

Appendix 1

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

Summary

The WBC Economic Development Action Plan (2010) identified and articulated the actions that Watford Borough Council would aim to undertake in the coming years to implement the vision and objectives of the Watford Economic Development Strategy 2010-2015.

The 2010 Strategy recognised that in the immediate aftermath and rebalancing of the local economy following the global financial crisis in 2008, in some cases it could be difficult to set meaningful long term targets as the impacts of recession mature and evolve. In some instances the target was simply to attempt to retain some key aspects of the local economy at their current standing i.e. limiting negative impact rather than aspiring for improvement.

There have also been some fundamental changes to our partnership landscape over the past number of years. The General Election in 2010 and resulting Comprehensive Review in Autumn 2010 saw a move away from Regional Development Agencies and the introduction of Local Enterprise Partnerships (LEP's). In Watford's case, this saw the closure of the East of England Development Agency (EEDA) and the establishment of Hertfordshire LEP. Hertfordshire Works, the economic partnership for Hertfordshire, was subsequently dissolved into the Hertfordshire LEP.

As well as changes to the partner landscape, the Coalition's Governments desire to cut red tape, free business from bureaucracy and create an environment in which enterprise can flourish has seen a series of wider reforms, particularly in relation to service delivery partners and Non-Governmental Organisations (NGO's). With regard to business, Business Link, a national service providing free business and signposting advice, has been downsized to a purely online resource.

As this review will seek to demonstrate, Watford has continued to strive to achieve the highest standards in a very constrained environment and with the support of our numerous partners and stakeholders, we have delivered much of what we set out to do. Where we haven't, we have set out the reason why.

Economic Development Strategy Priority	Priority 1 – The Sustainable Growth of Watford			
Strategic Alignment	WBC Corporate Plan objective 3 - Enhance the towns sustainability WBC Corporate Plan objective 4 - Enhance the towns economic prosperity and potential One Watford – A well-planned town with homes to suit all needs Hertfordshire Works Economic Development Strategy – Providing quality locations and infrastructure Hertfordshire Works Economic Development Strategy – Creating vibrant towns and vibrant communities Hertfordshire Forward – Safer and stronger communities Hertfordshire Forward – Housing, affordable housing and quality neighbourhoods Hertfordshire Forward – Transport and access Hertfordshire Forward – Promoting sustainable development			
Activities	Performance Outputs	Lead Partner	External Partners	Progress Update - 2015
Charter Place Redevelopment	Initial consultation to be held with key stakeholders within the business community.	London & Regional and Watford Borough Council.	Watford Chamber of Commerce, Watford Merchants Association, Business Advisory Group, other town centre stakeholders	Long-term lease secured with Intu Planning permission secured in 2014 Compulsory Purchase Order granted 2015 Development commencing in Autumn 2015
Croxley Rail Link	Continued involvement in Project Board and completion of feasibility work on the potential retention of Watford Metropolitan Station	Hertfordshire County Council & London Underground Ltd	Network Rail, Watford Borough Council, Three Rivers District Council	Transport & Works Act Order secured 2013 Final Funding approval secured March 2015 Project Transfer to London Underground Ltd August 2015 Construction commencing Autumn 2015
Watford Specialist Events Market	Delivery of first Events market and development of ongoing programme of events.	Watford Borough Council	Hertfordshire Works - Vibrant Towns Group (to which funding bid was made)	Specialist events markets delivered Also supported the delivery of community markets i.e Queens Road Summer Market New Watford Mark delivered
Watford Town Centre Footfall counting infrastructure	Delivery of footfall counting infrastructure	Watford Borough Council	Watford For You, Merchants Association, Safer Watford Partnership and other town centre stakeholders	Contract awarded to Springboard Footfall Counting infrastructure installed Q1 2015
Queens Road Neighbourhood Action Zone	Implementation of range of initiatives to support designated neighbourhood renewal area and ensure learning for future initiatives.	QRAG, Queens Road Traders Association & Watford Borough Council	Hertfordshire County Council, Queens Road Action Group (QRAG), Queens Road Traders Association	Neighbourhood Programme delivered
Local Investment Plan (LIP)	Production of IDP to ensure Watford is perfectly placed to bid for any future funding streams expected to require a	Watford Borough Council	Hertfordshire County Council, Hertfordshire Works or any subsequent Local Enterprise	Completed 2013 Due for Review early 2016 as part of Local Plan

