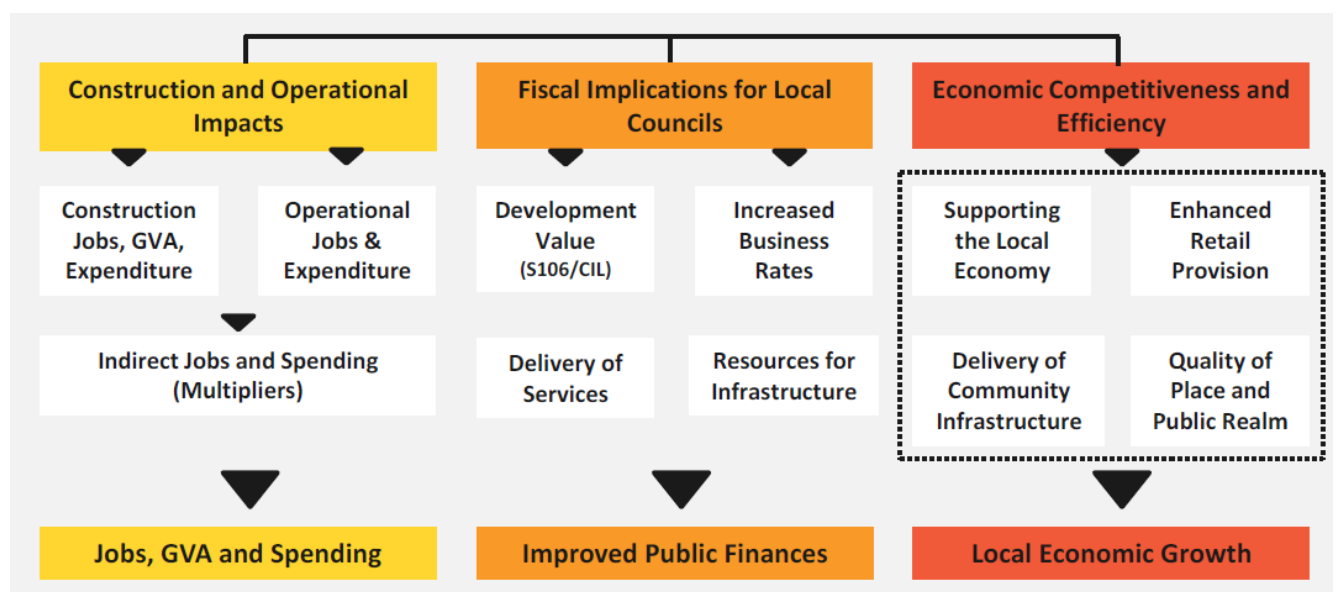


Figure 23: Evaluate Analytical Framework Lichfields

Consultants Lichfields have produced an Economics Benefits Assessment of the proposed schemes. Their reports supports this submission but can be summarised as follows:



The redevelopment of the Mercure London Watford Hotel site for B8 commercial use would create the following economic benefits:

- During the two year construction period:
  - Represent around **£39m of private capital investment** into Hertsmere;
  - Support an estimated **170 (FTE) direct construction jobs**, plus a further **185 indirect/induced** jobs in the construction supply chain; and
  - Generate **£36m of economic output**.
- Once operational:
  - Support around **520 (FTE) jobs** on the site directly with a further **230 jobs**
  - supported indirectly across the wider region;
  - Generate **£48m of economic output (GVA)** per year;
  - Generate **£2.1m in income tax** and **£1.4m in National Insurance contributions** from workers; and
  - Generate **£470,000 in business rates** annually, retained by Hertsmere Council.

The proposed redevelopment meets a clearly identified need for industrial floorspace in Hertsmere specifically and the wider sub-region. Notably, the Council's evidence highlights that a lack of supply in this sector could have significant knock-on impacts throughout the sub-region's economy. Recent evidence base work identified a shortfall of 211,000sqm (albeit this should be treated as a minimum) of industrial space across South West Hertfordshire which the proposal will make a significant contribution to meeting.

The following table summarises the net impact of redevelopment across a number of key economic indicators (construction, operational and fiscal) as well as its contribution to national and local economic growth policy objectives. The proposed redevelopment would unlock a substantial amount of capital investment in the area, having a significant net positive impact on local jobs and economic output. These additional higher value jobs would generate greater income tax and NI contributions, and the Council would benefit from higher business rate revenues (along with planning contributions, which are to be confirmed). The redevelopment also represents a better option for the site's use in the context of national and local objectives around economic development and the severe shortage of industrial space in the area.

