



AGENDA ITEM:

SUMMARY

Report for:	Strategic Planning and Environment Overview & Scrutiny Committee
Date of meeting:	12th September 2017
PART:	1
If Part II, reason:	

Title of report:	Annual Economic Development Update
Contact:	<p>Cllr Graham Sutton - Portfolio Holder for Planning & Regeneration</p> <p>Author/Responsible Officers;</p> <p>Chris Taylor – Group Manager, Strategic Planning & Regeneration</p> <p>Lesley Crisp – Interim Team Leader, E&I Team, Strategic Planning & Regeneration</p>
Purpose of report:	<ol style="list-style-type: none"> 1. To update members about the work carried to support and develop the Economic Wellbeing of the Borough over the past year 2. Consult on future work planned and input any thoughts to this
Recommendations	<ol style="list-style-type: none"> 1. That the report be noted; and 2. Feedback be provided on the progress made and planned future work.
Corporate objectives:	The project supports the Corporate Vision and in particular the priority of Building strong and vibrant communities and ensuring economic growth and prosperity.
Implications:	<p><u>Financial</u></p> <p>None arising for this report – work is carried out from established budgets</p> <p><u>Value for Money</u></p> <p>The Enterprise and Investment team sits within the Strategic</p>

	<p>Planning and Regeneration service, and employs seven and a half posts. Five are externally funded through the Hemel Hempstead Business Ambassadors, European Regional Development Fund and the Maylands Business Centre, leaving two and a half directly funded by Dacorum Borough Council.</p> <p>In addition, during 2016/17, we have continued to charge for many of the services we provide to businesses in order to reduce our cost to the Council and support a sustainable model.</p> <p>DBC were also able to secure funding to support our businesses under 3 years via the ERDF funding programme and also received full business sponsorship to run the Dacorum's Den competition.</p>
Community Impact Assessment	Carried out and is available from the service on request.
Health And Safety Implications	None in this report
Consultees:	MBC Operating Board (20 September 2017) HHBA Steering Board (14 September 2017)
Background papers:	E&I Annual Review 2016/2017 to be circulated at the meeting.
Historical background <i>(please give a brief background to this report to enable it to be considered in the right context).</i>	The report provides an annual update on work to secure the ongoing economic development of the Borough.
Glossary of acronyms and any other abbreviations used in this report:	<p><i>BID = Business Improvement District</i></p> <p><i>ED = Economic Development</i></p> <p><i>E&I = Enterprise & Investment team</i></p> <p><i>ERDF = European Regional Development Fund</i></p> <p><i>HCCI = Hertfordshire Chamber of Commerce</i></p> <p><i>HBBA = Hemel Hempstead Business Ambassadors</i></p> <p><i>HEDOG= Hertfordshire Economic Development Officers Group</i></p> <p><i>LEP = Local Enterprise Partnership</i></p> <p><i>MBC = Maylands Business Centre</i></p> <p><i>Nomis = National Online Manpower Information Service</i></p>

1. Background

- 1.1. The E&I Team is now working to deliver the aims of the new E&I Action Plan 2017-2020 (attached in Annex A). The new plan is designed to have a positive impact on the economy and ensure businesses can grow to their full potential to provide a balanced economy for the growing population. Targets and measures have been put in place to monitor the work and its impact.
- 1.2. Focus areas in the action plan include tourism, retail, start-up and commercial businesses. The Enterprise & Investment team offer support to a wide range of sectors regardless of size or sector. This ensures that Dacorum can offer a mix of employment to its residents, particularly at a time when more people and businesses are relocating out of London due to high premises costs. The team continues to work closely with start-up businesses and has a strong 5-year survival rate of 47%, higher than both the National and Hertfordshire averages.
- 1.3. Over the past year, the new businesses numbers in Dacorum have grown by 4.04% (Source: Nomis, 2016) to a total of 7595. In order to provide sufficient mixed employment for Dacorum's residents in the future, the E&I team place high value on job's growth in the Borough. During 2016-2017, the Office for National Statistics indicated that Dacorum's employment participation rate (the percentage of working age population (aged 16-67) who can work who are employed) was up 2.4% to September 2016 from the previous year, comparing favourably with the rest of Hertfordshire rate, which shows a drop of 1.1%.

2. Maylands

- 2.1 **DBC Owned Land.** Work is continuing to decide how to market just under sixteen acres of land in the Maylands Gateway

Prologis warehouses and the Aviva retail park proposal have now secured planning permission. Construction is expected to start from October/November 2017. A map showing their locations is included as Annex B.

Enterprise Zone status was granted in 2017 with a focus on 'Envirotech' businesses. Work will continue in conjunction with St Albans District Council , Herts County Council and the LEP to develop a strategy to attract inward investment.

The council will also continue to work with Hertfordshire County Council, the other Hertfordshire local authorities, Hertfordshire Highways and the LEP to facilitate infrastructure improvements which will in turn allow future development to follow. Examples of this work include the Maylands Growth Corridor and the Growth and Transport plan for this area, both pieces of work being finalised.

- 2.2 **Maylands Urban Realm Improvements project (MURI)**

Phase 1, running from the Maylands Avenue/Breakspear Way roundabout up to the junction with Wood Lane End is now complete. Scoping work for Phase 2 will begin depending on further developer contributions (Prologis and Aviva), and other future developments.

2.3 Maylands Business Centre Extension. The Maylands Business Centre extension was officially opened in July 2017. DBC funded the work at a cost of £950K, from its capital programme. The extension provides a further five light industrial units and helps resolve the lack of move-on units available to growing businesses in the area. It is expected to bring in an additional profit of £35k per annum. This income will contribute towards future savings for the service.

