

Part A

Report to:	Cabinet
Date of meeting:	7 June 2021
Report of:	Economic Development Officer and Group Head of Place Shaping
Title:	Watford Economic Growth Strategy 2021-25

1.0 Summary

- 1.1 Watford Borough Council has identified a prosperous economy and a flourishing business sector as a priority within the Council Plan 2020-24. Under the theme, a thriving, diverse and creative town, it sets out its ambitions and plans to support a successful economy, where everyone benefits from the opportunities Watford offers and where the town leads the way in creativity and better environmental choices.
- 1.2 The experiences of the last year have accelerated the need for a robust, forward looking and ambitious Economic Growth Strategy that sets the right framework for Watford to build on its reputation as a great place for business to thrive, offering a diverse range of career choices and a well-skilled workforce. Whilst the council recognises the challenges of a post-Covid and Brexit world, the strength of the town's economic and business partnerships and drive to do more mean that, through the new strategy, Watford will be well-placed to manage these and take advantage of new opportunities.
- 1.3 The Economic Growth Strategy 2021-25 has been developed through engagement and input from Watford's business partners and other key stakeholders who will be fundamental in ensuring its successful delivery.
- 1.4 Through the development of the strategy, a longer term vision for Watford has emerged, which will underpin not just the strategy but also the associated action plan:

'for Watford to be known as a successful, diverse and premier location for business, acting as the vibrant centre for the South West Hertfordshire economy, attracting forward-looking businesses and entrepreneurs who recognise its super-connectivity, outstanding skill base and flair for innovation'.
- 1.5 We want businesses in Watford to join with us in championing Watford's exceptional qualities and advantages, sharing in our ambition for a carbon-neutral future, whilst

our residents will benefit from the town’s energy and drive and the prosperity and opportunities it brings.

- 1.6 This draft Economic Growth Strategy, a high-level action plan and a more detailed Project Plan (18 months) are submitted for consideration, together with a supporting report.
- 1.7 Keeping track of the delivery of the strategy through monitoring the action plan and project plan are critical to successful delivery. A quarterly update will be provided to Cabinet and Overview and Scrutiny. This aligns with the council’s overall strategic reporting framework for the Council Plan 2020-24, the Road to Renewal Plan and Organisational Development Strategy. In recognition of the importance of the support and input of our partners, progress will also be reported to our business community through One Watford for Business.

2.0 Risks

Nature of risk	Consequence	Suggested Control Measures	Response (treat, tolerate, terminate or transfer)	Risk Rating (combination of severity and likelihood)
Watford does not have a current Economic Growth Strategy	Lack of confidence from partners. Less able to bid for external funding	Develop appropriate strategy and resulting action plans.	Treat	Likelihood = 2 Severity =4 Total risk = 8
Pandemic has impacted on Watford’s businesses and community causing permanent ‘economic scarring’	Lower levels of business activity and employment, taking longer to recover	Maximise access to government and regional help and advice and develop measures to help improve long-term employment and skills as recommended by proposed EGS.	Treat	Likelihood = 3 Severity =4 Total risk = 12

Nature of risk	Consequence	Suggested Control Measures	Response (treat, tolerate, terminate or transfer)	Risk Rating (combination of severity and likelihood)
Longer term structural changes in the economy impact adversely on Watford	Reduction in employment and GVA creation across Watford's key sectors	Focus on key sectors to retrain, grow or evolve businesses as recommended by proposed EGS.	Treat	Likelihood = 2 Severity = 4 Total risk = 8
As the external economic climate is in a state of flux, EGS is not appropriate	Wrong strategy adopted and measures to support growth are not effective	Install appropriate review mechanisms to monitor external economic forces and monitor effectiveness of delivery. Conduct a review in 18 months.	Treat	Likelihood = 2 Severity = 3 Total risk = 6
EGS does not link to other Council initiatives	Opportunities to maximise synergistic opportunities are missed	Cross reference to sustainability transport strategy, cultural strategy, Town Hall Quarter, Watford Junction, brand positioning work.	Treat	Likelihood = 2 Severity = 4 Total risk = 8
Insufficient employment land for businesses to settle or scale up in Watford	Watford's available employment space diminishes	Section 4 notices to protect employment space, Local Plan allocations and planned developments can mitigate these risk as recommended by EGS.	Treat	Likelihood = 2 Severity = 3 Total risk = 6

