



AGENDA ITEM:

SUMMARY

Report for:	Strategic Planning and Environment Overview & Scrutiny Committee
Date of meeting:	24 November 2021
PART:	1
If Part II, reason:	

Title of report:	Economic Development Update
Contact:	Cllr Alan Anderson - Portfolio Holder for Planning & Infrastructure Author/Responsible Officers; James Doe – AD Planning & Regeneration Chris Taylor – Group Manager, Strategic Planning & Regeneration
Purpose of report:	1. To update members about the work carried to support and develop the Economy of the Borough 2. To update Members on future work planned through the economic recovery
Recommendations	To scrutinise report and approve work plans
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:	<u>Financial</u> None arising for this report – work is carried out from established budgets <u>Value for Money</u> The ED Service employs seven posts overseen by the Group Manager with considerable input over the last two years to help refocus the service at an important time.

	Two of the EDO posts are funded by established DBC budgets Other posts are funded from a range of sources such as the income generated by the business centres and additional external funding such as filming income or European ERDF funding
Community Impact Assessment	Completed and sent with the report
Health And Safety Implications	None in this report
Consultees:	
Background papers:	Economic Dashboard (weblink) Dacorum Economic Recovery Plan (Annex A) Economic Profile (Annex B) RHSS End of Programme Report (Annex C)
Historical background <i>(please give a brief background to this report to enable it to be considered in the right context).</i>	This is an update report
Glossary of acronyms and any other abbreviations used in this report:	ARG – Additional Restrictions Grant BID - Business Improvement District ED = Economic Development ERDF – European Regional Development Fund HEDOG- Hertfordshire Economic Development Officers Group HCCI - Hertfordshire Chamber of Commerce HBBA = Hemel Hempstead Business Ambassadors KBC – Kyna Business Centre LADF – Local Authority Discretionary Fund LEP = Local Enterprise Partnership MBC = Maylands Business Centre

1. Background

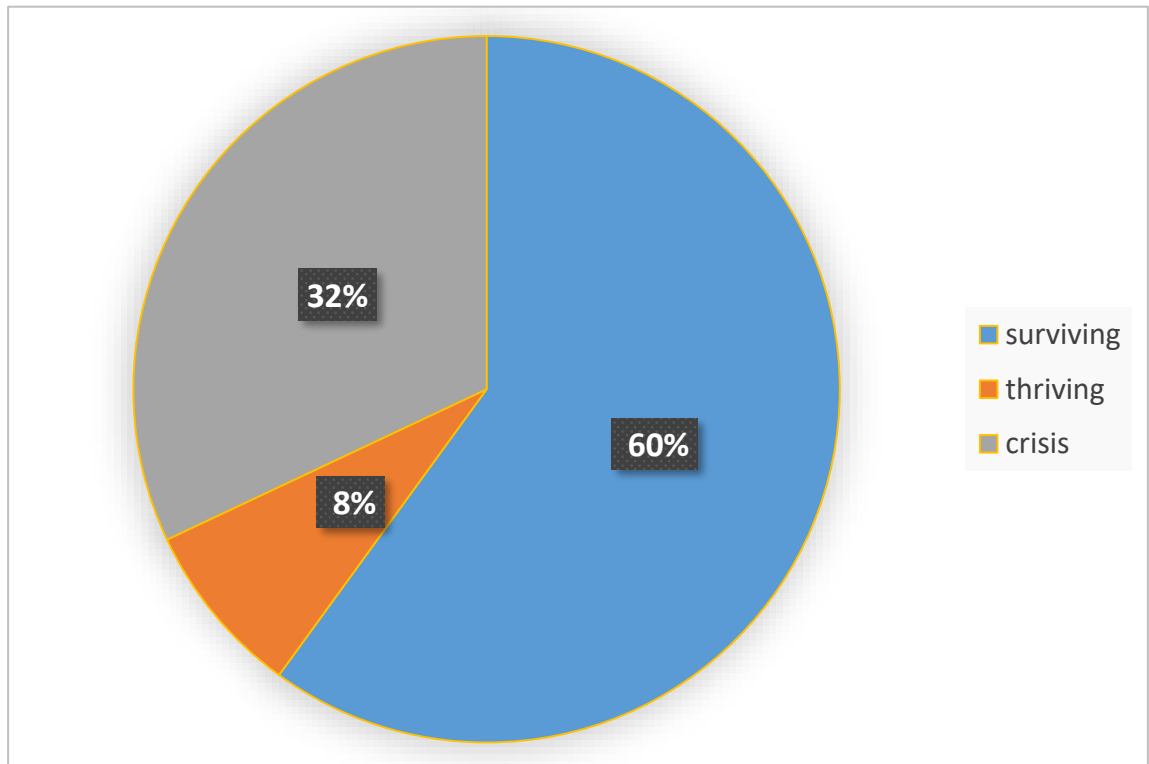
- 1.1 The Economic Development Service has had an extremely busy eighteen months since the start of the pandemic. It responded to the pandemic situation and offered as much focus and support as possible to businesses that have been hit hard. Covid-19 has forced businesses into survival mode, shifting the focus away from growth, although a number of businesses have been able to capitalise on the opportunities created.
- 1.2 The Economic Development Service has been focused on both understanding the impacts and responding to the situation where possible. Payment of government grants has absorbed much of the service capacity during this time and the subsequent development of the Economic Recovery Plan has also re-focused the service during the last six months.

