

*PART A

Report to: Cabinet
Date of meeting: 7th September 2015
Report of: Head of Regeneration and Development
Title: Economic Development Strategy

1.0 **SUMMARY**

- 1.1 The 2010 Economic Development Strategy has been revised. This report includes a review of the performance of the Strategy (2010-2015), the new Economic Development Strategy 2015-2020 and a supporting Action Plan to 2018.
- 1.2 The review of the 2010 Action Plan provides an update on project related activity as well as a review of Headline Indicators/KPI's as defined in the 2010-2015 Economic Development Strategy.

The over-riding objective of the Economic Development Strategy 2015-2020 is to maintain, develop and grow the town's economic development activity, to deliver a prosperous economy for Watford and to ensure that as a town we create sufficient opportunities for local people to maximise their economic prosperity and potential. The strategy draws on evidence incorporated from a range of sources both within the Council and provided by the town's key private and 3rd Sector stakeholders, however it is primarily informed by its companion document, the Watford Economic Growth and Delivery Assessment.

Watford's Local Plan Core Strategy is the principal spatial plan for the Borough and it sets out the vision and framework by which the town will grow and develop to 2031 and articulates how Watford Borough Council will lead and realise the vision. The Economic Development Strategy is one of the enabling strategies to deliver the Core Strategy and both align with the Council's Corporate Plan Strategic Priority 2 'to provide the Strategic lead for Watford's sustainable economic growth.'

The 2015 – 2018 Action Plan takes the 2015-2020 Economic Development Strategy into a "smart" format for monitoring and review.

2.0 **RECOMMENDATIONS**

- 2.1 To note progress made against the 2010 Action Plan.
- 2.2 To agree the 2015 – 2020 Economic Development Strategy.
- 2.3 To agree the 2015 – 2018 Action Plan.

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Report approved by: Head of Regeneration and Development

3.0 DETAILED PROPOSAL

3.1 In the previous Economic Development Strategy the following 5 priorities were set out:

- Priority 1 – The Sustainable Growth of Watford
- Priority 2 – Engaging with and Supporting the Business Community
- Priority 3 – Inward Investment and Business Retention
- Priority 4 – Ensuring that Watford has a Skills Base to Support a World Class
.....Economy
- Priority 5 – Strengthening Local Supply Chains and Securing Local Employment

These were incorporated into an action plan with set activities for each.

3.2 The document at Annex A shows performance against the plan. Most of the actions have been carried out and where desired outcomes have not been achieved, the reasons have been clearly articulated. Some of the outstanding actions are now time expired, however some will be carried forward into the Action Plan for 2015-2018.

3.3 In developing the strategy consultation was carried out with key stakeholders, both internal and external, including online consultation. These have been incorporated into the revised strategy.

3.4 Watford, as a town, is in a very different place than it was in 2010. At that time we were still in an economic recession, whereas we are currently experiencing something of a property and investment boom.

3.6 Watford has a young and growing population. 33.8% of the population are between 25 and 44, compared with the England average of 27.5%. There are approximately 3500 business within the Borough, across a wide range of sectors. Business start ups are above average, which evidences an entrepreneurial culture, however, the town still appears to have challenges in terms of its 5 year business survival rate, being lower than both regional and national averages.

3.7 Watford's population is growing rapidly and is expected to grow further. Recent evidence also suggests a significant uplift in the level of projected business/employment demand in the town, however this is heavily constrained by the Borough's ability to deliver sufficient fit for purpose business space. The primary challenge for Watford is the lack of space and land to accommodate demand for housing and jobs and the increasingly difficult choices which will need to be made as to how we deploy the relatively limited amount of land available in a way that supports our strategic objectives.

- 3.8 The town has comparatively very low unemployment – which further demonstrates the vibrancy of its local economy. Watford is characterised as being a net-importer of labour. Between 2001 and 2011 however, Watford has become a large exporter of labour as the number of in-commuters has remained relatively static whilst the number of residents working elsewhere has increased by 18%. Between 2001 and 2011, the volume of residents travelling to London for work increased by some 25%. The number of in-commuting workers originating from London also increased by 13% over this time, highlighting the growing economic and spatial connectivity with the capital.
- 3.9 The town has an ambitious regeneration agenda and much has been delivered already. A review of the progress and successes in the delivery of major projects is included in the Strategy.
- 3.10 To continue to improve the economic prospects of the town, the following revised priorities have been established:
- Priority 1 – Sustainable Growth of Watford and its Economy
 - Priority 2 – Transport and Digital Connectivity
 - Priority 3 – Inward Investment and Business Retention
 - Priority 4 – Innovation and Enterprise
 - Priority 5 – Employability and Skills
- 3.11 As before, the strategy includes specific actions to deliver these priorities. These are set out in the Action Plan 2015 – 2018 which is at Appendix 2.
- 3.12 The success and progress of the Economic Development Strategy will be reviewed as part of the Council's Annual Monitoring Report. The whole strategy will be refreshed and reviewed for 2020.

4.0 **IMPLICATIONS**

4.1 **Financial**

- 4.1.1 The Shared Director of Finance comments that any financial implications which follow on from the strategy will be considered as part of the Council's budget setting process.

4.2 **Legal Issues** (Monitoring Officer)

- 4.2.1 The Head of Democracy and Governance comments that the legal implications are contained within the Strategy.

4.3 **Equalities**

- 4.3.1 An Equalities Impact Assessment has been undertaken – no negative impacts.

The Economic Development Strategy is one of the enabling strategies to deliver the Core Strategy and both align with the Council's Corporate Plan Strategic Priority 2 'to provide the Strategic lead for Watford's sustainable economic growth.' Both the Core Strategy and Council's Corporate Plan are also subject to their own Equalities Impact Assessments.

4.4 Potential Risks

Potential Risk	Likelihood	Impact	Overall score
<i>Major Projects not delivered</i>	2	4	8
<i>Funding for new transport infrastructure projects not available</i>	2	3	6
<i>Failure to attract and retain businesses</i>	1	4	4
<i>Failure to secure funding to support wider business support programme, including provision of business incubator space</i>	2	3	6
<i>Watford Skillsmakers Board does not progress</i>	2	3	6

4.5 Staffing

4.5.1 Strategy to delivered within existing resources.

4.6 Accommodation

4.6.1 Na.

4.7 Community Safety

4.7.1 Na.

4.8 Sustainability

4.8.1 The Strategy seeks to promote and deliver Sustainable Economic Growth.

Appendices

Appendix 1: Watford Borough Council Economic Development Action Plan 2010-2015 – 5 Year Review

Appendix 2: Watford Borough Council Economic Development Action Plan 2015 – 2018

Appendix 3: Draft Economic Development Strategy

Background Papers

- [Watford Economic Growth and Delivery Assessment, November 2014](#)

The background paper shown above was used in the preparation of this report. If you wish to inspect or take copies of the background papers, please contact the officer named on the front page of the report. or go to the web page.

File Reference

- none