Nature of risk	Consequence	Suggested Control Measures	Response (treat, tolerate, terminate or transfer)	Risk Rating (combination of severity and likelihood)
Opportunities are not taken to build stronger links with businesses and skills providers	Council becomes disconnected with concerns of businesses and longer- leading to businesses and employees moving away term skills requirements	Key Account system, business groupings, work with West Herts college and skills providers	Treat	Likelihood = 2 Severity = 4 Total risk = 8
Watford does not engage and support sub-regional growth and Herts wide initiatives	Watford fails to maximise the opportunities that are available, and is left out of joint initiatives	Full participant of SW Herts JSP, Herts Growth Board, HLEP. Increase resources allocated to Economic Development.	Treat	Likelihood =3 Severity =3 Total risk = 9

3.0 Recommendations

3.1 It is recommended that Cabinet:

- Approve the draft Economic Growth Strategy, High Level Action Plan and detailed Project Plan.
- Agree to the development of a Watford Skills and Employment Plan, led by West Herts College.
- Note that the strategy will be monitored through quarterly updates to Cabinet, Overview and Scrutiny Committee and to the business partnership, One Watford for Business.

Contact Officer:

For further information on this report please contact:

Jane Mason Economic Development Officer

Telephone: 01923 278029

Email: Jane.Mason@watford.gov.uk

Report approved by: Tom Dobrashian, Group Head of Place Shaping

4.0 Introduction

- 4.1 Watford Borough Council's previous Economic Development Strategy covered the period 2015-2020. The need to review and refresh the Strategy was timely, given the events of 2020 and the very different economic landscape that the town will be facing in the short and longer term. The council recognises that we are at a pivotal point in Watford's economic wellbeing and that a new strategy is critical in ensuring that, with the support of our partners and stakeholders, the town's economy thrives, adapting and making the most of future opportunities. Watford is starting from a strong base. Since the major recession of 2008-10, Watford has had a successful growing economy – we have more jobs than working age residents, we have seen the largest productivity increase in Hertfordshire, our residents are becoming increasingly well-educated and we have high levels of economic activity.
- 4.2 However, like the rest of the world, we can't take future growth for granted and assume that it will just continue, particularly in the light of the impact of COVID-19 on the global, national and local economy. Whilst the full effects of this, along with the additional impact of EU exit, are not yet fully known, we can expect to see some of the short term changes experienced in the last year – greater remote working, the move to online retail - continue
- 4.3 Supported by an external consulting company, officers have prepared a new Economic Growth Strategy (EGS) for Watford. The EGS was prepared with the help of business partners and stakeholders and supported by research, including a business survey. The EGS is attached to this report, together with a high level action plan, a more detailed project plan for the next 18 months and a supporting background report. The EGS is being prepared as a publication document, to ensure it is more assessable to residents, businesses and stakeholders.
- 4.4 This report covers the vision, main points of the strategy and priorities for growth. It is not seeking to summarise the content of the EGS or action plans, but does provide an overview. In developing the vision, we have established a number of ambitions for Watford to achieve in the next ten years. This time period was chosen to provide sufficient time for the strategy and actions to have had an impact, without being too far in the future to lose their relevance to residents, businesses and stakeholders.

5.0 Vision, ambitions, strategy and priorities

- 5.1 We have developed the following vision and ambitions for Watford:

Watford will be known as successful, diverse and premier location for business, acting as the vibrant centre for the south west Hertfordshire economy, attracting forward looking businesses and entrepreneurs who recognise its super connectivity,

outstanding skill base and flair for innovation. Our businesses will join with us in championing what is great about Watford, sharing our ambition for a carbon neutral future whilst our residents will benefit from the town's drive and the prosperity and opportunities it offers.