1.3 The two business centres continued to operate throughout the pandemic with the team based at the MBC to maintain the delivery and availability of support and also to maintain rental income. The service has reached out to the tourism and hospitality sectors and also delivered the RHSS (Return to High Street Safely) and WBF (Welcome Back Fund) projects to support retail where possible. It has also promoted new areas of work, supporting the creative and filming sector to bring wide economic benefits into the borough. More details of these activities are shown below;

2. Response

2.1 The first action carried out during the first lockdown was a telephone Survey of 780 local businesses to see how things were and referring when possible to the available support. It was essential to gauge which areas were really in crisis. This data will be reviewed in 2022 to establish new information on survival and recovery.

July 2020 extract from the report below:



Total number surveyed in sector

Sector	no. surveyed	no. in crisis	%sector in crisis
Leisure & Hospitality	70	37	53%
Health & Beauty	48	28	58%
Retail (incl. online)	84	22	26%
Engineering	41	10	24%
Recruitment	27	13	48%
Construction	59	9	15%
Marketing	31	14	45%

Creative Industries	27	16	59%
Professional Services	62	16	26%
Food & Drink	23	9	39%
Others (19 sectors)	308	104	34%

- 2.2 In addition to the grants administered to businesses through the business rates formulae, two local authority discretionary funds were administered by the Economic Development Service. Following the guidance agreed by Members on the priorities for our borough, both the LADF and the ARG payments were administered and required high levels of liaison with businesses and verification by officers to ensure the funds were going to the correct businesses who were entitled to the support and evidence gathering and checking.
- 2.3 Subsequently, there was also a need to deal with the high levels of rejected applicants, complaints. This was extremely time consuming for most of the team over a six month period, little else was able to be delivered during this time, however it was essential to get the support out to enable as many businesses as possible to survive throughout the lockdown periods until they were able to get back to a more normal operation.
- 2.4 Lockdowns allowed additional management time to be spent to carry out an in-depth review of tenant compliance and Health & Safety at both business centres met the standards required. Much time has been spent with our own H&S team, Legal department, Building Control officers and external contractors to ensure standards are met and new Contracts and agreements are now in place, including working with our tenants to understand their obligations in all areas. The MBC is now at full compliance and improved management and maintenance systems have been put in place. Data collection and business services have also been overhauled and improved and new officers have been recruited.
- 2.5 The business centres remained fully staffed and open throughout the pandemic. Maylands Business Centre celebrated its 10th anniversary this year in July. Since opening, 165 businesses have used the facility during that time. The extension (additional 5 light industrial units) completed in 2017 also remains fully occupied. The scheme has now returned a more normal operation. Demand has now returned and the MBC is again full, for both offices and units with robust waiting lists in place. Despite many movements throughout the pandemic (with some businesses having to return to home bases) the centres are now operating at capacity.
- 2.6 To ensure the MBC keeps adapting to modern business requirements, there has also been development of the 'flexidesx' - drop down facility available to all businesses and refurbishing an area that was previously poorer quality office provision. The supporting high quality vending offer now also means that there is an opportunity for people to be able to meet over refreshments and has returned the lively heart to the centre where tenants and other businesses can work together.