	robust and integrated schedule of delivery.		Partnership (LEP).	Part2
PPS4 (Planning Policy Statement 4) town centre health check and benchmarking reporting template	Development and completion of PPS4 complaint town centre health-check and benchmarking against other competing centres	Watford Borough Council	Hertfordshire County Council, Vibrant Towns Sub-Group of Hertfordshire Works	PPS4 revoked as part of NPPF Town Centre Partnership formed, supported by Town centre Manager with responsibility for developing specific Town Centre Strategy, reporting key KPI's to TCP Board.
Economic Development Strategy Priority	Priority 2 – Engaging with and Supporting the Business Community			
Strategic Alignment	WBC Corporate Plan Objective 3 – Enhance the towns sustainability WBC Corporate Plan Objective 4 – Enhance the towns economic prosperity and potential One Watford – A well-planned town with homes to suit all needs One Watford – A prosperous and educated town Hertfordshire Works Economic Development Strategy – Providing quality locations and infrastructure Hertfordshire Works Economic Development Strategy – Creating vibrant towns and vibrant communities Hertfordshire Forward – Transport and access Hertfordshire Forward – Promoting sustainable development			
Activities	Performance Outputs	Lead Partner	External Partners	Progress Update - 2015
Watford Business Advisory Group (BAG)	Continued engagement with the private sector through this network and diversifying its membership to include key sectors of influence in the town.	Watford Borough Council & Watford Chamber of Commerce	Key private sector stakeholders, Hertfordshire Works, Countywide Business Advisory Group	Ongoing
Watford Myincubator	Delivery and operation of a fully equipped pre-start business incubator at WENTA's existing facility in Colne Way	Watford Borough Council	WENTA & The East of England Development Agency (EEDA)	Delivered 2010 MyIncubator Ventures (MIV) Free online face-to-face business support delivered for Watford residents – April 2015
Business Support - Ensuring Watford Businesses can access a range of public sector support initiatives to encourage economic growth and resilience.	Arranging regular meetings with key delivery partners to ensure best practice relating to customer service and raising awareness of offerings through regular information channels and networking with business.	Watford Borough Council	Business Link, Wenta, HEDOG, Hertfordshire Works, Watford Chamber of Commerce, other districts and private sector providers.	Comprehensive Business engagement programme delivered, including: <ul style="list-style-type: none"> • Major Project briefings • Going for Growth Conferences delivered • Watford For You Business pages, providing free advice and signposting • Free Public Sector Procurement workshops delivered for local businesses

Promoting Green Business	Promoting sustainable business through ongoing programmes such as 'cut your carbon cash flow' and Watford Commuter. Also ensuring that businesses can exploit other funding streams and initiative to reduce their environmental impact.	Watford Borough Council	One Watford, Carbon Trust, Business Link, Hertfordshire County Council, Energy Saving Trust, Salix	Green Deal for Business Initiative - delivered Signposting for advice and guidance on green business initiatives
Partnership working – continued partnership working with key stakeholders relating to the local and sub-regional economy.	Support and input into key partnerships within Watford and Hertfordshire (e.g. BAG, Watford Chamber of Commerce, Watford For You, Safer Watford etc.)	Watford Borough Council	Hertfordshire County council, Hertfordshire Works, Hertfordshire Forward	WBC support and engagement with new governance and economic partnership arrangements i.e Hertfordshire LEP
Supporting Local Traders Associations	Attending any formal/informal business meetings in the town and ensuring that local business is aware of support that may be available.	Watford Borough Council	Business Link, Federation of Small Business, Chamber of Commerce, Merchants Association, Local Traders	Ongoing
Economic Development Strategy Priority	Priority 3 – Inward Investment & Business Retention			
Strategic Alignment	WBC Corporate Plan objective 3 – Enhance the towns sustainability WBC Corporate Plan objective 4 – Enhance the towns economic prosperity and potential WBC Corporate Plan objective 5 – Supporting individuals and the community One Watford – A prosperous and educated town Hertfordshire Works Economic Development Strategy – Creating a vibrant low carbon economy Hertfordshire Works Economic Development Strategy – Stimulating enterprise, innovation and inward investment Hertfordshire Forward – Jobs Prosperity and Skills Hertfordshire Forward – Safer and stronger communities Hertfordshire Forward – Promoting Sustainable development			
Activities	Performance Outputs	Lead Partner	External Partners	Progress Update - 2015
Inward Investment Manager	Increasing existing 20 hour per week contract to a full time position	Watford For You	Watford Borough Council, Watford Chamber of Commerce, One Watford, Business Advisory Group (BAG)	Full time Inward Investment Manager delivered
Watford For You Website	Purchase and delivery of dedicated Watford For your Business URL's and ongoing SEO campaign	Watford For You	Watford Borough Council, Watford Chamber of Commerce, One Watford, Business Advisory Group (BAG)	Completed www.watfordforyou.org/business/
Inward Investment Pack	Development of an information pack to assist businesses potentially investing in the town, available as a	Watford For You	Watford Borough Council, Watford Chamber of Commerce, One Watford,	Relocation advice and guidance provided in downloadable form on Watford For You website

