



Report for:	Strategic Planning and Environment Overview & Scrutiny Committee
Date of meeting:	29 October 2019
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, Enterprise and Investment (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 out to support and develop the Economic Wellbeing of the Borough over the past year (April 2018-March 2019) 2. To update members on future work planned as per the E&I Action Plan (Annex A)
Recommendations	To scrutinise report and work plans as per E&I Action Plan (Annex 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 three full time and 4 part time posts. Two full time and 3 part time are externally funded through ERDF, Kylna Business Centre and the MBC, leaving one full</p>

	<p>time and one part time funded by DBC.</p> <p>In addition, during 2018/19, 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 an extension to the funding to support our businesses under 3 years via the ERDF funding programme up to December 2021 and also received full business sponsorship to run Dacorum's Den 2018.</p>
Community Impact Assessment	Completed and stored on H drive. Cabinet - Community Impact Assessment E&I team.doc
Health And Safety Implications	None in this report
Consultees:	MBC Operating Board (21 August 2019)
Background papers:	Annex B – E&I 2018-19 reporting stats
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>KBC = Kylna 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

The Enterprise & Investment team is committed to ensuring businesses of all sizes in Dacorum have access to relevant and high-quality support and assistance in order to make doing business in the borough as easy as possible. This, in turn, ensures businesses can grow to provide a balanced economy for our growing population.

Support services include free, personalised business advice, skills training workshops, networking, access to grant funding, recognition through awards, small business incubation centres and support for filming and tourism.

1.1 The E&I Team is 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.

- 1.2 In 2018, the number of enterprises based in Dacorum totalled 7900, a similar figure to the previous year. Whilst 91.2% of all enterprises are Micro businesses (0-9 employees), the number of large businesses employing more than 250 people increased by 16.6%.
- 1.3 These business were responsible for £3.6 billion of Gross Value Added (GVA).
- 1.4 Dacorum's employment rate of 81.2% of the working population decreased by 2.5% on the previous year, a trend also seen across Hertfordshire and nationally. Dacorum's figure still compares favourably to the Hertfordshire average of 78.5% and national average of 75.1%.
- 1.5 There are 69,000 employee jobs in Dacorum, 69.6% of which are full time. The average Dacorum resident earns £670.80 per week and the average Dacorum worker earns £593.50 per week. 52.8% of Dacorum's employed residents are Managers, Professionals or Technical staff.
- 1.6 A wide range of industries and sectors are represented in the area, with the highest sectors by employee numbers being wholesale and retail trade; education and activities of head offices, management and consultancy services.
- 1.7 Focus areas include tourism, logistics, skills, retail, start-up and commercial businesses. The Enterprise & Investment team offers support to a wide range of businesses 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.
- 1.8 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 continues to outperform County and National 5-year new business survival rates at 47.7%. This is the second highest in the County just behind St Albans.
- 1.9 The E&I team produces an annual report measuring achievements against key targets, and detailing some of the non-measurable work we carry out. End of year reporting figures are attached as Annex B.

2. Maylands Land Development

- 2.1 Hertfordshire's Enterprise Zone was rebranded and launched to market as Hertfordshire IQ in Q1 2019. With a new website and full marketing support, Hertfordshire IQ is now positioned as a place for innovation to thrive with an ambition to become the UK's leading green tech business hub.
- 2.2 As part of Hertfordshire IQ, Prologis Park has continued to go from strength to strength, attracting five new occupiers, including three from the construction industry supply chain – a key target sector that will help deliver 8,000 new jobs.
- 2.3 Hertfordshire IQ will also form a commercial centre for Hemel Garden Communities, recently awarded Garden Town Status from Government,

helping create a great place for people to live, work and transforming Hemel Hempstead through transport and design to ensure the greatest value for the whole of Hemel Hempstead.

- 2.4 The project team is exploring ways to accelerate delivery of critical road infrastructure improvements, including a sustainable travel plan for Maylands and has consulted with Herts County Council and the LEP to appoint Go Travel Solutions consultancy to take this forward.
- 2.5 The Council's Kylna Court development opened in February 2019 with the Move On Business Centre opening in March 2019. Situated on the corner of Maylands Avenue and Wood Lane End, Kylna Court provides 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 is managed alongside the MBC with part-time provision for a receptionist. All but one of the offices is already taken. Business can stay here for a maximum of 5 years.

3. Inward Investment

3.1 The Hemel Hempstead Business Ambassadors (HHBA)

Hemel Hempstead Business Ambassadors promotes Hemel Hempstead and the surrounding areas and strengthens the area's reputation as a prime choice for business.

HHBA continued to grow to a record total of approaching 100 members with a full and active programme of participation. It is now an independent company, limited by guarantee - HHBA Ltd. Gary Stringer, the place manager left in June and was replaced in July 2019 by Claire Furnell-Williams.

The E&I team will continue to work closely with HHBA over the coming year to attract new investment, top talent and create new jobs for the area.