		Existing hotel use	Redevelopment*	Net impact of redevelopment
Construction	Capital investment	~	£39m	<b>+£39m</b>
	Direct Jobs	~	170	<b>+170</b>
	Indirect/Induced Jobs	~	185	<b>+185</b>
	Economic output (total)	~	£36m	<b>+£36m</b>
Operational	Direct Jobs	90	520	<b>+430</b>
	Indirect/Induced Jobs	50	230	<b>+180</b>
	Economic output (total)	£2.7m	£48m	<b>+£45m</b>
Fiscal	Income Tax	£184,500	£2.1m	<b>+£1.9m</b>
	National Insurance	£143,100	£1.4m	<b>+£1.3m</b>
	Business Rate Revenue	£90,900	£470,000	<b>+£380,000</b>
Wider objectives	National objectives	Preference for central/accessible locations for town centre development	Delivers storage/distribution facility in a highly accessible location	<b>Redevelopment represents better use of site, taking into account its location</b>
	Local objectives	No specific local objectives or policies relating to hotel or leisure use	Contributes to Core Strategy objectives, including to support businesses of all sizes through a competitive economy	<b>Redevelopment proposals directly contribute to local economic objectives, which existing use does not</b>
	Local need	<p>Alternative provision exists 1.5km from the hotel</p> <p>Hotel does not serve any specific/significant office, leisure, residential or urban area</p> <p>No identified need or strategic objectives related to leisure in the Borough's latest Retail and Leisure Study</p>	<p>Low and falling vacancy rates indicative of current need</p> <p>Need for 480,000sqm of industrial floorspace across sub-region, against which a significant shortfall remains</p> <p>Potential impacts on wider economy if industrial needs not met</p>	<p><b>Redevelopment proposals help meet a substantial shortfall in industrial space across the Borough and wider sub-region</b></p> <p><b>Redevelopment helps minimise risk of wider [negative] economic impacts resulting from a lack of local industrial space for businesses</b></p> <p><b>Local hotel demand could still be satisfied by nearby Hilton which serves a similar market</b></p>

## Reuse of a previously developed site

The NPPF and the current Hertsmere Core Strategy prioritise the redevelopment of previously developed land. This site, by definition, is a previously developed site. The existing hotel is in decline. Other newer facilities have opened nearby such as the Village Hotel in Elstree and a number of new hotels in Borehamwood and Watford, and the luxury end of the market occupied by the Edgwarebury in Elstree and the Grove in Watford. The demand for the Mercure has continued to decline, and recent events and restrictions have further hastened this process. The hotel is due to close in late 2021/2022, and the site will become vacant. Given its prominent location, a solution is required for the site. Whilst there is an area of undeveloped land within the proposal, this is weakly performing with respect to Green Belt. It also has been considered by the Council on a number of occasions and has an implemented consent for a golf course, clubhouse and tennis courts. This further demonstrates that the Council have perceived this piece of land to be weakly performing.

## Defendable Boundary

The Site is not covered by any designations for landscape character of quality. It is not publically accessible, and views of the Site are limited to the immediately adjacent roads and properties. The western part of the Site is previously developed with some scattered trees to its boundaries and car park areas, whilst the eastern part of the Site comprises an area of woodland. Overall the western part of the Site is assessed as being of low landscape quality, sensitivity and value, whilst the eastern part of the Site is assessed as being of medium landscape quality, sensitivity and value. The site is well enclosed within the existing road network, which creates a formal physical boundary. The release of the site to the M1 motorway would have no undue impact on the Green Belt.

The proposals will retain existing vegetation to the Site boundaries, including a 20m wide band of vegetation along the southern edge of the woodland. The majority of the interior of the woodland would, however, require clearance in order to facilitate development in the eastern part of the Site. New planting is, however, proposed in the form of native tree planting to strengthen the existing boundaries and tree and shrub planting to soften the car parking areas.

The proposed development will be well contained by boundary vegetation, with views limited to the immediately adjoining roads and properties along Sandy Lane and the A41. Retained boundary vegetation will also be strengthened with new native planting, which will further screen any views as it matures, screening visual links with the surrounding area. The removal of the area is therefore

unlikely to impact the performance of the surrounding Green Belt. The site is suitable for release from the Green Belt when considered in light for the five tests set out in Chapter 9.

