

6. Delivering jobs and supporting a vibrant economy

This section covers:

- Introduction and key challenges
- Drivers contributing the economy of Uttlesford
- Existing employment areas
- Other considerations
- Jobs Growth and Employment Land Needs to 2040

Introduction

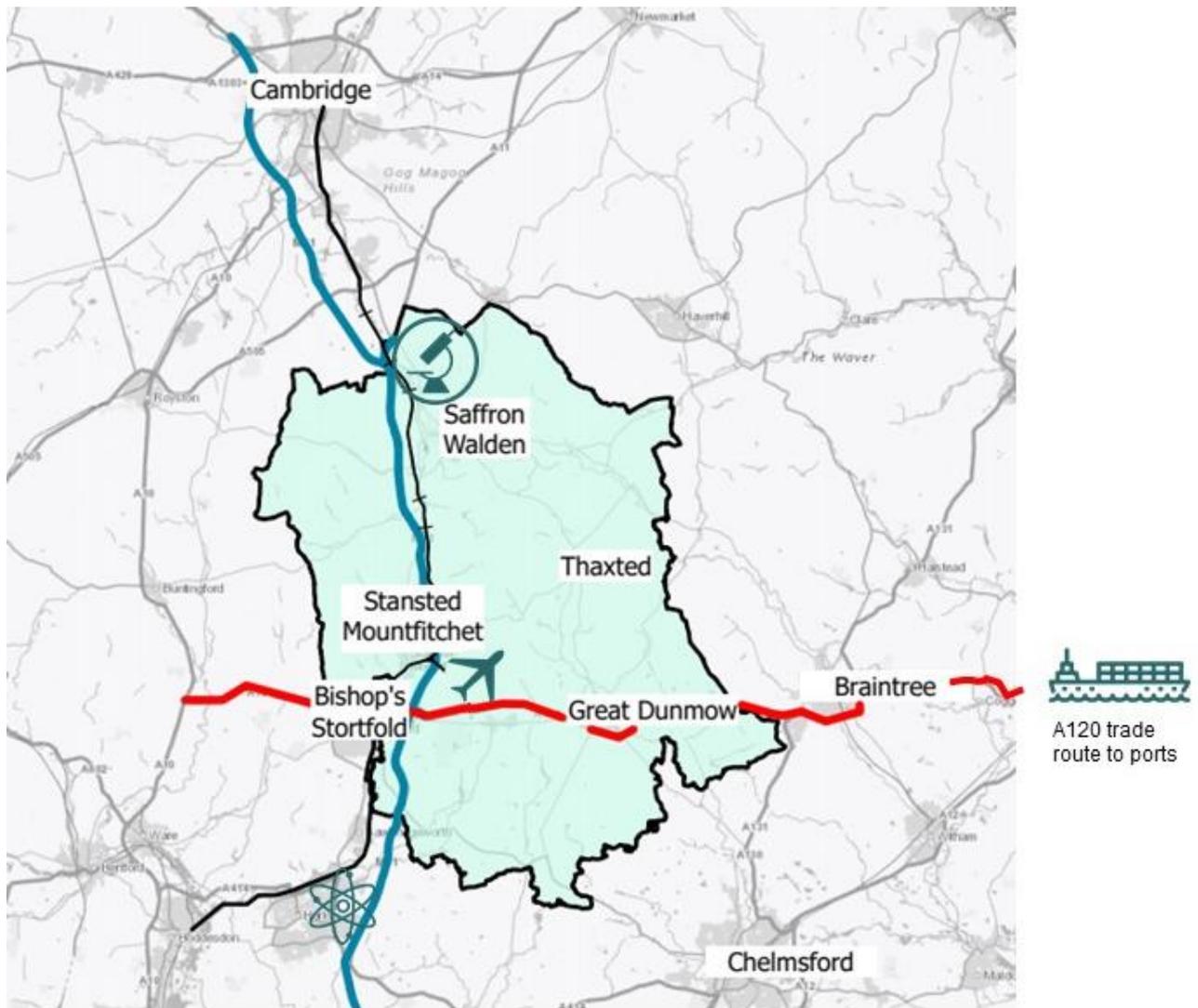
1. The Plan seeks to provide a positive policy framework, which supports jobs, business and investment to build a strong and competitive economy. It sets a framework to reflect the different drivers within Uttlesford's economy with the aim to build and sustain a vibrant, diverse and resilient local economy; that encourages both large and small scale opportunities throughout Uttlesford in appropriate locations, in line with our Spatial Strategy.
2. Uttlesford is a rural district. The district is home to a high proportion of micro-enterprises (91%) and a lower proportion of small, medium-sized and large enterprises when compared to the East of England and England as a whole. However, it is important to acknowledge that parts of Uttlesford are well-connected – by road and rail to London and Cambridge; by road to Colchester and the east coast ports; and by air to destinations around the world. It also has an economic structure that does not differ greatly from that of areas with a stronger urban character: While Uttlesford has more micro businesses and both a land-based sector and a visitor economy, the bulk of employment is in sectors and businesses that are not intrinsically rural. The strategic context is illustrated in [Figure 6.1](#).
3. Uttlesford has seen relatively rapid employment growth in recent years, outperforming surrounding areas in comparative terms. The following drivers contribute to the economy of Uttlesford:
 - Vibrant market towns and rural centres
 - The rural economy
 - The visitor economy
 - Chesterford Research Park
 - London Stansted Airport and environs
 - The Green economy
4. Stansted Airport and Chesterford Research Park drive regional employment and business opportunities, whereas the remaining strands reflect the local economy of Uttlesford. To support strong and vibrant rural communities and a diverse district wide economy, a nuanced approach is adopted, considering the strengths and needs of each economic driver. Each driver is explored further in the sections below. Prior to the pandemic Stansted Airport was the single largest employment site in the East of England, and it is currently the second busiest airport in England. It also has plan to grow up to 43 million passengers per annum.