3.2 Key Investments in 2018/2019

The total investment in the area was £267.15 million during 2018/2019. These include:

- 3.2.1** NTT Europe invested £170 million in data centre in the Hemel area.
- 3.2.2** Thrive Homes embarked on a £20m new homes building programme with Dacorum Borough Council
- 3.2.3** Work begins on the second phase extension of West Herts College, bringing a dedicated engineering facility to the Hemel Hempstead campus to a value of £16 million.

- 3.2.4** Oakman Homes have invested £14 million for the redevelopment of the RBS offices into housing.
- 3.2.5** A new rail crossing at Apsley, as part of the West Coast Mainline Infrastructure costing £8 million
- 3.2.6** Chancery Gate have invested £8 million into the Spring Park Trade Park
- 3.2.7** Biz Space have purchased Imex House have purchased for £7million and invested a further £1million into its refurbishment.
- 3.2.8** Tring Park School have invested £5.9 million into new boarding and teaching facilities.
- 3.2.9** £1 million invested into Gadebridge Splash Park by DBC.
- 3.2.10** There was significant investment from Everyone Active into leisure facilities in Tring totalling £1.8 million.
- 3.2.11** Herts IQ Enterprise Zone will facilitate the development of 3 million sq.ft. of commercial space over the next 10 years
- 3.2.12** Capital & Regional have developed £770 in Fareham House.

4. Retail and Tourism

4.1 Retail

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 have attracted many residents and visitors into the Town Centre.
- 4.3** The BID is now being actively managed and will work closely with the E&I team on events. A joint Christmas Light Switch-On with DBC, the BID, The Marlowes and Riverside is planned for Christmas 2019.
- 4.4** A new Aldi, Costa Coffee and McDonald's opened on Maylands Avenue in Autumn 2019.
- 4.5** After a difficult two years, it was felt that the Visit Herts tourism contract did not deliver what had been agreed, and the Visit Herts contract with DBC was reduced from £26,000 to £5,000 in April 2019, in line with the other Boroughs in Hertfordshire.
- 4.6** The E&I team developed and will manage a new tourism website which went live in April 2019. They are now working with Tring/Berkhamsted Living to ensure the website remains up to date. Events are also being kept current by linking to the DBC events website.

- 4.7** The latest 2019 figures commissioned by Visit Herts on the economic impact of tourism in Dacorum shows the value of the tourism industry to be £269M per annum, with 3.4M visitors.
- 4.8** Dacorum remains popular as a filming destination with 64 filming days including dramas by the BBC, ITV and Netflix. Filming on council owned or managed property produced an income of £14,455.

5. Working with businesses

- 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.
- 5.2** Over 300 1:1 business support meetings took place with a diverse range of businesses to enable them to make the most of business opportunities in the borough and assist with their ongoing development. For example, Dacorum's Den 2018 winner D-Lab have since been introduced by the E&I team to a number of local businesses and are now collaborating with Sopra Steria and West Herts College. They have also received advice on diversifying their activities to increase their income stream.
- 5.3** The MBC continues to be 100% occupied with a significant waiting list particularly for industrial units. Move On space for small businesses continues to be an issue and the team are working hard to retain these businesses in Dacorum after they move on. The information has also been fed into the local plan.
- 5.4** Kylna Business Centre, which opened in March 2019, has seven of the eight offices occupied and continues to support the growing businesses who are tenants at the centre.
- 5.5** The Dacorum Business Matters LinkedIn Group continues to grow with 694 members to date, representing an increase of 10.1% on the previous year. This online group facilitates the development of local connections and sharing of business news. It is supplemented by four face to face breakfast networking meetings annually that are well attended and received. On average, forty businesses attend each event with speakers on topics such as recruitment, networking better, social media, personal impact and Google marketing. Attendees value the opportunity to meet other small businesses, including those who are primarily home based, to share experiences, develop contacts and promote their business.
- 5.6** The Logistics Forum, established in April 2017, continues to meet regularly to discuss issues affecting the major logistics companies in the area. Topics have included future based solutions to transport challenges, sustainable transport, lorry parking and cyber security.
- 5.7** Maylands Business Centre were able to offer a temporary home to the management team of a local business affected by fire, enabling them to quickly recover their operations and continue to trade successfully with only minimal business interruption. They have now taken one wing on the first floor of the

Maylands Building and are continuing to grow successfully whilst they wait to find out whether their building is repairable.

- 5.8** Workshops continued to be well attended and included popular business packages such as Excel and Word, core business skills such as Finance & Marketing and soft skills e.g. presenting, management skills, ensuring the local business community have access to quality, low cost skills development. 49 courses were run for a total of 419 attendees generating an income of £3,499.
- 5.9** 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 2012-2018, £70,000 has been given to local businesses who have created 67 additional jobs as a direct result of their subsequent growth. This year's event was fully sponsored and attracted applications from thirty local businesses all hoping for the chance to be one of 10 to pitch their ideas to a panel of judges. Those who were successful were awarded up to £2000 investment as well as support and mentoring to help their business develop and grow.
- 5.10** The inaugural Dacorum's Business Heroes awards, created to acknowledge those businesses who go above and beyond for others, took place in July 2018 with categories including B2B, Environmental, Apprenticeships, Employment, Retail and Community. Fully sponsored by businesses in the area, its aim is to encourage businesses to support others. The second Business Heroes awards event will again be fully sponsored and enable us to continue to recognise the good work of our business community.