<b>Purpose 1:</b> To check the unrestricted sprawl of large built-up areas	No contribution
<b>Purpose 2:</b> To prevent neighbouring towns merging into one another	Relatively weak contribution
<b>Purpose 3:</b> To assist in safeguarding the countryside from encroachment	Relatively weak contribution
<b>Purpose 4:</b> Preserve the setting and special character of historic towns	No contribution
<b>Purpose 5:</b> a) Assisting urban regeneration	Redevelopment of a previously developed site - positive

### Lack of alternatives Strategic position within the local road network

Given the Borough's location and direct access to the strategic road network, there is significant potential for Hertsmere to be a key player within this market, as reflected by the level of enquiries received from potential occupiers. However, the lack of suitably attractive sites has resulted in this investment going elsewhere. Due to a distinct lack of sites of sufficient scale, location and quality, Hertsmere has been unable to compete for major investments like other areas such as Dacorum. It is also understood that the proposed scheme on the former Sainsbury's distribution centre in Borehamwood is now coming forward as a data centre, and this will further reduce the supply of industrial space in Hertsmere. The safeguarded land on Rowley Lane (Borehamwood) has consent for the Sky Studios development.

Whilst several sites have been submitted to the Local Plan process for commercial development. These are predominately greenfield sites in the Green Belt. When assessed against the Hertsmere sustainability criteria, this site scores significantly higher than those sites, especially given this will include the reuse of a previously developed site – unlike the other sites.

It is therefore considered that there are no sustainably preferable alternative sites that have the attributes to meet the identified demand for commercial development in the Borough than this site. The site is well located on the highway network and very notably is a previously developed site. The scheme also results in significant highway benefits with access, crossing and cycle improvements.

## Exceptional Design

Our proposal will be comprehensively designed. The project team have engaged with Places Services, and taken their advice on the design of commercial buildings. The buildings will be designed to a high environmental quality standard, on the basis of the following principles:

- The proposal will utilise light colour materials for external appearance. Light colours make large buildings appear less dominant and obtrusive when seen against the sky.
- Elevations with horizontal prominence within some elevation interaction/fenestration
- Consider solar gains and shadowing
- Internalise car parking and yards
- Future-proofed and adaptable for different occupiers
- Use of solar panels and electric charging for vehicles
- Maximise where possible natural light and ventilation.
- Comprehensive drainage and landscaping scheme

## Sustainability benefits

Following the Council's Climate Change and Sustainability Strategy of June 2020, an Interim Planning Policy Position Statement was adopted on 18 November 2020 and is now a material planning consideration.

The scheme is designed to include a number of sustainability measures and improvements including:

- Electric Vehicle Charging and ducting
- New public footpaths and better non-motorised connections to the site
- A high level BREEAM standard
- Bat boxes
- Bird Boxes
- New landscaping and hedges
- Off-site woodland improvements

The future planning application will be supported by a sustainability statement to demonstrate its substantial sustainable credentials.

Overall there are significant benefits which equate to exceptional circumstances and justify the sites release from the Green Belt and allocation for employment in the emerging Local Plan.



# 13. Conclusion

This Statement has been produced on behalf of Regen Properties LLP to support the promotion of Land and Buildings at the Mercure Hotel, Watford, to the Hertsmere Local Plan Employment Call for Sites 2021.

Our proposal is fully compliant with national and local policies. The proposal will make the best use of this previously developed site and critically will improve the visual appearance of the site.

There are significant benefits to allocating the site; these include:

- Redevelopment of a soon to be vacant previously developed site
- Significant need for commercial sites
- Significant job creation
- Substantial economic benefits generated
- Defendable Green Belt Boundary
- Location within the strategic road network
- Strong boundary landscaping
- Deliverable land ownership position
- Highways Improvements

Whilst there is limited harm to the Green Belt, there is also limited impact on the openness and permanence of the Green Belt, and there are significant exceptional circumstances that justify the proposal.

As clearly demonstrated within this statement, there is a severe undersupply of industrial space in Hertfordshire and Hertsmere, which this proposal will help to reduce. Of the sites promoted in the Local Plan process, this opportunity is sustainably preferable, when considered against the Council's Local Plan sustainability criteria.

