



Report for:	Strategic Planning and Environment Overview & Scrutiny Committee
Date of meeting:	20th November 2018
PART:	1
If Part II, reason:	

Title of report:	Economic Development Update – Enterprise & Investment (E&I)
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 – Assistant Team Leader, E&I Team, Strategic Planning & Regeneration</p> <p>Shalini Jayasinghe – Team Leader, Infrastructure & Economy, 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 (April 2017-March 2018) 2. To update members on future work planned as per the E&I Action Plan (Appendix A)
Recommendations	To scrutinise report and work plans as per E&I Action Plan (Appendix A)
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> None arising for this report – work is carried out from established budgets</p> <p><u>Value for Money -</u> The E&I service employs six and a half posts. Three and a half are externally funded through ERDF and the MBC, leaving three funded by DBC.</p>

	<p>In addition, during 2017/18, 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 Dacorum's Den 2017.</p>
Community Impact Assessment	Completed and stored on H drive. Cabinet - Community Impact Assessment E and I team.doc
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 2017/2018 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 carried out by the Council's Enterprise and Investment service to assist in the ongoing economic development of the Borough.
Glossary of acronyms and any other abbreviations used in this report:	<p><i>ED = Economic Development</i></p> <p><i>E&I = Enterprise and Investment</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>HCCI = Hertfordshire Chamber of Commerce</i></p> <p><i>HBBA = Hemel Hempstead Business Ambassadors</i></p> <p><i>BID = Business Improvement District</i></p>

1. Background

- 1.1 2017/18 was a landmark year for Dacorum, which celebrated Hemel Hempstead's 70th anniversary as a New Town and reported a huge £350 million of investment across the area.
- 1.2 The E&I Team is now working to deliver the aims of the current E&I Action Plan 2017-2020 (attached in Annex A) The 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.
- 1.3 Focus areas include tourism, skills, retail, start-up and commercial businesses. The Enterprise & Investment team offers 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.
- 1.4 The team continues to work closely with start-up businesses and is continuing to deliver the Hertfordshire Start-Up programme, funded by ERDF, to ensure higher

survival rates post 12 months of starting. Dacorum has a strong 5-year business survival rate of 46.4%, and continues to outperform county and national patterns.

- 1.5 Over the past year, the number of new businesses to the area has grown by 3.75% (Nomis 2017) to a total of 7880 with the largest growth coming from the micro business level (4.04%). In order to provide sufficient mixed employment for Dacorum's residents in the future, job growth in the Borough is of great importance. Dacorum's employment rate of 83.7% compares favourably to the Hertfordshire average of 83% and the national average of 78.4%. Equivalent period unemployment rates for Dacorum were 3.3%, against the Herts average of 3.0% and the national average of 4.3%. These figures demonstrate that the local economy remains strong and resilient.
- 1.6 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 and attached as Annex C).

2. Maylands Land Development

- 2.1 DBC Land– work is continuing to decide how to market just under sixteen acres of land in the Maylands Gateway. The Enterprise Zone are leading with property on this.
- 2.2 The Hertfordshire Enviro-Tech Enterprise Zone (EZ) is a major economic development project being led by a partnership between Hertfordshire LEP, Hertfordshire County Council, Dacorum Borough Council, and St Albans City and District Council, along with sector leads the Building Research Establishment (BRE) and Rothamsted Research, and the University of Hertfordshire. It covers seven employment sites, five of which are connected with the existing Maylands business area, and two at the BRE and Rothamsted campuses. It is expected to create around 8,000 new jobs over the next 25 years, and aims to attract new environmental technology businesses and jobs to the area, particularly focusing on sustainable construction and agri-tech.

A targeted strategy for attracting future occupiers is developing well, with market launch planned for early March 2019.

The project team is exploring ways to accelerate delivery of critical road infrastructure improvements, including a Multi Modal Transport Interchange and update to the area wide travel plan.

Sustainability and innovation through collaboration are being encouraged and support will be required from partners to define and implement an effective skills strategy.