5.2 This is underpinned by the following ambitions that we are targeting to achieve by 2031. Through the successful delivery of our Economic Growth Strategy, Watford will be recognised for:

- **Securing long-term prosperity and success as a low-carbon economy, transitioning existing businesses to low-carbon practices, attracting and growing businesses that operate in low-carbon sectors, and developing financially and environmentally sustainable ways of working.**
- **Advancing the prospects of our residents**, providing the right support and gateways for those who need to improve or reskill to adapt to career changes.
- **Our strong sense of community**, with opportunities for people to meet, socialise and build rewarding networks; we will have successfully promoted new neighbourhoods, sustainable transport and increased inclusion and employment opportunities for our diverse communities.
- **Playing a pivotal role as the heart of South West Hertfordshire's economy** and across county, regional and national partnerships, to develop successful frameworks and initiatives to drive the area's prosperity and attractiveness as a place to live and work.
- **Working with our businesses to take advantage of the best in digital and new technology and innovation** to boost productivity and job density, expand their reach into new markets and grow sustainability, keeping Watford's economy strong and resilient.
- **Reinforcing our position as the premier office location in the subregion**, known for high-quality accommodation, building on Watford's super-connectivity and outstanding London+ offer to businesses, providing solutions for both business needs and employee aspirations.
- **Revitalising our town centre**, enhancing its reputation as a top destination for leisure, culture retail and hospitality, offering a diverse mix of national and independent retail and leisure offers, combined with a new residential community.
- **Transforming the heart of the town** with major new commercial and residential developments, and the right services, facilities and infrastructure to make them outstanding places to live and work, encouraging a significant modal shift from cars to public and active travel.
- **Establishing Watford as the gateway to the UK's TV and film sector** as it expands in South West Hertfordshire and as a centre for culture and entertainment enterprises, building on the region's reputation as the premier UK location for creative industries.

- **Ensuring Watford Borough Council is recognised by investors, developers and our community** as forward-looking, relentlessly ambitious, committed to enterprise and quality growth that benefits our residents and businesses and the wider economy.

5.3 Our EGS is intended to send a clear message to the business sector, employees and local residents that we are ambitious to do more. We will be focused and partnership orientated to make a difference to our business and resident communities for the better. To deliver the vision we have developed the following priorities underpinned by the following five priorities:

- Developing a thriving and productive economy
- Supporting our key sectors
- Supporting our communities to access opportunities
- Creating a new economic future for Watford town centre
- Creating the right environment for sustainable growth.

5.4 These are explained further:

Developing a thriving and productive economy

Developing a thriving and productive economy will require strong partnership working at local and regional level, the development and provision of tailored business support programmes and tangible actions to retain employment space for now and the future.

- We will maximise the benefits of working across Hertfordshire , using our influence to reflect the needs of our business community
- We will support businesses to start and grow by signposting and providing support to innovate and utilise digital technology
- We will ensure planning policy and other actions preserve existing employment space and work with developers and existing landlords to ensure there is a supply of right sized accommodation available.

Supporting our key sectors

Supporting our key sectors will require developing strong partnership working to develop and deliver cross Hertfordshire sector action plans and to develop more local strategies to work with the four key sectors that are essential for future growth and employment.

- We will work with HLEP to develop and deliver relevant sector action plans, drawing on county wide resources.
- All our sectors are important to our resilience but the following four are particularly important to growth and employment. They are:

- Professional services - especially accounting, legal, finance, and insurance
- Creative, cultural, digital and film
- Healthcare (medical services, medical equipment and pharmaceuticals)
- Retail, hospitality and leisure
- We will build on existing relationships to understand different issues in each of these sectors and work with partners to seek to resolve them.

Supporting our communities to access opportunities

Supporting our communities to access opportunities requires us to look the impact of the decisions we take, and how our local skills systems works so that both businesses and residents have the skills need for a prosperous future.

- We will review how economic decisions increase inclusivity, looking at how our and our partners use of social value can contribute to this
- We will seek to ensure that new developments are designed to support sustainable communities
- We will continue to support existing mechanism to help resident find or change employment
- We will develop a Watford Skills and Employment Plan with businesses and further and higher education providers to support businesses and residents in developing skills that are in demand now and in the future.

Creating a new economic future for Watford Town Centre

Creating a new economic future for Watford town centre will require action by all stakeholders.

- We will jointly agree a vision, a strategy and a marketing plan which we will implement through a strategic and operational group of partners coming together
- We will reflect that vision by drafting, consulting on and agreeing a planning framework to shape the future development of the town centre
- We will improve the accessibility of the town centre and ensure it offers a diverse and interesting experience
- Partners will invest in a range major infrastructure improvement from developing out the Town hall quarter to the redesign and redevelopment around Watford Junction.