- 2.7 There was an urgent focus for the officers on supporting the retail sector in responding to lockdown. The Council was successful securing two funds (RHSS and WBF) which have been used to help high streets and town centre businesses survive lockdowns and support their reopening.
- 2.8 The RHSS fund focused on safely reopening the shops and included the development of the Loyal Free App to promote a range of retail offers and information to the public. The project work also includes offering training to small retailers and the production of videos to promote the retail areas. Attached at Annex C is the end of programme report for the RHSS project.
- 2.9 The second tranche of funding (WBF) has been more widely used for promotion and increasing footfall to town centres and high streets and will include supporting events and promotions, notably enhancing the Christmas lights this year. Some funding for the WBF is yet to be allocated as the project runs until March 2022. Extensive work also continues with the BID for the Town Centre.

2.10 Business as Usual - Ongoing engagement and Care and Retention

- 2.10.1 Face to face business visits were impossible during lockdown however, virtual meetings and telephone conversations were held particularly with the sectors who were struggling the most. Visits started again as soon as we were able to including some hospitality venues. Since April this year, 36 face to face business support meetings and 9 video meetings were held to try and protect and retain local businesses and employment to local residents.
- 2.10.2 Referrals to other partners have also grown during this time. There is a higher than normal level of funding available for businesses wishing to access support through the Herts Growth Hub, Herts Chamber of Commerce or other county based support packages.
- 2.10.3 Ongoing communication has been essential throughout the pandemic period to ensure that businesses are able to be aware of support and funding available to them. The regular electronic Business Update also gives good news stories and case studies and keeps businesses aware of other activities of interest. The update continues to be sent regularly to around 4000 email contacts.
- 2.10.4 The service is also responsible for the delivery of the Halloween and Christmas Events. This year, due to ongoing COVID restrictions, the Halloween event was cancelled and replaced by an Old Town window display competition promoted through the Loyal Free App and the Christmas event has been spread over more than one weekend avoiding the drawing of a large crowd in one part of town to a switch on event.

2.10.5 There will be a “festival of lights” which will begin on the weekend of the 20th November 2021 including the lights being switched on and which will continue over the following weekends in an effort to draw footfall over a more spread out timeframe. Provision and installation of the Christmas lights for HHTC, Old Town and Tring and allocating of funding to Berkhamsted is also coordinated by the service. Additionally, the two Christmas trees in the town centre and Old Town are arranged annually through this service. This year, the service is using some of the WBF to enhance the Christmas lights offer for the town centre and other areas, however this will be a one-off due to the nature of the additional funding availability.

3. Economic Recovery

- 3.1 The Dacorum Economic Recovery Board was launched in March 2021 with many high level partners across all sectors that work to support and develop the economy, employment and skills, and some local businesses. The Board includes Herts LEP, West Herts College and the Hertfordshire Chamber of Commerce and Industry.
- 3.2 An economic dashboard was developed and data gathered to ensure the recovery was focused in evidence of need or where partners identified issues that need addressing. The dashboard is available to anyone online and can be accessed on the DBC website here: [Dashboard](#).
- 3.3 The Recovery plan that has subsequently been agreed in partnership with all stakeholders and approved by Cabinet in October contains six priority streams of work (shown below) and the group has identified issues and plans to address these. The partners are currently in the process of developing targeted action plans for delivery from 1st Jan across all areas. This work additionally feeds in to the Corporate Recovery Plan.