The EZ aspires to offer outstanding digital connectivity and not just superfast broadband, though private sector investment.

- 2.3 Work commenced on Prologis Park in December 2017 offering 585,000 sq ft of industrial and distribution space across 35 acres.

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.

2.4 Maylands Urban Realm Improvements (MURI) - Phase 1 of the Maylands Urban Realm Improvements is now complete. Implementation of further phases of improvements as per the Maylands Improvement Specification will come forward on securing sufficient developer contributions as development comes forward in the area.

2.5 The Council's Kylna Court development is nearing completion. We are due to open its Move On Business Centre in January 2018. Situated on the corner of Maylands Avenue and Wood Lane End, Kylna Court will provide seventy-two affordable housing residential units and a Business Centre on its ground floor which will be a satellite of the Maylands Business Centre. Providing eight flexible 'move-on' serviced offices ranging from 300-700sq ft. for growing businesses, it comprises a mix of individual offices and allows 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 (HHBA)

The Hemel Hempstead Business Ambassadors continued to grow over the past 12 months, with 12 new businesses joining and a retention rate of over 95%. This brings the total number of members to 71. During 2017/18, the HHBA hosted six events, providing an excellent opportunity for the Business Ambassadors to hear about and help shape the future direction of business in Dacorum.

The HHBA also ran an Investment Showcase at the House of Commons in July 2017 with the aim of demonstrating why Hemel Hempstead is the prime location for investment and 'a place where you can do business'. Directors and senior managers of 150 national and local businesses attended this special event, including institutional investors, relocating companies, house builders, hotel groups and retailers, developers and architects and key members of the press.

2018 is shaping up to be a pivotal year in the development of the group, with their move to becoming a stand-alone, limited company. This is now going ahead and from 1 April 2018 they became Hemel Hempstead Business Ambassadors Ltd. The new board will drive the ambitions of the group and guide your investment.

3.2 Key Investments in 2017/2018

3.2.1 Vanarama opened their £5M headquarters on Maylands Business Park employing circa 180 people.

3.2.2 Tring Park School for the Performing Arts commenced a £12M redevelopment including a 450 seater theatre.

3.2.3 Westside

I. £10 million was invested into the refurbishment of Westside Business Park in Aspley and several multi-national business occupiers have

now moved in. Epson has committed its future to Westside Four by renewing their lease on 54,000 sq. ft. and taking an additional 10,860 sq. ft. on the first floor of Westside Three. This has led to the creation of an additional 400 jobs into the Borough.

II. Grass Roots Group, a leading provider of employee and customer engagement solutions has chosen the 44,899 sq. ft. Westside One as its new UK headquarters. It is relocating from five offices in London and Hertfordshire in early 2018, on a 12 year lease.

III. DAI have also moved to Westside creating a further 72 jobs.

IV. Samsung-owned car and home audio maker Harman International Industries has taken 25,799 sq. ft. on the ground and first floors of Westside Two on a 10 year lease.

3.2.4 Hermes signed a lease agreement for the 80,000 square foot distribution centre at the end of December 2017 and a group of representatives from Hermes and Prologis recently attended a ground breaking ceremony on site. Construction is to complete in October 2018, with Hermes taking occupancy. Looking to expand its regional hub network across the South of England, carpet manufacturer Cormar Carpets has also agreed a lease with Prologis for a 120,000 sq ft space for a distribution centre in Hemel Hempstead. They have taken a lease for a period of ten years.

3.2.5 Maylands Point, a 36,000 sq. ft. warehouse with office space has been let to Selco, the builders merchants. A further 22,400 sq. ft. has been let to Elliot Baxter the UK's leading independent paper supplier. Both are for a period of 10 years.

3.2.6 The same developer as Maylands Point is carrying out a similar development called Spring Park on the former Campus site on Maylands Avenue, to the front of the recent Gyron data centre development. This project will offer 6 warehousing and industrial units with an ancillary Trade Counter, each of between 4,520-11,135 sq ft leasehold.