5. The lasting impact of the Covid-19 pandemic is yet to crystalise, however the following is acknowledged:
 - Certain sectors were hit hardest: London Stansted Airport and the aviation supply chain; businesses in town centres, retail, hospitality and personal services; the visitor economy, arts and entertainment venues and associated services
 - The office market is uncertain, however demand will be expected to focus on small to medium sized units, with little demand for larger head quarter office space.
 - Rural areas traditionally have greater home working and flexible working. Evidence suggests a possible reduction of office need by 30%. A proactive and flexible approach to live/work provision is considered an acceleration of an existing trend
 - Unemployment rose sharply in Spring 2020, however the claimant count in Uttlesford remains significantly below regional and national averages (4.4% in May 2021)

Key challenges

1. A number of key challenges were identified in the first consultation on the Local Plan (Issues and Options 2021), including the need:
 - for a clear vision and strategy to protect and attract business
 - to consider the needs of all sectors contributing to the economy, including warehousing, logistics, offices
 - to locate employment with new homes
 - to ensure that growth of rural businesses is not inhibited by lack of suitable premises
 - to support agricultural diversification and limit loss of agricultural buildings to employment and conversion to residential
 - to support growth of existing businesses and new start-ups
 - to ensure development protects and enhances the natural environment and our historic and cultural heritage
 - to support and develop a thriving economy within environmental and planetary needs
 - to release existing brownfield sites in the vicinity of Stansted airport for non-aviation related, where not required for aviation related uses

Figure: 6.1: Map of Major Settlements, Transport Links and Employment corridors in Uttlesford



KEY

-  Uttlesford district
-  M11 and north south axis of the UK innovation Corridor
-  A120 trunk road and axis of the west east employment corridor
-  West Anglia Main Line railway

-  Stansted airport and business hub
-  Chesterford Research Park – in close proximity to science & research parks around Cambridge
-  Proposed campus for Public Health England and a new Kao data campus for NVIDIA supercomputer
-  Ports: Felixstowe and Harwich

Policy EMP1 relates to specific sites and so will be coming the next LPLG on 18 May

