



Report for:	Cabinet
Date of meeting:	19 October 2021
Part:	1
If Part II, reason:	

Title of report:	Dacorum Economic Recovery Plan
Contact:	<p>Cllr Alan Anderson, Portfolio Holder for Planning and Infrastructure</p> <p>Author/Responsible Officer James Doe, Assistant Director – Planning, Development and Regeneration Chris Taylor, Group Manager – Strategic Planning and Regeneration</p>
Purpose of report:	<ol style="list-style-type: none"> 1. To outline the rationale for the creation of a new Economic Recovery Plan for the Borough of Dacorum, as supported by the new multi-partner Economic Recovery Board; 2. To set out the content of the proposed Economic Recovery Plan; and 3. To seek Cabinet’s approval of the Economic Recovery Plan
Recommendations	<ol style="list-style-type: none"> 1. That Cabinet approves the Economic Recovery Plan as outlined in the report and at Appendix 1.
Period for post policy/project review	It is proposed that the Economic Recovery Plan will be reviewed on an annual basis through the Dacorum Economic Recovery Board, Strategic Planning and Environment Overview and Scrutiny Committee (as part of that Committee’s established annual review of economic development issues) and Cabinet by way of an annual refresh of the Plan.
Corporate objectives:	<ul style="list-style-type: none"> • Building strong and vibrant communities • Ensuring economic growth and prosperity

Implications:	<u>Financial</u>
'Value for money' implications	<p>There are no financial implications for the Council as current funding such as the Additional Restriction Grant and current Council budget and resources will be used.</p> <p><u>Value for money</u> The proposed actions and approach present value for money as they require partners to pool their resources and coordinate delivery.</p>
Risk implications	A risk assessment was completed as part of the evidence gathering process and the risks associated with no intervention are set out in the Economic Recovery Plan. The effects of interventions and a planned approach to create an inclusive and sustainable economy will have positive implications for those residents furthest away from the labour market and will support the growth of a diverse and successful economy.
Community Impact Assessment	Community Impact Assessment completed
Health and safety Implications	None arising from this report
Monitoring Officer/ S.151 Officer Comments	<p>Monitoring Officer: No comments to add to the report.</p> <p>Deputy S151 Officer: No further comments to add to this report.</p>
Consultees:	<p>Dacorum Economic Recovery Board</p> <p>Hertfordshire Local Enterprise Partnership</p>
Background papers:	<p>Proposed Economic Recovery Plan (Appendix 1)</p> <p>Presentation to Economic Recovery Board, 6 September 2021 (Appendix 2)</p> <p>Dacorum Economic Dashboard Link on DBC website here</p> <p>Economic Recovery Board Terms of Reference (Appendix 3)</p>
Glossary of acronyms and any other abbreviations	Herts IQ/HIQ – Herts Innovation Quarter, the Enterprise Zone for Hertfordshire comprised of defined land at East Hemel Hempstead, Rothamsted Research and the

used in this report:	Building Research Establishment at Garston Herts LEP – Hertfordshire Local Enterprise Partnership
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Background

Dacorum is well placed to become the future economic driver for Hertfordshire and a substantial contributor to the UK economy. The borough can present three key opportunities which will drive its future economic success forward:

- **The Herts Innovation Quarter (HIQ)** Enterprise Zone provides for the potential of around 3 million sq. feet of new commercial space, with strong links to research and development facilities and is focused on attracting knowledge based highly skilled jobs to Dacorum.
- **Hemel Garden Communities (HGC)** is an ambitious development programme that will transform Hemel Hempstead and create attractive and sustainable neighbourhoods and communities through the delivery of more than 11,000 new homes and 10,000 new jobs by circa 2050.
- **Hemel Hempstead town centre** Place Strategy will deliver the long-term aspiration to provide a town centre for the benefit of residents, visitors and businesses within a 21st century Garden Town context. The pandemic has sped up the need for repurposing and redeveloping the town centre to ensure, not only its future survival, but the potential advantage of its position close to London and to the two major developments of HIQ and HGC. It will recognise the fundamental shift in retailing patterns and behaviours and will address the need to increase the level of business activity and improve the town centre's arts, culture, and leisure offer.

However, there are challenges for the continued success of the local economy and the opportunity to drive forward Dacorum's ambition as key contributor to economic growth and wellbeing. These include the experience and transformative effects of the pandemic, providing a positive response to the effects of EU exit and continued automation in workplaces.

In order to identify weaknesses and set priorities for action in order to develop proposals to ensure a future successful economy, the Council commissioned the production of an economic dashboard for Dacorum:

<https://app.powerbi.com/view?r=eyJrljoiOTkzYWRhNTYtNTUzMy00YTBiLTg5ODgtNDkM2EyZjdINWMyliwidCI6IjUxYmZkZmVhLWZjktNDk5OS1hYmY1LTc2ODI3NjllZi9&pageName=ReportSection57ffcfa1b135a2b82ee5>.

The Council recognised the requirement to produce a partnership-led Economic Recovery Plan so, in its role as community leader, invited partners to form an Economic Recovery Board, which met for the first time in May 2021, to start developing an Economic Recovery Plan.

The New Dacorum Economic Recovery Board

The role of the Board going forward, will be to oversee the delivery of the activities within the plan and to measure the impact of the interventions. It will also ensure that activities are coordinated and focussed on needs and priorities. The Board includes

representatives from a range of partners including the university, LEP, Herts Chamber of Commerce and Industry, West Herts College and local businesses from a range of types and sizes, including social enterprises.

The Board met on 6 September 2021 to review a draft version of Economic Recovery Plan and to receive initial comments. The Plan was positively received and members were asked to circulate the document within their organisations for further comments.

