

Executive Summary

Perfectly Placed for Business
Strategic Economic Plan:
2017–2030

Hertfordshire
Local Enterprise Partnership

PERFECTLY PLACED FOR BUSINESS

Introduction

It is three years since we published our first Strategic Economic Plan for Hertfordshire, **Perfectly Placed for Business**. Since then we have secured three significant Growth Deals with Government and worked with our partners to target European Social Investment Funds where it is needed most by investing in innovation, businesses, and skills and employment to improve local growth and create jobs.



Given the changes to the wider political landscape and the uncertainties surrounding our departure from the EU we have undertaken a light touch refresh of our Strategic Economic Plan and consulted widely with businesses and stakeholders. We are now confident that our core strategic aims remain the right ones for the county and take into account both its own unique set of challenges and the wider trends that impact on Hertfordshire's economy and future growth prospects.

This process also coincided with the Government's publication of its Industrial Strategy Green Paper with ten pillars which closely align with our stated priorities to invest in science, research and innovation; develop skills; cultivate world-leading sectors; and support businesses to start and grow. We welcome the Industrial Strategy Green Paper and the opportunity to respond to it.

- Priority 1: Maintaining global excellence in science and technology**
- Priority 2: Harnessing our relationships with London and elsewhere**
- Priority 3: Reinvigorating our places for the 21st Century**
- Priority 4: Foundations for growth**

Our updated **Perfectly Placed for Business**, therefore, sets out a "route map" for Hertfordshire to chart both what the LEP and its partners are seeking to achieve, and what is needed to make this happen. Our challenge now is to make rapid progress in relation to delivery.

A handwritten signature in black ink, appearing to read 'Mark Bretton', with a long horizontal line extending to the right.

Mark Bretton

Chair of Hertfordshire Local Enterprise Partnership
Managing Director, Accenture Operations

Hertfordshire's economic engine and wider trends

The county has considerable assets: businesses at the cutting-edge of science and technology that compete on a global level, proximity to London and a higher than average skilled workforce. Hertfordshire's economy generates output – measured as Gross Value Added (GVA) – of around £32.7bn and the pace of jobs growth is strong.

But it also has several major challenges to address. In particular, it has seen limited productivity growth linked to widespread variation in skills and prosperity levels with too many of its people working in poorly paid and often part time jobs. There is also pressure on local transport infrastructure; a shortage of housing that people can afford; a loss of employment land; and challenges surrounding the decaying fabric of our New Towns.

Future economic strategy also needs to take into account wider trends such as overall global uncertainty, the UK's departure from the EU, our ageing population and changing lifestyles, and the continued growth of London. It is with these factors in mind that our revised SEP sets out its strategy.

Our Strategy



Our vision is that by 2030, Hertfordshire will be recognised as the functional core of the Golden Triangle, the single most concentrated area in Europe for scientific research and development, benefiting the UK economy as a whole.

We have made real progress already in relation to our four priorities but there is more to do if we are to grow smartly. We need to invest in more and better workforce skills to improve productivity. We must also be smarter in the way we use our resources to ease congestion and promote jobs and housing growth.



Priority 1

Maintaining global excellence in science and technology

The opportunity

Hertfordshire has several internationally significant sectors, notably life sciences, agri-tech, advanced engineering/manufacturing, sustainable construction and the creative industries. In 2015, the then Department of Business, Innovation and Skills completed a substantial review of evidence to understand local comparative advantages in innovation (defined broadly) across the then 39 LEP areas. Key findings for Hertfordshire included it being ranked 2nd overall in terms of the value of business expenditure on research and development (BERD) and being ranked 1st in bioscience and 2nd in space programmes, according to the value of Innovate UK R&D expenditure. Cultivating these world-leading sectors is a cornerstone of our Strategic Economic Plan.

What we have achieved

Significant progress has been made to date in securing the first cell and gene therapy manufacturing centre, the development of a STEM skills centre next to the Mars Rover Yard at Airbus and enhanced incubator facilities for agri-tech businesses at Rothamsted Research.

Key areas for action

- Encourage research and development for commercial success to ensure future job creation and enable our innovative start-ups and small businesses to scale up and grow. Hertfordshire has long been recognised as economy with substantial numbers of very small businesses, but relatively few that grow to medium size (and beyond), yet these are likely to be the principal wealth generators;
- Invest in workforce skills, especially STEM-related, and business support systems that these fast-changing sectors need to thrive;
- Collaborate more widely with neighbouring LEP areas to maximise opportunities within key sectors;
- Work with Government and national bodies to ensure that appropriate levels of investment are secured and work with local authorities to avoid loss of employment land in locations that are critical to these sectors;
- Help unlock future development at key sites particularly in relation to Hertfordshire's new Enterprise Zone;
- Ensure that Hertfordshire's leading businesses and research institutions are engaged in international trade.

Priority 2

Harnessing our relationships with London and elsewhere

The opportunity

Hertfordshire's economy is defined around its connectivity in relation to London as a world city with the attendant benefits and costs in relation to jobs, housing and transport infrastructure. Its three main radial routes and emerging east/west corridor provide both major opportunities and challenges to economic growth.