Drivers contributing the economy of Uttlesford

Vibrant market towns and rural centres

2. The market towns of Saffron Walden and Great Dunmow are our two largest settlements and important centres for retail, heritage and culture, leisure and tourism, and business. They service the surrounding rural towns and villages. They are home to just over a quarter of business units in Uttlesford.
3. Saffron Walden is the largest settlement. This is less well located with respect to the strategic road network. Nonetheless, given the size of the settlement there is limited existing employment land provision – with current provision focused on the Shire Hall Industrial Estate.
4. The local office market in Saffron Walden is focused typically on units of 500 – 1,500 sq.ft.. Some inquiries from small businesses are reported, for satellite offices instead of commuting to London or Cambridge.
5. The Great Dunmow area has the strong local industrial market with a range of local businesses, providing around 4,100 jobs (around 9%) with a relatively broad employment base. Wholesale and retail is the largest employment sector (900 jobs) followed by Admin and support services (almost 500). There are slightly higher levels of employment relative to the region in real estate, construction, wholesale/retail and other services.
6. Across the industrial estates in the Great Dunmow area there are very limited vacant premises, and almost no vacant development land. Substantial residential growth is coming forwards, with a lot of consented residential development, and there is a need to bolster the employment role of the settlement to support sustainable development through managing commuting.
7. Evidence recommends the allocation of 5-10 ha or more of employment land at Great Dunmow and 2-4 ha additional employment land at Saffron Walden, to support sustainable development. The pattern of employment allocations will continue to be considered as the Local Plan Strategy is developed.
8. The Council will support employment provision in the market towns and rural centres and will consider the re-purposing of vacant retail space for other employment use.

The rural economy of Uttlesford

9. Around two-thirds of the population live in Rural Areas¹ which accommodate a significant portion of economic activity within the district, including:
 - Around 26% of employment is in rural areas and 53% is outside the key towns/areas

¹ Rural Areas are those outside Saffron Walden, Great Dunmow, Stansted Mountfitchet, Birchanger and the environs of Stansted Airport.

- 32.5% of local business units
 - 42% of medium and large enterprises
 - 86% of local businesses in rural areas of Uttlesford are defined as micro (employ 9 or fewer persons). This drives the stronger focus on micro-businesses across the District relative to the regional and national averages.
10. Generally, changes in rural economies reflect a shift from land-based industries to diversification and the rise of the service sector. Adapting to climate change and the changes in agriculture requires flexibility to adapt to different land-based opportunities, green economy industries, local production and encouraging a circular economy. The Council supports diversification of the rural economy.
11. There are also shifts in the make-up of rural communities. Based on commuting patterns, rural areas of Uttlesford are generally home to people who work elsewhere in the district or in other districts. These residents tend to be relatively well qualified and work in high order occupations
12. Rural areas of Uttlesford accommodate diverse economic activity. The largest employment sectors in these areas are Wholesale and retail (12.9%), Accommodation and food services (12.6%), Professional, scientific and technical activities (11.7%), Manufacturing (10.1%), Administrative and support service activities (10.1%) and Construction (9.3%).
13. Agriculture and agricultural land is important to the district. 81% of land use in Uttlesford is agricultural, and 7.5% is forest, open land and water². Agriculture, forestry and fishing contribute 2.4% to total employment³ in the district. Agriculture also adds considerably to the management of our landscape, which residents value and upon which tourism relies.
14. The legislative drivers below are and will continue to change use of the land:
- The Climate change ambition for agriculture to be net zero by 2040 is driving three pillars of work:
 - » Improving productive efficiency to reduce emissions
 - » Storing carbon on farmland in soils, bigger hedgerows and trees
 - » Renewables and the bioeconomy
 - The Agriculture Act 2020 provides the legislative framework to implement new approaches to farm payments and land management in England, whereby farmers will be paid to produce 'public goods' such as environmental or animal welfare improvements
 - The Environment Act 2021 seeks to make provision about targets, plans and policies for improving the natural environment, including Biodiversity Net Gain and Local Nature Recovery Strategies.