6. Working with Others

- 6.1** The team also works closely with the LEP and other partners through 1-2-1 meetings sharing best practice and HEDOG in order to ensure that we are well informed about issues and initiatives affecting business and able to contribute to discussion affecting economic development.
- 6.2** The European Regional Development Fund (ERDF) funding in partnership with WENTA and STANTA (Watford and St Albans enterprise agencies) came into being in June 2016 and has now been extended until December 2021. 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). Our support for small businesses in the borough helps them to establish, grow and succeed, contributing positively to the economy through job creation and income growth. Sixty six new start-ups and businesses under 3 years old signed up to the programme this year, creating fifty four new jobs as a direct result of ERDF support, 35% above the annual target figure.

7. Connectivity and Transport

- 7.1** The Department of Culture, Media and Sport (DCMS) published the Future Telecoms Infrastructure Review in 2018 and identified that in the coming decades, fixed and mobile networks will be the enabling infrastructure that drives economic growth. However, next generation Fibre to the Premise (FTTP) coverage is only 9.67% nationally, where we lag behind current world leaders

like South Korea (99%) and Japan (97%). Fibre to the Premise technology supersedes Superfast Broadband (speeds of up to 24 mbps) with a gigabit of connectivity (up to 1,000 mbps). These technologies have the potential to transform productivity, and to open up new business models.

7.2 Dacorum is significantly behind the national FTTP rate of 9.67% with a FTTP coverage of only 2.87%. Areas close by such as Milton Keynes are at the forefront of connectivity with a FTTP rate of 49.05% and Aylesbury Vale have a FTTP rate of 13.02%. Dacorum must remain competitive with regard to inward investment and retention of our existing businesses to ensure that our economy prospers.

7.3 DBC submitted a bid to Wave 3 of the Local Full Fibre Network Fund (LFFN) in December 2018 for £1.4 million funding to connect 49 DBC or HCC owned rural sites to FTTP, with the aim of expanding the FTTP network into areas that are not commercially viable to act as a catalyst for commercial investment. Although the bid was received favourably, it did not progress past the dialogue stage as DCMS considered the project to be in its infancy and suggested that Dacorum consider applying for the upcoming Rural Gigabit Connectivity wave of funding.

7.4 The LFFN bid work identified a number of things the Council can do to bring some of the content of the bid forward of our own accord, including: -

7.4.1 Local Plan

Work is currently underway to promote fibre to the premise and next generation access to new build premises within the Local Plan process. DBC submitted a response in December 2018 to the DCMS “New Build Developments: Delivering gigabit connectivity” consultation, looking at ways Building Regulations and the planning process can regulate better connectivity. A draft digital policy has been prepared for the new Local Plan and is currently under review.

7.4.2 Enabling social housing connectivity

DBC’s Housing team has already been engaging with the market to look at bringing forward fibre connectivity to some of our social housing stock. This could not only improve opportunities for health and wellbeing for residents but will also bring forward fibre connectivity in these areas.

7.4.3 Building Partnerships

As part of this work we are building partnerships at a County level to promote the importance of digital connectivity and its role in enhancing the economy.

7.4.4 Consider bidding for Rural Gigabit Connectivity wave of funding

In the feedback to our LFFN bid, DCMS suggested that we consider applying for the Rural Gigabit Connectivity wave of funding, subject to being able to commit to meeting the necessary objectives in terms of rural connectivity. The vast majority of the rural sites included in our expression of interest were schools managed by Herts County Council. To date we have been leading the way on promoting FTTP for HCC and would recommend that these conversations continue at a senior level, promoting this area of funding, in the hope that HCC pick this up as the responsible authority for the schools in question. There would also be value in promoting this to the SW Herts Joint Local Plan group.

- 7.4 Go Travel Solutions has been appointed as a consultant to explore sustainable transport options to connect the Maylands Business Park to the wider area and deliver the Maylands Area Wide Travel Plan, jointly funded by Dacorum Borough Council, Hertfordshire LEP, Hertfordshire County Council and St Albans District Council.
- 7.5 The contract commenced on 1 October 2019 with the aim of tackling congestion to and from the Maylands Business Park, including the Hertfordshire Innovation Quarter with its planned growth, and developing sustainable transport links, which will assist in the retention of a local workforce within our local economy.
- 7.5 This work is being done now to ensure that future employees and businesses have a robust and sustainable transport network to travel in and out of the area and businesses can operate in an efficient environment.