- a. Ensuring a current and future workforce has the skills and opportunity to take advantage of new high skills technology employment.
- b. Engaging with and supporting businesses and develop social enterprises' capacity to facilitate growth, investment and ensure longer term strategic plans meet the needs of the businesses.
- c. Supporting the growth of the existing Information, Science, Technology and Professional Services clusters and developing the growing Enviro Tech sector, linking closely with Herts IQ and Hemel Garden Community.
- d. Identifying Dacorum's USP and develop the engagement with inward investors, regional and national partners to promote the opportunities in the district and lobby for funding and investment.
- e. Repurposing Hemel Hempstead town centre and introduce new work spaces and employment opportunities.

f. Developing the International Dacorum brand, promoting export and developing international partnership links.

Members can see the full version of the recovery plan is Annex A, and the Current Economic Profile of Dacorum at Annex B to this report.

4. **Developing the Service further for delivery during 2020-2022**

- 4.1 The Economic Development Service gives **ongoing economic input** to development planning for commercial applications and the Local Plan. This ensures that future needs are met to achieve balanced growth in the borough and ensure the requirement for employment land to deliver jobs for the future is incorporated into long term planning.
- 4.2 The **Creative and filming sector** has experienced large growth in the last 6-9 months in Hertfordshire and locally. Both in location filming locally and wider studio development, this is a key growth sector for Hertfordshire.
- 4.3 The Council has a great opportunity make the most of the opportunities presented from this area. We now have a corporate filming officer who will try and maximise the economic benefits for the borough and make local location filming go smoothly as possible. This sector will also bring with it opportunities for businesses and a high level of skills requirement that must be met for the future to secure the continued growth of the sector in this area. Recently, the planning application proposals for further studio development at Bovingdon Airfield were approved by the Council. Work by the team continues in these areas.
- 4.4 Work has begun on the development of a **Delivering Social Value from Planning** tool that can help the borough develop a means of extracting social value for training and skills from the planning on major sites through S106.
- 4.5 A draft SPD has been prepared and will go through the necessary procedures over the coming months, and will be the subject of a separate report to this Committee. A pilot project will be delivered on an application in the near future to see how this work can be shaped in practice to bring the benefits to the borough. An example of this could be a commercial development of filming studios; the developer would commit to enabling development of skills in this sector such as traineeships, apprenticeships, work placements etc.
- 4.6 This work will also feed in to a Hertfordshire-wide project to deliver Community Wealth Building funded through the Community Renewal Fund and Dacorum will be using the social value pilot to gauge success and then to endeavour to roll out the scheme to other Hertfordshire authorities.

- 4.7 The Economic Development team also contributed to the **Town Centre Strategy work**, both through input into the early stages of the HHTC Strategy project and as part of the Economic Recovery plan where this is one of the priority areas. One aim of this work is to bring a higher number of employment opportunities into the Town Centre, which will help to increase footfall during the week and help to sustain the vibrant town centre.
- 4.8 To support the aspirations and work alongside both the Hemel Place Strategy and the Hemel Garden Communities, it will be beneficial to consider further the potential and **future uses for the Maylands area**. This needs to include looking a densification of the area to provide further available employment space as buildings come towards the end of their life and potentially the further consideration for parking provision set against encouragement for more sustainable travel. This issue has been the subject of initial conversations with Herts LEP, not least given the strong relation of the main Maylands Business Park to Herts IQ (Hertfordshire's Enterprise Zone) meaning that upwards of 30,000 people may be working in that area in the future.
- 4.9 Working in partnership with our education and skills providers, there is a need to develop further the coordination and delivery of the likely **future skills needs**, and the changes post pandemic in demands for skills locally and how the provision for this can reach all those who need it. This work will begin through delivery of the Recovery Plan (theme 1) however it needs to widen out to ensure that all residents are able to maximise the opportunities from the economic changes in the local area. The service will be including the provision of a half-time post from April 2022 to help to develop this area further and must be achieved by working with our key partners.