2.4 Wood House, Maylands Avenue. Work has begun on the Wood House development on the corner of Maylands Avenue and Wood Lane End that will provide seventy-two affordable housing residential units. The ground floor of the development will be a satellite of the Maylands Business Centre and will provide eight move-on serviced offices ranging from 300-700sq ft. allowing tenants of the MBC and other businesses room to grow. It will be managed alongside the MBC with part time provision for a receptionist.

3. Inward Investment

3.1 The Hemel Hempstead Business Ambassadors membership has grown to sixty members, generating an income this year of around £50,000. The scheme brings together the knowledge and influence of businesses in order to attract investment.

On 13 July 2017, Dacorum Borough Council and the Hemel Hempstead Business Ambassadors hosted a unique event at the House of Commons – ‘Hemel Hempstead – Your Platinum Investment’ – showcasing exactly why Hemel Hempstead is the prime location for investment; a place where you can do business. The event was sponsored by local MPs, the Rt Hon Mike Penning and the Rt. Hon David Gauke, with directors and senior managers of leading national and local businesses attending, including institutional investors, and relocating companies, house builders, hotel groups, retailers, developers, architects and key members of the press. Ninety percent of those attending fed back that they are now more likely to invest in Hemel Hempstead following the event.

3.2 Some of the recent Investment successes into Dacorum:

- Capital and Regional have invested £56m in the Town Centre and plan a further £13m on new improvements.
- Jarman Square has undergone a £38.5 million redevelopment by Tesco Pension Fund
- One Stop Doctors invested £10m into the Maylands area and opened its new facility in September 2016, creating 120 jobs.
- £10 million invested into the refurbishment of Westside, Aspley

- EPSON has grown by a further 400 jobs since locating to the new Westside, and DAI additionally moved into Westside also creating 72 jobs.

4. Retail and Tourism

- 4.1** Vacancy rates in the Town Centre have reduced from 12.0% in October 2015 to 10.7% in April 2017.
- 4.2** Dacorum has an estimated 14,000 jobs in the retail sector and the team works hard to ensure there is sufficient support for the businesses to ensure retail has a sustainable future. This is a difficult group to work with because of the transient nature of the sector.
- 4.3** Town centre events to encourage local residents into the area, including the Water Gardens Launch, Halloween, the Fountain Switch-On and the Christmas Light switch-on. All have attracted many residents and visitors into the Town Centre
- 4.4** The Council is currently working with Capital and Regional plc and local businesses to prepare for a Business Improvement District (BID) in Hemel Town Centre. Consultants CMS, experts in developing BIDs, are now progressing towards a vote in October 2017.
- 4.5** The Tourism post ceased in April 2017 and the work was outsourced to Visit Herts in April 2017. An SLA has been agreed and signed. The service will be monitored to see ongoing results for Dacorum.

5. Care and Retention

- 5.1** The E&I team continues to concentrate on supporting our current business base to help them thrive and grow through a variety of initiatives. The team tailor their business support to nurture growth and help to remove barriers that hinder businesses' development. Business support, advice and guidance are an integrated part of the team's service provision. In excess of 350 face to face business support meetings took place in the last financial year to help businesses make the most of commercial opportunities in the area. This supports their continued growth and ongoing business advice helps build loyalty to the area. This, in turn, provides jobs and employment to the local residents.
- 5.2** Networking is essential for reaching new customers and is extremely important to the small business community. In addition to the established external forums, the E&I team facilitates the online Linked In group and its quarterly networking events with member speakers at each event on targeted business issues. On average, forty businesses attend each event with speakers on topics such as cybercrime, sales impact, tourism, social media, and Google marketing. The group now has six hundred and twelve members.
- 5.3** In early 2017, the team conducted a skills survey aimed at ensuring that training provision met with current business needs. One hundred and eighteen businesses fed in and from the results of this survey relevant bite sized courses were developed and are hosted at the MBC. These take the

form of day and half-day courses run on issues highlighted by our businesses as barriers to growth. These are set at affordable rates and self-sustain, requiring no financial support from DBC. (Annex C). Income generated from these workshops has been £27,682 over the past year, generating a profit of £4,195.

- 5.4** Dacorum Business Week – A week of networking and informative seminars designed to support the local business population of Dacorum was held in June 2017. Events took place in Hemel Hempstead, Berkhamsted and Tring. The events were aimed at all sectors and size businesses and topics included visual merchandising and Shop Talk for the retail sector, social media, data protection, marketing and Brexit.
- 5.5** The E&I team produces an annual report measuring achievements against key targets, and detailing some of the non-measurable work we carry out. (To be circulated at the meeting).
- 5.6** The Dacorum's Den initiative continues to grow from strength to strength, providing grants to small and start-up businesses who pitch their ideas to a panel made up of Mike Penning MP and local business sponsors. Between 2012-2016, £50,000 has been given to local businesses who have created 35 additional jobs as a direct result of their subsequent growth. For example, JE2 (Den winner 2015), have reported a Net Worth increase of **29.89%** since receiving the Den money. The Den 2016 was again fully funded by the Dacorum Business community putting in a total of £12,000.

6. Relationship working

- 6.1** The team also works closely with the LEP and other Economic Development Officers through HEDOG in order to ensure that our initiatives are aligned with those in the County. The European Regional Development Fund (ERDF) funding in partnership with WENTA and STANTA came into being in June 2016 and will run until December 2018. This programme is designed to provide a consistent support offer for businesses trading less than three years in Hertfordshire through business advice and mentoring, free training and the potential for start-up and growth grants. The target of this programme is to create new businesses in the area (trading over twelve months). To date, sixty-eight start-up businesses have signed onto the programme and approximately sixty new jobs have been created in the area as a direct result.