	downloadable PDF from WFY website.		Business Advisory Group (BAG)	Countywide promotional material prepared for MIPIM UK 2014 and 2015
Creative/Media Sector Inward Investment Event	Delivery of a sector specific inward investment event around the creative media sector.	Watford For You	Watford Borough Council, Watford Chamber of Commerce, University of Hertfordshire, Hertfordshire Works	Watford Symposium 2045 held in 2014
PING (Pharmaceuticals Interest Network Group)	Facilitation of networking event between a number of Watford's major pharma related companies	Watford For You	Watford Borough Council, Watford Chamber of Commerce and Private sector partners	Ongoing Annual PING Seminar
CING (Creative Interest Network group)	Facilitation of networking event between a number of key creative sector companies in the town	Watford For you	Watford Borough Council, Watford Chamber of Commerce and Private sector partners	Ongoing
Developing Partnership Agreements	Continuing to develop formal agreements with private sector partners to help develop a coherent local network of support and expertise in promoting the inward investment agenda.	Watford For You	Watford Borough Council, Watford Chamber of Commerce and Private sector partners	Ongoing
Economic Development Strategy Priority	Priority 4 – Ensuring that Watford has a Skills Base to Support a World Class Economy			
Strategic Alignment	WBC Corporate Plan objective 3 – Enhance the towns sustainability WBC Corporate Plan objective 4 – Enhance the towns economic prosperity and potential WBC Corporate Plan objective 5 – Supporting individuals and the community One Watford – A prosperous and educated town One Watford – A well informed community where everybody can contribute Hertfordshire Works Economic Development Strategy – Stimulating enterprise, innovation and inward investment Hertfordshire Works Economic Development Strategy – Developing a well-skilled workforce Hertfordshire Forward – Jobs Prosperity and Skills Hertfordshire Forward – Safer and Stronger Communities			
Activities	Performance Outputs	Lead Partner	External Partners	Progress Update - 2015
Skills for Business Audit	Skills Audit focusing on employers and required skills shortages and current difficulties in employing locally	Watford Borough Council	One Watford, Watford For You, education providers, Jobcentre Plus, CVS, Business Advisory Group	Ongoing – Skillsmakers Board Evidence Commission
West Hertfordshire College	Showcasing the new West Hertfordshire College complex to local		Business Advisory Group and	Ongoing

	business and encouraging local business commercialisation and use of premises as well as supporting the college's overall integration with the local private sector.	West Hertfordshire College & Watford Borough Council	other private sector partners	
Promotion of Knowledge Transfer Partnership's to local businesses in partnership with the University of Hertfordshire	Facilitation and communication of KTP's at local business event.	University of Hertfordshire	Watford Borough Council, Watford For You, One Watford	Ongoing
Watford For You Website	Delivery of Watford For Your Skills section with information and signposting to appropriate facilities and providers.	Watford For You	Watford Borough Council, local education providers, CVS and other key stakeholders.	Not achieved – funding not available Promotional material to be developed by Skillsmakers Board
Provision of additional School Places	Supporting feasibility work around the identified need for additional school places within the Borough and identifying potential sites through the LDF.	Watford Borough Council & Hertfordshire County Council	One Watford, Watford For You and other key stakeholders	Regular meetings with HCC to jointly plan and secure increased schools provision Allocation of Schools Sites in Local Plan Part 2 New School provision secured at Ascot Road and Lanchester House
Informal Adult Learning	Contributing to the development of a Countywide Action Plan following realignment of funding streams subject to CSR.	Hertfordshire County Council	Watford Borough Council, other Hertfordshire Districts, education providers, CVS and other key stakeholders	Not achieved Significant reduction in funding for 19year+ education
Economic Development Strategy Priority	Priority 5 – Strengthening Local Supply Chains and Securing Local Employment			
Strategic Alignment	WBC Corporate Plan objective 3 – Enhance the towns sustainability WBC Corporate Plan objective 4 – Enhance the towns economic prosperity and potential WBC Corporate Plan objective 5 – Supporting individuals and the community One Watford – A Prosperous and Educated town One Watford – A well-informed community where everybody can contribute Hertfordshire Works Economic Development Strategy – Creating a vibrant, low carbon economy Hertfordshire Works Economic Development Strategy – Creating vibrant towns and Vibrant communities Hertfordshire Forward – Jobs Prosperity and Skills Hertfordshire Forward – Safer and Stronger Communities			
Activities	Performance Outputs	Lead Partner	External Partners	Progress Update - 2015
Promoting local public sector procurement opportunities Local Supplier Portal and encouraging LSP partners take similar approach	Increase in number of local companies registered on procurement database and increase in number of public contracts procured locally	Watford Borough Council	Watford Chamber of Commerce and other private sector businesses, as well as other LSP partners, Ready	Worked with HCC to deliver Suply Hertfordshire promotional material and rund joint events in Watford.