The proposal has inherent and substantial economic benefits which will be a major contribution to the Borough and its residents, particularly in these times of recovery from the pandemic.

Regen Properties LLP and the project team contend that this provides a deliverable option to meet the clear need for B8 with its ancillary B1 in Hertsmere and Hertfordshire.

Attribute		Summary
Creation of employment	✓	The proposals will generate a substantial amount of on-site jobs. The proposal will also have the opportunity to work with nearby colleges for training and development opportunities. 170 direct jobs created in the construction stage and up to 520 direct jobs once completed.
Economic generation	✓	The proposal generates £48m of economic output (GVA) per year; £2.1m in income tax and £1.4m in National Insurance contributions from workers; and generates £470,000 in business rates annually, retained by Hertsmere Borough Council, a substantial increase from the existing.
Redevelopment of a previously developed site	✓	The site has significant volume, hardstanding and floor area in the Green Belt, which national and local policies seek to be utilised.
Defendable boundary	✓	The site is surrounded by existing and future development and contained within the physical structure of the road network, including A41 and M1
Local highways network improvements	✓	Improvements to the A41/Sandy Lane junctions and networks. Improvements to A41, its footpath, cycleways and bus stops are proposed. Along with greater connectivity to the wider area.
Sustainable Drainage Techniques	✓	The scheme has been designed to improve drainage of the site and to integrate 'SuDs' and permeable drainage principles within it through the creation of streams and lakes in a sustainable and natural manner.
Sustainability	✓	The proposal is currently exploring the options for WELL and BREEAM certification to ensure the scheme is the highest standard it can be

The proposal is in the owner's sole control, and the site is due to become vacant at the end of 2021/early 2022, meaning that this an available, deliverable and achievable scheme. The owners have already undertaken a significant amount of technical work to support this submission and intend to continue this work after this submission with further work planned. The owners has already

undertaken initial pre-application discussions with Hertsmere Borough Council and Hertfordshire County Council, and it is intended that these discussions continue. The proposal is at a stage that a planning application can be advanced promptly at the appropriate time.

This Justification Statement outlines a suite of significant benefits from the proposals, which amount to a case of Exceptional Circumstances. This case justifies the proposed development at the Land and Buildings at the Mercure Hotel as exceptional, and as a result, the Council are invited to remove the site from the Green Belt and allocate the site for commercial uses.

The proposal will be an exemplar development in the Borough and create significant employment and economic opportunities which meets the needs of Hertsmere and Hertfordshire, and aid its Covid-19 response.

**In conclusion, the Council are invited to allocate the site for B8 with ancillary B1 development in the New Local Plan.**

# Appendix 1: Site Planning History

Application Reference	Application Description	Decision
TP/73/0882	First Floor Extensions To Form Bar Kitchen & M.C.'S	Approved
TP/79/0168	Erection Of Staff Block	Approved
TP/80/6382	Internally Illuminated Box Signs	Approved
TP/83/0588	Renewal Of Permission For First Floor Extensions To Form Bar_ Kitchen And W.C.	Approved
TP/84/0924	Office Extension To Front Elevation	Approved
TP/84/6114	Outline Application For Tennis Centre Comprising 12 Covered Courts_ 12 Open Courts_ Ancillary Rooms And Car Park With Access Off Tylers Way_ Drg No. 4043/1_ 2	Application Refused
TP/86/1073	Conference Centre/Leisure Centre With Hotel Accommodation.	Application Refused
TP/88/0346	Proposed Improvement Of Existing Facade_ Including Approved First Floor Restaurant Extension By Providing New Cladding.	Approved
TP/88/0485	Erection Of New Block Comprising 2 Squash Courts Including Changing And Games Facilities & Glazed Link To Existing Hotel Block.	Approved
TP/88/0595	Conservatory Extension.	Approved
TP/88/0715	Internally Illuminated Projecting Box Sign. (Advertisement Consent Application)	Approved
TP/88/1368	Alterations To Facade Incorporating Alterations To The Front Elevation of The First Floor Restaurant Previously Approved. WITHDRAWN 16/1/89	Withdrawn
TP/89/0188	2 X Two Storey Extension To Accommodate 72 Bedrooms & Associated Car Parking.	Permission Granted
TP/89/0469	Change Of Use Of Agricultural Land To 9 Hole (Par3)Mini-Golf Course_ With Floodlit Tennis Courts_ Club House And Ancillary Car Parking	Permission Granted
TP/89/0448	1) Demolition & Rebuilding Of The Aldenham Suite. 2) 10 No. New Bedrooms At First Floor South Block East End. 3) New Cladding & Canopy To South Elevation.	Permission Granted
TP/89/0832	Two Storey Extension For Bar And Restaurant Within Existing Enclosed Central Court. Amended Plans Received 01/8/89.	Permission Granted
TP/89/0682	Erection Of New Block Comprising Two Squash Courts Including Changing And Games Facilities	Permission Granted
TP/89/1038	Provision Of 4 Bedrooms, Stores And Plant Rooms At Basement Level (Rear West Block) Provision Of 6 Bedrooms And Hotel Offices At	Permission Granted