² Land Use Statistics England 2018. Published 16 July 2020. Ministry of Housing communities & Local Government. (table 400a)

³ Employment by Sector. Icen 2021 (table 4.3 p19)

15. The Council supports the diversification and growth of Uttlesford's rural economy. Potential opportunity and growth areas include:
- Focus of floorspace provision of small (potentially shared) units in rural areas
 - Focusing on micro businesses:
 - an alternative to working from home, particularly in relation to office type premises.
 - for growth of non-office-based sectors (e.g. manufacturing)
 - workshop space, particularly incubator space for small businesses
 - Land based uses including Agri-tech, Agri-food and Forestry-tech sectors may provide opportunity to deliver growth and support sustainable food production, maintain plant and animal health and support and enhance natural habitats
 - Cultural sector organisations and businesses, including creative industries and makers, arts organisations and practices
16. There is a need to allow farmers of modernise/replace buildings, expand and diversify, both from an economic and environmental sustainability perspective
17. Providing sufficient housing and affordable housing in rural areas is vital to unlocking the potential of rural businesses.
18. Rural areas play an important role in the economy of Uttlesford. Protecting employment sites and providing new employment opportunities in the rural areas can help prevent the decline of traditional rural employment and address the issue of increased out-commuting. The role of existing employment areas is recognised and these should be retained in accordance with Policy **EMP2**.
19. The following climate change policies are likely to impact rural diversification and employment:
- re-use of rural buildings is subject to climate change Policy CC21;
 - Renewable energy Policies CC9 to CC11.

Policy EMP2: A Sustainable Rural Economy

Proposals which sustain and enhance the rural economy by creating and/ or safeguarding businesses and jobs will be supported where they are of an appropriate scale to their location, protect the environmental quality and character of the rural area and protect the best and most versatile agricultural land (Grades 1, 2 and 3a). The following types of development are considered to be acceptable:

- 1. Schemes for farm diversification involving small-scale business and commercial development that contribute to the operation and viability of the farm holding;**
- 2. Small-scale tourism proposals, including visitor accommodation;**
- 3. Proposals that recognise the economic benefits of the natural and historic environment as an asset to be valued, conserved and enhanced;**

4. **The expansion of businesses in their existing locations dependent upon the nature of the activities involved and provided the development does not conflict with other policies in the Local Plan;**
5. **Small scale rural enterprise and employment development which are well-designed and are consistent in scale and environmental impact with their rural location;**
6. **Hubs offering employment space for micro and small business and shared facilities, enabling flexibility of space and people in small businesses to meet and collaborate**
7. **The use of land for agriculture, forestry and equestrian activity;**
8. **Proposals must have no unacceptable effect on water quality or flooding, watercourses, biodiversity or important wildlife habitats.**

In relation to development in rural areas with no or poor sustainable public transport the following apply:

9. **Development must be sensitive to its surroundings**
10. **Opportunities to make a location more sustainable (e.g. improving cycle and safe walking networks, public transport or vehicle sharing) must be demonstrated and exploited**
11. **Preference will be given to previously developed land, and sites that are physically well-related to existing settlements or development**
12. **Development that may or would result in unacceptable impact on local roads, verges, hedgerows and natural habitats will not be permitted**

Visitor economy

20. In 2018, Uttlesford's visitor economy represented the second most important income strand⁴ for the district after retail spending. It is centred around:

- the historic market towns of Saffron Walden and Great Dunmow, Thaxted, and other regionally and nationally important visitor attractions
- London Stansted Airport

21. Key strengths/opportunities for Uttlesford's visitor economy include:

- Historic market towns of Saffron Walden and Great Dunmow are a draw for many shoppers and visitors - both offer the markets, a range of independent stores, cafes and service business, and a library and museum in each location
- Uttlesford has regionally and nationally important arts, heritage and cultural assets and around 3,700 listed buildings.
- Saffron Walden is the main cultural centre within Uttlesford with the museum, galleries, events in the market square and on the Common, Saffron Hall and Saffron Screen, Fairycroft House, One Minet Skate Park, and other cultural opportunities located in the town along with strong amateur and community groups and participation
- Festivals and events include Thaxted Music Festival, WoodFest in Hatfield Forest, Thaxted Morris Weekend and local village festivals
- Regional and nationally important visitor attractions include:

⁴ Uttlesford Employment Needs & Economic Development Evidence. Icen. November 2021 (7.39 p84)

- Audley End House (English Heritage) and Audley End miniature railway
- Hatfield Forest, mediaeval hunting forest (National Trust)
- Stansted Mountfitchet castle
- The Gardens of Easton Lodge
- The international London Stansted Airport results in millions of passengers travelling through the district each year. Business and leisure related services include hotels and accommodation, restaurants and food services, car parks and conference facilities
- The quality of Uttlesford's natural environment is high, and there are walking routes and wildlife sites.
- Working from home presents an opportunity for increased spend in local hospitality businesses.