			For Winners Partnership (HCC)	Small workshops also arranged at the request of local businesses and networking organisations
Jobcentre Plus Supporting the promotion of Watford Jobcentre Plus and encouraging businesses to advertise and source employment locally.	Facilitate engagement between private sector and JCP as well as encouraging their presence at future inward investment and business support initiatives.	Jobcentre Plus	Watford Borough Council, CV, Watford Chamber of Commerce and other private sector stakeholders.	Ongoing
Watford Borough Council, leading by example	Development proposals/initiatives where the council have a pivotal role will lead by example in terms of supporting and developing the local supply chain e.g Watford Health Campus	Watford Borough Council	Jobcentre Plus, CVS, Watford Chamber of Commerce	Ongoing

Review of Headline Indicators (KPI's) from Economic Development Strategy 2010

SMART Target / Indicator	Baseline 2010	Target 2015	Achieved in 2015	Comments
Increase in employee jobs	51,500	54,000	56,800 (2014)	Between 2001 and 2005, Watford experienced a loss of 9,250 jobs, with large sector losses recorded in health, telecoms and finance. While the Borough has seen continual employment growth since this period, the level of employment still remains

				<p>below that attained during the early 2000's when workforce jobs peaked at 61,370.</p> <p>The towns performance over the past 5 years has been impressive given the wider national and indeed global economic context. Watford has continued to attract employers seeking low cost accommodation solutions within easy access to London. The towns retail function has also continued to perform strongly, continuing to create move jobs locally.</p> <p>Delivery of Watford's Major Development projects is projected to create just over 9,000 additional jobs which will exceed pre-2001 employment levels.</p>
Increase in number of self employed	4,800 (8.9%)	10%	8,500 (13.5%)	<p>Self employment has proved a popular route for large numbers of individuals, across all sectors, affected by the recession. As demonstrated, self employment in Watford has almost doubled over the past 5 years. This reinforces the need for ongoing business advice for small and micro business with a particular focus on growing our wide range of sole traders to become employers of the future.</p>
Reduction in economic inactivity	10,500 (19.5%)	17%	10,000 (15.9%)	<p>While economic inactivity has decreased marginally, the towns population has grown rapidly over the last 5 years, significantly reducing the proportion of economically inactive residents.</p>
Decrease in residents employed in major group 8-9	9,500 (22.5%)	18%	Dataset no longer available	<p>While comparable evidence is unavailable, data continues to suggest a slight mismatch in terms of skills levels associated with in and out commuters to and from Watford, with out-commuters more likely to be employed within higher skilled occupations than in-commuters. Residents that both live and</p>

				work in Watford are still more likely to be in lower level occupations or self employment. This is no uncommon for an outer London location given the ‘pull’ effect of central London on highly skilled labour.
Increase in residents qualified to level 1	77.60%	80%	88.5%	Watford has saw a particular increase in residents skilled to NVQ Level 4. This is in large part due to the Borough being a popular location for first time buyers or young families unable to afford London property prices.
Increase in residents qualified to level 2	66.00%	70%	75.8%	
Increase in residents qualified to level 3	49.60%	55%	60.9%	
Increase in residents qualified to level 4	29.70%	35%	42.2%	<p>There is also evidence of improvement at the lower end of the skills spectrum, with significant improvement in Level 1 attainment. The redeveloped West Herts College has now been in operation for a number of years, with increased provision both in terms of both the range of courses available and the number of intakes per annum.</p> <p>Despite a peak in unemployment in 2010, at just over 4%, local unemployment is back down to around 1.5%. This suggests a local labour market which is highly constrained, with businesses often having to upskill local residents to meet their business needs.</p>
Increase in F/T gross weekly wage (residence)	£571.40	£590	£597.80	<p>It is apparent that while both resident and employee wages have increased marginally over the past f years, when considering the impact of inflation, it would not suggest a significant improvement in disposable income for either residents or employees. This reflect national circumstances.</p> <p>Interestingly, however, it would appear than the gap between resident and employee wages is beginning to close in Watford.</p>
Increase in F/T gross weekly wage (workplace)	£506.90	£520	£529.70	