	First Floor Level (South Block Eastend) All In Lieu Of 10 New Be	
TP/90/0093	Construction Of High Voltage Switch Room & Transformer Chamber	Permission Granted
: TP/90/0647	External Escape Staircase To Squash Court And Leisure Centre Block	Application - Permission Granted
TP/90/0961	Two Storey Extension	Permission Granted
TP/92/0824	Retention Of Earth Bank Along Part Of Rear Boundary	Permission Granted
TP/93/0830	Erection Of Aluminium And Tinted Glass Cladding To Front Elevation And Returns And Glazed Entrance Canopy.	Application - Permission Granted
TP/93/0764	Erection Of 2 No. Posts Each Displaying 5 No. Internally Illuminated Signs. (Advertisement Consent Application) (Amended Plans Received 10/12/93)	Application - Consent Granted
TP/93/0614	Change Of Use Of Bedroom Block To Rooms For Conference Facilities, Single Storey Extension And Internal Alterations.	Permission Granted
TP/94/0489	3m X 4.5m Neon Sign To Be Erected In Glazed Hotel Lobby	Consent Granted
TP/94/0219	Erection Of Three Promotional Banner Signs (Not Exceeding 10'x 4') And Retention Of 8'x 3' advertisement Board On Front Verge Area (Advertisement Consent Application) (Application Withdrawn	Withdrawn
TP/94/0901	Two Internally Illuminated Signs (5m X 1.7m) (Advertisement Consent Application)	Granted
TP/98/0656	Erection Of 3 Storey Building To Provide Meeting Rooms And Conference Facilities (Summit Centre) And 50 Additional Bedrooms, Provision Of Additional Car Parking And Single Storey Front Extension	Refused
TP/99/0397	Erection Of 29 Bedroom Extension, Extension To Restaurant And Bar. Construction Of Internal Road Link And Re-Arrangement Of Car Parking. Demolition Of Staff Accommodation Building.	Approved subject to S106
TP/01/0386	Erection Of 22.5m High Telecommunications Mast Containing Two 0.6m Diameter Transmission Dishes. Erection Of Associated Compound Including Two Equipment Cabins And Erection Of 2.1m High-Security Fence Around Compound.	Application Refused
TP/01/1127	Erection Of One Two-User 20m High Telecommunications Mast Plus Antennae (Total Height 21.6m) And Erection Of Associated Compound, Including One Equipment Cabin And Erection Of 1.8m High-Security Fence Around Compound. (Amended Plans Received 7/12/01).	Application Withdrawn



TP/02/1175	Two Double-Sided Internally Partially Illuminated Pylon Signs To Replace Existing Signs (Amended Drawings Received 6.1.03) (Application For Advertisement Consent).	Refused
TP/05/1205	Insertion Of 2 Windows To The Rear Of Health And Fitness Club And Increase In The Height Of Chain Link Fencing To Tennis Court.	Permission Granted
TP/06/1031	Variation Of Premises Licence To Provide Regulated Entertainment In Aldenham Suite And Ground Floor Bar (Consultation By Licensing Officer)	Raise No Objections
TP/10/0114	Application For A Variation Of Premises Licence. (Licensing Consultation)	Application -Raise No Objections
TP/11/2212	Erection Of Illuminated And Non-Illuminated Fascias And Free Standing Signage. (Application For Advertisement Consent).	Application - Consent Granted
16/1927/LCN	Application To Vary A Premises Licence To Amend The First Floor Layout Plans To Include A Temporary Marquee Structure And Apply The Existing Hotel Licensing Hours To The New Area (Licensing Consultation).	Raise No Objections