Creating the right environment for sustainable growth

Creating the right environment for sustainable growth means that we will embed our commitment to sustainability into all of our actions in supporting and sustaining a growing economy.

- We will develop an effective and efficient infrastructure, including a digital infrastructure, for the Town
- We will develop a sustainable inward investment strategy

These actions contribute to delivering the securing long-term prosperity and success, transforming the heart of the town and our strong sense of community elements of our vision.

5.5 The Cabinet are asked to review the EGS accompanying this report, some wording may change as it is prepared for publication.

5.6 In terms of outcomes, adopting the strategy would commit the Council to the following major initiatives:

- Development of a Watford Town Centre Strategy underpinned by a Watford Development Framework
- Reviewing its policies on social value/community wealth building and working with partners to maximise the benefit of anchor organisation spend in Watford
- The development of a Watford Skills and Employment Plan working with HLEP and West Herts College, other further and higher education providers and local businesses. It is proposed that this would be delivered through the creation of local sector boards of businesses and FE providers working together to design and deliver training and qualifications to fill vacancies and provide better career opportunities for local people. Meetings with West Herts College have been positive to this end, and the Principal of the College has indicated a willingness to lead the work. We would seek endorsement of this at Cabinet.
- Developing a new Inward Investment Strategy on the back of a new brand narrative for Watford.

More detail is set out in the action plans accompanying the EGS and this report.

5.7 Reporting progress on the strategy

The Economic Growth Strategy delivery is vital to promoting the prosperity of the town, securing a strong, involved and forward looking business community, good job prospects, a thriving town centre and a skilled workforce to support local businesses. The associated action plan and project plan have been designed to focus on delivery,

keeping the strategy on track and will be monitored continually throughout the life of the strategy. Quarterly update reports will be presented to Cabinet and Overview and Scrutiny and to our business partners through the One Watford for Business forum.

Implications

6.0 Financial

6.1 There are no direct financial implications from this report. The Council in response to COVID-19 did review its finances and established a renewal reserve. This is being used to increase the level of resourcing allocated to economic development within the Council and associated initiatives, such as developing a town centre strategy with partners.

7.0 Legal Issues (Monitoring Officer)

7.1 There are no legal issues as a direct result of this report.

8.0 Equalities, Human Rights and Data Protection

8.1 Under s149 (1) of the Equality Act the Council must have due regard, in the exercise of its functions, to the need to –

- eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Act
- advance equality of opportunity between persons who share relevant protected characteristics and persons who do not share them
- foster good relations between persons who share relevant protected characteristics and persons who do not share them.

8.2 The Council has carried out an Equalities Impact Analysis (EIA) of the economic growth strategy. The EIA found that the EGS and accompanying programme of activity will have positive impacts for the Watford community as it responds to the potential impact of COVID-19 on our economy and community, the climate change emergency, and the technological changes taking place in society. Specifically it has a priority, supporting our communities to access opportunities. This element of the strategy is focussed around skill provision and community wealth building.

8.3 Article 1 of The First Protocol of the Human Rights Act 1998 provides that every person is entitled to the peaceful enjoyment of their possessions and that no one shall be deprived of their possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law. These provisions do not impair the rights of the state to enforce such laws as it deems

necessary to control the use of property in accordance with the general interest or to secure the payment of taxes or other contributions or penalties.

8.4 Having had regard to the Council's obligations under the General Data Protection Regulation (GDPR) 2018, it is considered that officers are not required to undertake a Data Processing Impact Assessment (DPIA) for this report.

9.0 **Staffing**

9.1 The Council has increased the resourcing allocated to Economic Development, supplementing the current officer, with a manager and a technical support officer. As the projects are developed in the action plan with accompanying business cases, further support may well be identified and supported.

10.0 **Sustainability**

10.1 Sustainability and addressing the climate change emergency features throughout the EDS as a key theme, and runs as a thread through all five priorities.

Attachments:

1. Draft Economic Growth Strategy 2021-25
2. Draft Economic Growth Strategy high level 5 year SMART Action Plan
3. Draft 2021-2023 Economic Growth Strategy Detailed Project Plan
4. Draft Economic Growth Strategy background report