				Two likely explanations for this are; increasingly higher skilled jobs being available in Watford and increases in the number of people working in London in higher skilled occupations but choosing to live or rent in Watford.
Reduction in unemployment rate	3%	2%	1.5%	Unemployment in Watford peaked in 2010, however has reduced steadily over the past number of years. Unemployment in Watford is now down to its pre-recession level of around 1.5%. This is comparatively very low and sometimes referred to as frictional unemployment i.e a business considering moving to the town may be concerned at the minimal level of local labour to chose from.
Reduction in number of key benefit claimants	6,350 (11.3%)	10%	4,270 (6.9%)	Significant reduction in the number of key benefit claimants of almost a third. This is also in the context of a significantly growing population which demonstrates Watford ability to attract economically active migrants either working in wider SW Herts or London.
Increased jobs density	1.04	1.10	0.9	Watford continues to provide significant levels of employment and is characterised by being a net-importer of labour, providing large numbers of jobs for residents of surrounding Boroughs, including Dacorum, Hertsmere and Three Rivers. It is apparent, however, that the Borough's employment growth is being outpaced by population growth, resulting in a decreasing jobs density.
Increased business survival rate	3.30%	3.50%	Dataset unavailable	While comparable data is unavailable, other sources of evidence suggest the Watford continues to perform less well with regard to business survival rates, with 43% of new start-ups surviving at least 5 years. This compares with 44% across Hertfordshire, 46% across the eastern region and 44% across

				the UK as a whole.
Increase in small business showing employment growth	13.97%	14.50%	Dataset no longer available	
Increased total GVA	£2182M	£2300M	£25100	While employment levels of the town are not yet back to their 2001 level, the towns GVA has now surpassed its peak in 2001. This is also reinforced by rising GVA per worker (below) demonstrating that productivity of local companies has improved significantly over the past 5 years.
Increased GVA per head (residence)	£26,450	£28,000	Dataset no longer available	
Increased GVA per employee (workplace)	£38,500	£39,500	£44,160 (2014)	As stated above, significantly increased GVA per worker demonstrating significant improvements in efficiency/output per worker. This could be the result of investments in processes or working practices, streamlining the businesses wider operations etc
Increased proportion of employees in knowledge based sectors	55.50%	60%	Dataset no longer available	
Increased office occupancy (floorspace)	74.20%	85%	96%	While headline indicators would suggest higher levels of office occupancy, a review of vacant Grade A office space ie modern, fit for purpose business space, the actual vacancy level is as low as 4%. Market commentary would suggest that a natural vacancy level of 8%-10% is required to allow adequate market churn and renewal. Watford's office market is being heavily constrained by lack of supply.
Increased industrial occupancy (floorspace)	88.10%	90%	92.5%	Watford's industrial market is very strong with locations close to Junction 5 of the M1 being particularly sought after. Uptake is largely driven by existing local occupiers such as Sigma Pharmaceuticals, DDD Ltd. And Prism Power. The industrial market is also considered to undersupplied, with particular

				demand for smaller units of up to 450-500sqm.
Increased town centre retail occupancy (floorspace)	91.50%	93%	95%+ (excluding vacant possession in Charter Place)	<p>Watford town centre is very much in a transitional phase following the public realm works to the top of the town and with the gradual closure of units within Charter Place subject to the forthcoming Intu redevelopment. The Council, in Partnership with the Town Centre Partnership and with the support of our Commercial Agents Forum has created and maintains an active vacant unit list for all town centre property – this has been used extensively to help refine our response to general enquiries and to ensure issues which are impeding the ability of certain units to secure occupiers to be discussed and understood. Anecdotal evidence also suggest that the majority of units currently vacant are in negotiation or under offer which is a very positive indicator. Potential concerns arising are around the ability of new market entrants, particularly smaller businesses and independent retailers to establish themselves in Watford Town Centre.</p>