5. Maintaining and Enhancing Key partnerships

- 5.1 The team ensure that all key partnerships have council representation and input into their work wherever possible. Two important partnerships this year have been the HHTC BID and the HH Business Ambassadors.
- 5.2 The Hemel Hempstead **Town Centre BID** is our key town centre partnership. The Assistant Director is currently a Director on the Board. The GM has been on the BID Action Group working closely with the partners and businesses to stage series of events, open safely and restore footfall across HHTC. It is essential that this partnership works together to bring forward the Town Centre Strategy work in a joined up way.
- 5.3 **Hemel Hempstead Business Ambassadors (HHBA)** The council has continued to sit on the Board of the HHBA and this enables it to feed in to the partnership and the businesses the future growth plans for the borough that will have an impact on the economy and local businesses. It is vital that business feels it has the ability to have dialogue with the council through this partnership and can also have opportunities to have a say on some of the longer term plans for the area. This can enable business to consider longer term strategic decisions and also foster future investment to the borough.

6. Securing Inward Investment into Dacorum

- 6.1 It is essential that the Economic Development service continues to respond positively to all investment enquiries. Attracting investment can bring job security and increase employment opportunities locally to benefit our residents. The service continues to work with Herts IQ to help shape the future of this employment land through the HGC work.
- 6.2 Investment can come from a range of areas including a business looking to relocate or seek alternative premises but can also include consolidation of premises or enlargement of their current premises.
- 6.3 It will also continue to work with Herts LEP to ensure that Foreign Direct Investment into the area is supported as it locates into the area. It is essential that a proactive approach is taken to make sure that the business feels valued in the area or welcomed and supported throughout the processes. It must be remembered that business always has a choice to go elsewhere.
- 6.4 Some recent example of successes for investment into the borough include:
 - GAMA Health Care – 120 jobs at the Maylands Building (from Watford)
 - Prologis purchased further land at the Maylands Gateway and will increase its footprint in the area. DBC continue to work with them to secure a good investors on this key site that sits at the entrance to Hemel Hempstead, opposite Breakspear Park.
 - One Stop Doctors on Boundary Way invested recently in a new operating facility opened for day surgery
 - FFEI has changed ownership this year bringing in further investment and protecting jobs
 - Prologis Park at Maylands has attracted several large new businesses securing lettings on their new build site and delivering new road infrastructure into the Maylands Gateway
 - CAE Technology have recently moved their HQ function from Watford to Maylands
 - Spring Park (medium size industrial units) in Maylands Avenue became available just before the pandemic however it is now fully let
 - Numerous new businesses to the MBC and KBC who have just begun their journey and others who have now moved on such as Keeto Life growing from 4 Employees when moving in to 35 employees when moving out this month to an alternative site in Dacorum (including some casual posts).

7. Summary

- 7.1 Business has come through a really difficult time and some businesses continue to adapt and make plans to continue to help them get through this period. The business base has actually grown in Dacorum (by 35 businesses or 0.4% - see table below) which is positive at this difficult time. There is considerable growth opportunities in some areas such as filming

and creative and substantial changes in other areas such as retail. The Hospitality sector is struggling to meet their recruitment needs currently, but some in this sector are looking at wider diversification to capture the new emerging local customer base and staycations. The service must continue to keep a watching brief on the local economy responding where possible to ensure that Dacorum continues to be a great place to do business and provides a range of employment opportunities for the borough.

UK Business Counts - enterprises by industry and employment size band DACORUM

ONS Crown Copyright Reserved [from Nomis on 14 October 2021] local authorities: district / unitary (as of April 2021)

Legal Status	2020	2021	Change from 2020	% change
Total	8,105	8,140	35	0.4%
Private sector total	8,085	8,115	30	0.4%
Company (including building society)	6,560	6,600	40	0.6%
Sole proprietor	1,020	1,030	10	1.0%
Partnership	315	300	-15	-4.8%
Non-profit body or mutual association	185	190	5	2.7%

All figures are rounded to avoid disclosure. Values may be rounded down to zero and so all zeros are not necessarily true zeros. Totals across tables may differ by minor amounts due to the disclosure methods used. Furthermore, figures may differ by small amounts from those published in ONS outputs due to the application of a different rounding methodology.