The Plan also included the six task and finish groups' initial action plans which had been worked up during July and August. A task and finish group is allocated to each of the theme as follows:

1. Skills	West Herts College (Lead)
2. Business Growth	Dacorum Borough Council (Lead)
3. Innovation	Herts IQ (Lead)
4. Inward Investment	Dacorum Borough Council/Hemel Hempstead Business Ambassadors (Lead)
5. Hemel Hempstead Town Centre Business Development	Dacorum Borough Council (Lead)
6. Export and Internationalisation	Chamber of Commerce (Lead)

The next step is for the task and finish groups to meet during October/November to develop the details of their action plans and to present to the Board's next meeting in December, for delivery to start in January 2022.

Key Issues

Based on the evidence, the Economic Recovery Board agreed a set of priority actions for each of the Task and Finish Groups and these are detailed in the Economic Recovery Plan.

In summary, the issues and proposed actions includes:

1. Skills and Employment

Issues: 21% of Dacorum's residents only have the most basic qualifications (NVQ) and will have a challenge in accessing employment opportunities in the growing high technology sectors. In addition to this, there will be a substantial requirement for retraining, due to jobs lost during the pandemic and, in the next 10 years, due to automation. As an example, it is forecast that approximately 1,401 retail jobs will be lost due to expansion of on-line retail.

Response: Actions proposed by the Board are detailed in the Plan and aim to ensure that the current and future workforce has the skills and opportunity to take advantage of new high skills technology employment.

2. Business Growth

Issues: New business growth since 2020 has been sluggish. Businesses incorporated since Jan 2020 make up approximately 13% of current active businesses in Dacorum, compared to 20% in the UK.

In addition to this, manufacturing employment is in sharp decline, with a reduction of 22% between 2015-19. There is a clear need to assist companies to diversify and encourage longer term planning to survive. The growth of social enterprises also needs to be supported as a way of engaging with communities and build their entrepreneurial capacity.

Actions proposed by the Board are detailed in the Plan. In summary it proposes a focus on engaging with, and supporting, businesses and the development of social enterprises/community interest companies' capacity to facilitate growth, investment and to ensure longer term strategic plans meet the needs of the businesses.

3. Innovation

Issues: There has been unstable GVA growth in Dacorum since 2010, especially in sectors adding high value such as Information and Communication and Professional services. On the other hand, there is an existing well-developed cluster within these sectors and they should perform better. There is a clear lack of innovation capability and a reason to ensure the future growth and improved performance of these sectors. The anticipated growth of the enviro-tech sector in Herts IQ and the opportunity to link this with Hemel Garden Communities, requires a coordinated approach to ensure success. Another clear indicator to the slow GVA growth is the lower than average workplace earnings, showing a lack of innovation growth and high paid/skilled employment.

Actions proposed by the Board are detailed in the Plan and aim to support the growth of the existing Information, Science, Technology and Professional Services clusters and also to focus on developing the growing enviro-tech sector, linking closely with Herts IQ and Hemel Garden Communities.

4. Inward Investment

Issues: Dacorum is ideally placed geographically to maximise business investment into the area. It needs to develop a brand that sets out the key messages for attracting investment that is based on "the place" and which is bought in to by all partners and stakeholders. The brand needs to sell the ambitious renewal agenda and to promote opportunities for investment in both housing and employment with supporting infrastructure. Once the brand is in place, and the Hemel Place Strategy is developed, then these key messages can be used to both promote the "place" and lobby for funding to support the delivery of ambitious plans to deliver.

Actions proposed by the Board are detailed in the Plan and aim to Identify Dacorum's unique selling point (USP) and develop the engagement with inward investors, regional and national partners to promote the opportunities in the Borough and lobby for funding and investment.

5. Hemel Hempstead Town Centre Business Development

Issues: There are pockets of deprivation in and around Hemel Hempstead town which illustrate the hallmark of a New Town needing investment and reimagining to

ensure its future sustainability. The volume of new commercial leases in the town centres has fallen resulting in a weakened town centre offer with a lack of cultural, leisure and workspaces to drive footfall and recovery of the High Streets. To be successful in the longer term, and to take advantage of the fact that 27% of Dacorum residents work from home, the introduction of new and flexible workspaces will be a key component to drive the repurposing of not only Hemel Town centre but also Tring and Berkhamsted.

Actions proposed by the Board are detailed in the Plan and aim to repurpose Hemel Hempstead Town Centre (HHTC) and introduce new work spaces and employment opportunities.

6. Export and Internationalisation

Issues: Dacorum has extensive international links with nearly 100 Dacorum businesses exporting goods across the globe. Its excellent location near key transport links such as the M1 and M25, enables easy access across the UK and to the continent. A contributor to business growth is export and although Brexit has provided challenges it also offers opportunities to trade with markets further afield. More companies in Dacorum needs to be made aware of the opportunities and how to access them.

Actions proposed by the Board are detailed in the Plan and aim to develop the International Dacorum offer and brand, promoting export and developing international partnership links.

Conclusions

Following the pandemic and the introduction of other external factors such as EU exit and automation, it is clear that the Dacorum economy needs a reset in order to continue the trajectory of its previous current success. The priority for the future is to make the economic success in Dacorum sustainable, resilient and accessible to all local residents and businesses.

The draft Economic Recovery Plan has been built following an analysis of the economic evidence available along with partners' input and feedback, and it aims to provide a coordinated to approach to deliver economic growth in the Borough. The Council's role as a community leader, will be to lead the Economic Recovery Board and to ensure the Plan is taken forward and actions are delivered with the desired outcomes.

Recommendations

That Cabinet approves the Economic Recovery Plan as outlined in the report and at Appendix 1.