- **M1, West Coast Mainline and Midland Mainline:** these cut across the west of Hertfordshire near to three main towns: Watford, St Albans and Hemel Hempstead. They link north west London with Luton, Milton Keynes, the Midlands and the North;
- **A1(M)/East Coast Mainline and Great Northern Route:** this central axis forms part of the life sciences corridor linking London to Stevenage (GSK and Stevenage Bioscience Catalyst) and Cambridge;
- **A10/West Anglia Mainline and M11:** this runs up the eastern boundary and connects east London with Harlow, Stansted Airport and on to Cambridge.

What we have achieved

We have made headway in developing clear growth narratives, defined around the principal transport corridors. As part of this process three Growth Area Forums were well-attended by local businesses and both national and local politicians when priorities and challenges were discussed and agreed. Delivery processes are now being shaped, particularly with regard to infrastructure.

Key areas for action

- Build on the momentum gained across all three growth corridors where there are substantial agendas to pursue;
- Develop our thinking in respect of cross-cutting east-west “corridors”, particularly linked to the A120, A602, A505 and A414 where Hertfordshire County Council – as the Strategic Transport Authority – is expected to play a particularly important role;
- Encourage smarter forms of connectivity to reduce congestion in line with our overall growth ambitions. This includes recognising and investing in the growing significance of rail, bus travel and other forms of sustainable transport and ensuring we pursue a joined-up approach to different forms of transport connectivity;
- Ensure that major developments on the edge of the county, such as the growth at Stansted and Luton, are factored into skills and employment priorities. Engage actively in advancing key national infrastructure proposals that have the potential to have a real economic impact on Hertfordshire, such as Crossrail 2.

Priority 3

Re-invigorating our places for the 21st Century

The opportunity

Hertfordshire has four “first wave” New Towns (Hatfield, Hemel Hempstead, Stevenage, Welwyn Garden City) plus Harlow New Town just over the border in Essex, and South Oxhey, a London overspill town. Combined they have a scale of a medium-sized city and accommodate around a quarter of the county's population. Re-investment is urgently needed to repair their decaying infrastructure, provide high density solutions and capitalise on their excellent railway connections. All of Hertfordshire's towns need to adapt to changes in patterns of living and working, and have a clear economic purpose.

What we have achieved

Substantial progress has already been made in the larger towns of Watford, Stevenage and Hemel Hempstead with further opportunities coming forward in, for example, Hatfield and Broxbourne. The designation of an Enterprise Zone, focused at Maylands Business Park, Building Research Establishment (BRE) and Rothamsted Research, is set to drive new forms of economic growth. Over the longer term new, innovative approaches to development will also be rolled out to Hertfordshire's smaller towns. Appropriate delivery models will need to be put in place to deal with the complexity and costs associated with regeneration.

Key areas for action

- Appropriate provision must be made both in relation to where people live and where/how they work. This means that more housing must be delivered but also that a good supply of employment land must be secured. This relates both to the New Towns and other urban areas such as the larger towns of Watford and St Albans and the smaller towns of Bishop's Stortford and Hertford;
- Define a clear economic strategy for other garden communities coming forward and ensure that good progress is made in relation to the new Garden Town at Harlow & Gilston;
- Work with partners, particularly Hertfordshire County Council, to develop a long term spatial blueprint for the county;
- Ensure that development takes into account the wider opportunities linked to key sectors, that appropriate accommodation is planned for new and small businesses to grow and that skills provision is aligned to local employment growth;
- Work closely with partners to accelerate the pace of housing delivery whilst ensuring there is an adequate and effective supply of employment land provision.



Priority 4

Foundations for growth

The opportunity

The quality and depth of Hertfordshire's workforce skills is a critical foundation for growth. However there are significant variations in skills and school-level attainment across the county; a large scale survey carried out by the University of Hertfordshire found that nearly 80% of firms reported staff training needs. Further research suggests the take-up of apprenticeships among young people locally is below the national average.

The vast majority of Hertfordshire enterprises are small and their vital contribution to the local economy should be recognised and supported. Where there are ambitions to grow, appropriate business support and relatively low cost forms of business accommodation must be made available locally.

What we have achieved

Real progress has already been made thanks to the priorities identified in the Hertfordshire Skills Strategy, *Releasing our Potential*, and the Apprenticeship Strategy; funding to support STEM related projects; and the delivery of The Careers and Enterprise Company which is forging better links between schools and employers.

Business support for SMEs in the county is provided by Hertfordshire Growth Hub. The focus is on business development; access to finance; innovation/productivity; skills recruitment and training; sales and marketing. In its first full year of operation it met all of its delivery targets and client satisfaction was reported to be very high.

Key areas for action

- Work with employers to ensure a good response to the Apprenticeship Levy to encourage greater take-up;
- Ensure that our strategic priorities in relation to meeting local employers' needs are reflected in the local Area Review of post-16 training and education institutions;
- Ensure that skills provision is linked to key sector opportunities and that the business support needs of our SMEs continue to be met.

Next steps

Our refreshed **Perfectly Placed for Business** takes into account the wider trends that will influence economic life and the views received during the six-week consultation process. This route map sets out clearly defined areas of action for our main LEP Board supported by the Programme Boards to now take forward with our wider partners and stakeholders.