3.2.7 The Maylands Building (the former Dixons building) has been redeveloped into office space by ESO Capital who have invested over £10 million into the development.

4. Retail and Tourism

4.1 Retail

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.

4.2 Town centre events to encourage local residents into the area, including the Water Gardens Launch, Halloween, and the Christmas Light Switch-On. All have attracted many residents and visitors into the Town Centre

- 4.3** Businesses voted in favour of establishing a Business Improvement District (BID) in Hemel Town Centre. Around £1m of levy investment will be put into the town centre over the next few years.

Maylands Gateway Retail Park Phase 1 is now under way with completion due in Spring 2019. The Park is located on the former Lucas Aerospace site at the junction with Breakspear Way. Aviva Investors, working in partnership with Trilogy Developments and represented by Savills, has completed deals with three well-known brands; Aldi, Costa Coffee and McDonald's. Lease periods are 20, 25 and 15 yrs respectively. The trio become the first of 12 occupiers at the new 134,584 sq ft scheme, for which detailed planning consent has recently been secured. All these facilities will add to the offer of the town and develop vibrancy at Maylands, including a new night time economy increasing both security and the economy of the area.

- 4.4** The 62,500 sq ft Jarman Retail Park adjacent to Tesco and Leisure World is currently being marketed and planning conditions are being finalised. Five large retail warehouses will be built there and work is expected to start in the near future.
- 4.5** Planning has also been granted for a 76-room hotel and restaurant on the ex Schroff site, subject to conditions. The agent is currently working with planning to discharge these conditions.
- 4.6** Visit Herts continue to run the tourism contract for the borough. After a difficult first year, it was felt that the contract did not deliver what had been agreed, with the SLA not fully achieved. After several meetings and a change of staff, the contract is now being closely monitored this year to determine value for money.

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 mixture of initiatives. The team tailors its 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 500 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. A recent example of this is the support for a small creative paper art business through business advice, upskilling, Dacorum's Den and networking. They are on target to double their profit and are looking to employ more staff.

- 5.2** Networking is essential for reaching new customers and is extremely important to the small business community. The 'Dacorum Business Matters Linked In group' continues to grow with six hundred and thirty members to date and facilitates the development of local connections and sharing of business news. Many of these businesses have also received support from the E&I team. It runs 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 recruitment, networking better, social media, personal impact and Google marketing.

- 5.3** In early 2018, the team conducted a business survey aimed at ensuring that the support provision meets 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.
- 5.4** The team continue to run day and half-day courses 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 B). Income generated from these workshops has been £29,725 over the past year, generating a profit of £4,255.
- 5.5** Dacorum Business Week – A second week of networking and informative seminars designed to help the local business population of Dacorum was held in June 2017. Events, including networking, seminars and business surgeries, 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, apprenticeships and the apprenticeship levy, marketing and Brexit.
- 5.6** The Logistics Forum was established in April 2017 to look at issues affecting the major logistics companies in the area. These include congestion and lorry parking with the group meeting at Amazon. They have worked together to rearrange their individual shift patterns to try and help accommodate each other and relieve congestion caused by staff entering and leaving the area. In November 2017 Palmer and Harvey ceased trading and the E&I team worked with the company the Logistics Forum with a result that other members of the Forum were also able to offer 51 jobs to staff being made redundant.
- 5.8** 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 2012-2017, £60,000 has been given to local businesses who have created 54 additional jobs as a direct result of their subsequent growth. For example, The Den 2016 was again fully funded by the Dacorum Business community putting in a total of £12,000

6. Working with Others

- 6.1** The team also works closely with the LEP and other Economic Development Offices through 1-2-1 meetings sharing best practice and HEDOG in order to ensure that our initiatives are aligned with those in the County.
- 6.2** 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, 68 start-up businesses have signed onto the programme and 64 new jobs have been created in the area as a direct result. This is 60% above the number required by the programme of 40.