22. A strategic priority of the SELEP Economic Recovery and Renewal Strategy is to support the recovery, adaptation and growth of the visitor economy.

Policy EMP3: A Sustainable Cultural and Visitor Economy

Development and land use that will deliver high quality sustainable culture and leisure and sports facilities, visitor facilities and accommodation, including proposals for temporary permission in support of the promotion of events and festivals, will be supported. Such development and activities should be designed so that they:

- 1. contribute to the local economy and/or community infrastructure; and**
- 2. benefit both local communities and visitors; and**
- 3. respect the intrinsic natural and built environmental qualities of the area;**
- 4. are appropriate for the character of the local environment in scale and nature; and**
- 5. flexible to enable multi-functional use**

The provision of new visitor attractions or the expansion of existing attractions will be permitted provided:

- 6. it is located in sustainable and accessible locations or can be made so;**
- 7. it is appropriate to the site's location in terms of scale, design, layout and materials;**
- 8. it does not have an unacceptable adverse impact on the areas valuable natural, built or heritage assets and helps to enhance any affected asset;**
- 9. it can demonstrate the viability of the new attraction or where appropriate helps support the viability of an existing attraction; and**
- 10. it enhances and complements existing visitor attractions or priorities in the area and supports the development of a year-round visitor economy and/or extends visitor stays; and**
- 11. where use of active travel (cycling and walking) and the use of public transport are prioritised**

Where a countryside location is necessary the development should comply with **EMP2** and:

12. meet identified local community and/or visitor needs;
13. support local employment and community services;
14. ensure adequate infrastructure

Protection of existing cultural and community facilities:

15. Development proposals that result in the loss of cultural, arts and community assets will not be permitted unless:
 - a. There is evidence of re-provision of the asset in terms of space and/or services
 - b. There is evidence over a 12 month period that the asset is unviable

[Policies EMP4 & 5 and supporting text relates to specific sites and so will be coming the next LPLG on 18 May]

The Green economy

23. In 2019 the Council declared a climate and ecological emergency, and key priorities to tackle climate change are outlined in the Uttlesford Climate Crisis Strategy 2021-2030. Priorities and requirements related to planning and development are detailed in the Climate Change chapter and policies.
24. The Council supports proposals for business and service development that:
 - Strengthens and delivers low and zero carbon and renewables
 - Develops sustainable and innovative land-based businesses
 - Develops the green economy sector
 - Increases local production and consumption and the circular economy
 - Utilises renewable fuel sources and adopts innovative green technology
 - Significantly reduces or eliminates car-based commuting
 - Promotes the retrofit and conversion of existing structures and equipment to green solutions; adopts green practices and methods of construction
 - Contributes to the delivery of the Jet Zero target for carbon neutral aviation by 2050
 - Reduce waste and increase reuse and recycling of materials and resources
25. Uttlesford continues to have a locally significant land-based sector which must be utilised as a strength in relation to the key outcomes linked to the green economy. These could potentially provide a route to local produce and a more circular economy.
26. The Green Economy includes both the adaptation and up-skilling of existing trades and industries, and the flexibility to embrace new technologies and green innovation.

27. Analysis by MACE⁵ for Essex County Council suggests that demand for green skills is likely to rise rapidly over the next period. It will be important that skills providers work closely with local businesses to align existing provision to the changing imperatives for Net Zero.
28. Construction is expected to be the largest employment sector in both 2029 and 2039⁶, with 10.4% and 11.2% of total employment respectively. There will be opportunities related to retrofit of properties adapting to climate change and new build using modern methods of construction.
29. There is an absence of training skills in both construction and green skills in the District. There is an opportunity for a training and resource centre within a large new settlement, for construction and green skills. This could be located within Uttlesford, at the site of the new settlement or an extension to the specialist courses offered at Stansted Airport College; or incorporated within existing further education in Essex, outside Uttlesford. This is outlined in **Policy EMP8** Employment and Training.

Existing employment areas:

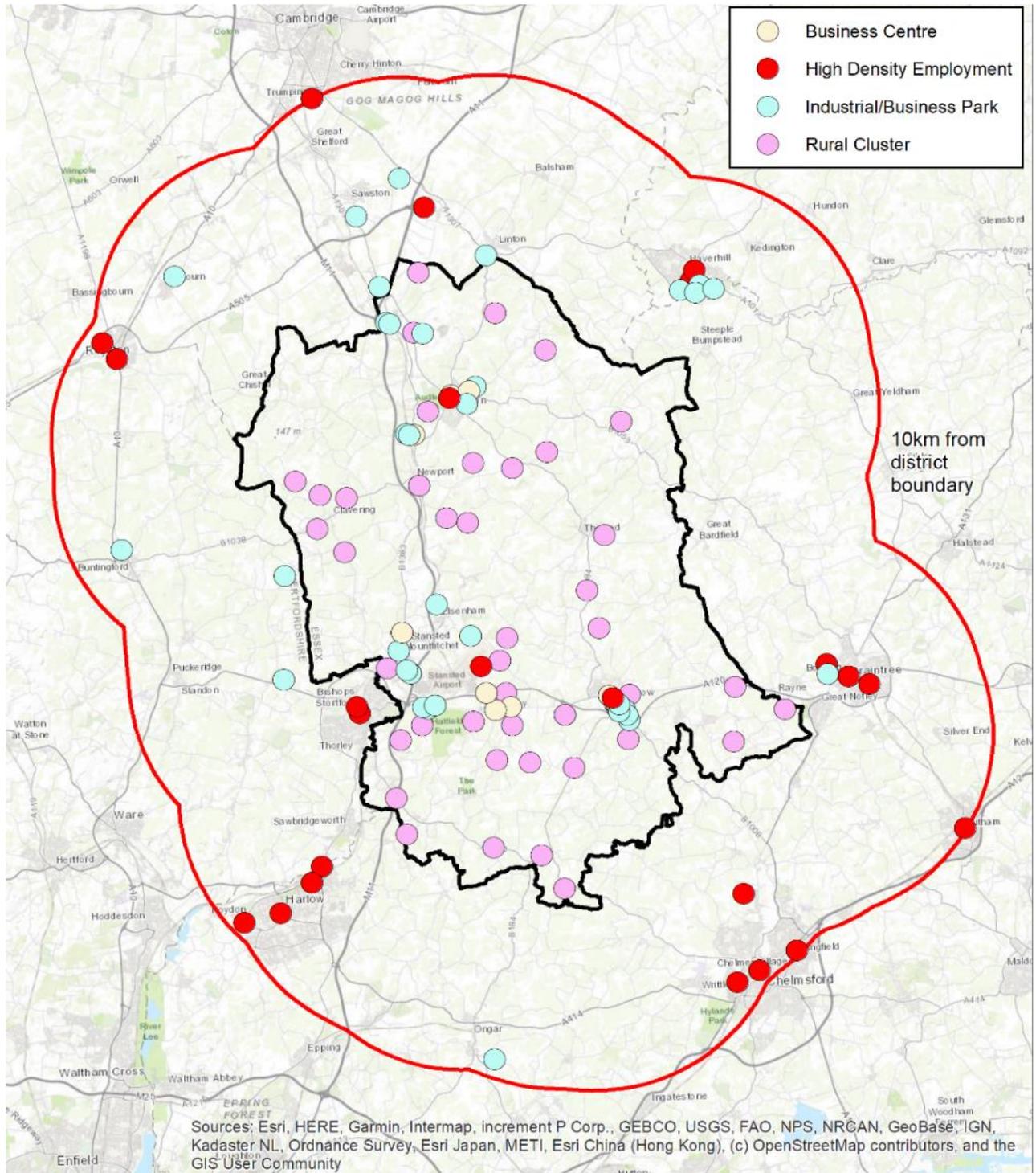
30. Existing employment sites and clusters are identified on the map below and listed in **Appendix XX**. These areas are home to many successful businesses that contribute to Uttlesford's economy. There will inevitably be a degree of change within these areas over the plan period as businesses form, expand, contract and close.
31. Post 2011, 22% of 77.94 ha of safeguarded employment land has been lost to non-employment uses⁷.
32. The Council will protect existing employment sites and business floorspace and support the expansion of existing businesses and start-up of new businesses.

⁵ Green Skills Infrastructure Review for Essex. Essex County Council. Mace. March 2022

⁶ Uttlesford Employment Needs & Economic Development Evidence. Icen. November 2021. (9.2 p126)

⁷ Annual Monitoring Report 202-2021. (4.5 p26)

Figure 6.2: Existing Employment Locations



redevelopment and continuation of employment uses (within B and E use class or sui generis research institutes) on the site and that the proposed redevelopment will modernise buildings that are out of date and do not meet business needs; or

- b. the site is vacant and has been realistically marketed for a period of 12 months for employment use, including the option for potential modernisation for employment uses and no future occupiers have been found.

Expansion of Existing Businesses

4. The expansion of existing businesses which are currently located in areas outside allocated employment sites will be supported, provided:
 - a. existing buildings are reused where possible;
 - b. they do not conflict with neighbouring land uses;
 - c. they will not impact unacceptably on the local and/or strategic highway network; and
 - d. the proposal would not have an adverse impact on the character and appearance of the area.

[The supporting text here makes reference to specific sites and so will be coming to the next LPLG on 18 May]

Digital connectivity and skills

33. Digital connectivity including broadband and mobile is vital in diversifying the rural economy.
34. In addition to providing digital infrastructure, it is vital to help ensure rural workers have the skills to use the technology. This links to a need for wider skills development and the need for long-term skills programmes to help the rural economy innovate, become more productive and achieve better environmental outcomes.
35. Digital connectivity provision is covered in the infrastructure chapter.

[Policies EMP7 & 8 and the supporting text makes reference to specific sites and so will be coming to the next LPLG on 18 May]

Jobs Growth and Employment Land Needs to 2040

Jobs growth

36. Baseline forecasts for jobs growth by Cambridge Econometrics report 61,500 jobs by 2040 from a start of 53,900 in 2019. Based on potential developments at Stansted Airport, Northside and Chesterford Research Park, evidence suggests that employment could reach 66,600 by 2040, which is a more realistic figure.
37. The Plan provides targets for the provision of employment space to ensure the continued availability of business space, through both safeguarding existing and allocating business space. A flexible approach will be adopted to adapt to changing markets, working patterns and behaviour and changing markets.

2005-2021 employment land provision

38. The Annual Monitoring Report 2020-2021 details the employment land allocated and safeguarded between 2005-2011; completed employment floorspace to 2021;

outstanding employment planning permissions as at April 2021. Overall, there has been a loss of allocated employment land and safeguarded employment land to non-employment uses.

39. The Local Plan 2005 (2005-2011) allocated 17.35 ha of employment land, of which:
- 3.71ha was completed
 - 10.25ha was lost to other uses
 - 3.4ha remains outstanding

Also within this period, 77.94 ha of employment land was safeguarded, however 22% (17.34ha) was lost to other uses, primarily residential.

40. Post 2011 there has been a slight gain in employment floorspace, with 2,203sqm completed. There is planning permission for a further 23,563sqm, equating to approximately 5.9ha of employment floorspace to be delivered, outlined in the table below. The overall pattern is of gains in Office, Research & Development and Warehousing floorspace and a loss of Industrial floorspace.

Table 6.3: Employment Floorspace with Outstanding Planning Permission/Under Construction as of April 2021*	
	Outstanding Floorspace (net) sqm
B1(a)/E(g)(i) Offices	6,408
B1(b)/E(g)(ii) Research and Development	0
B1(c)/E(g)(iii) Light Industrial	1,888
B2 General Industrial	-1,784
B8 Storage and Distribution	12,194
B1,E(g)/B2/B8	4,102
TOTAL	22,808
Source: AMR 2020-2021 [Essex County Council (up to 2014) and UDC (post 2014) Annual Monitoring]	

Future employment land needs:

41. For offices E(g)(i) evidence forecasts a range of 4.0-6.3 ha as reasonable provision. Office demand in Uttlesford is focused on local small and medium businesses, guidelines for provision include:
- Particularly space of up to 20,000 sq.ft.
 - Outstanding requirements are all for small and medium-sized units
 - There is little demand for larger head quarter office space
 - The local market in Saffron Walden is focused typically on units of 500 – 1,500 sq.ft.
42. For industrial use B2, B8, E(g)(ii and iii) the evidence forecasts three options:

- 18.9 ha as a minimum
- 27.2 ha as a pragmatic level of growth
- 43.9 ha as a more positive outlook reflecting very high occupancy rates

[The supporting text makes reference to specific sites and so will be coming to the next LPLG on 28 May]

Appendix 2: Existing employment sites or clusters

The list below identifies existing employment sites or clusters, as shown on the Interactive Map to be protected for E(g)(i-iii), B2 or B8 uses as set out in **Policy EMP5**

1. Martel Works, High Easter Road, Barnston, Dunmow, CM6 1NA.
2. Sion House, Stansted Road, Birchanger, CM23 5PU
3. Land adjacent to Hill Green Farm, Clatterbury Lane, Clavering
4. Britannica Works, Arkesden Road, Clavering, CB11 4QU
5. Golds Nurseries Business Park, Jenkins Drive, Elsenham, CM22 6JX
6. Old Mead Road, Elsenham, CM22 6JL
7. Industrial Estate, Gaunts End, Elsenham, CM22 6DR
8. Station Approach, Great Chesterford
9. London Road/Ickleton Road, Great Chesterford
10. Chesterford Research Park, Little Chesterford
11. Chelmsford Road Industrial Estate, Great Dunmow, CM6 1HD
12. Flich Industrial Estate, Great Dunmow, CM6 1XJ
13. Haslers Yard, Great Dunmow, CM6 1XS
14. Hoblongs Industrial Estate, Great Dunmow, CM6 1JA
15. Ongar Road Industrial Estate, Great Dunmow, CM6 1EU
16. Station Road Industrial Estate, Great Dunmow, CM6 1XD
17. Waste Processing Facility, Great Dunmow
18. Stansted Distribution Centre, Start Hill, Great Hallingbury, CM22 7DG
19. Thremhall Park, Bury Lodge Lane, Great Hallingbury, CM22 7WE
20. Land To The South Of B1256 Little Canfield, CM6 1TH (Former Winfresh Ripening Centre)
21. Hall Farm, Little Walden Road, Little Walden, CB10 1XA
22. The Maltings, Newport, CB11 3RN
23. Audley End Business Centre, The Old Forge, Wendens Ambo, CB11 4JL
24. Saffron Business Centre, Elizabeth Close, Saffron Walden, CB10 2NL
25. Former Pulse Factory (previously known as Printpack), Saffron Walden
26. Shire Hill Industrial Estate, Saffron Walden
27. Ashdon Road, Commercial Centre, Saffron Walden
28. Riverside Business Park, Stoney Common Road, Stansted Mountfitchet, CM24 8PL
29. Sworders Auctioneers Site, Cambridge Road, Stansted Mountfitchet, CM24 8GE
30. M11 Business Park, Parsonage Lane, Stansted Mountfitchet, CM24 8TY
31. Takeley Business Centre, Takeley
32. Weston Business Centre, Parsonage Road, Takeley, CM22 6PU
33. Stansted Courtyard, Takeley, CM22 6PU
34. Bearwalden Industrial Estate, Wendens Ambo, CB11 4JX

Appendix ? : **Monetary Contributions towards Affordable Workspace**

A payment in lieu towards affordable workspace will be sought where this is not provided by a qualifying development. The calculation will be based on the following factors:

	FACTOR
A	Total lettable employment floorspace (m2)
B	Percentage of floorspace to be discounted
C	Amount of floorspace subject to discount
D	Market rent per m2 before discount
E	Market rent for discounted floorspace before discount
F	Percentage discount
G	Rent after discount
H	Value of discount
I	Investment Yield
J	Income Multiplier
K	Capital value of discount

Using the factors above, the following seven steps will be used to calculate the fee):

Step 1: Amount of floorspace subject to discount $C = A \times B$

Step 2: Market rent for discounted floorspace before discount $E = D \times C$

Step 3: Rent after discount $G = E \times F$

Step 4: Value of discount $H = G - E$

Step 5: Income Multiplier $J = (1/I)$

Step 6: Capital value of discount $K = H \times J$