



Economic Growth Strategy
2021-2025

Background Document

DRAFT – MAY 2021

Watford Borough Council

Preface

The Economic Growth Strategy 2021-2025 – Our Town. Our Future – was prepared using the information and analysis in this document and its appendices. This document is here to provide more detailed background information on each of the topics in the main Economic Growth Strategy document, and to enable readers to look in more detail at areas of particular interest to them.

DRAFT

Introduction

This Economic Growth Strategy is being produced at a pivotal point in Watford's economic wellbeing. 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. However, we can't take this growth for granted and assume that it will just continue. We have been one of the hardest hit economies in Hertfordshire by the COVID-19 pandemic and we need to work to ensure that our economy recovers and is resilient. Working strategically with partners the council wants to act to ensure that Watford continues to have a successful growing economy that supports our community – businesses and residents – now and in the future.

Whilst the COVID-19 pandemic and its immediate response rightly dominated much of 2020 and early 2021, the council continued to look at how it could support Watford's future. We have been considering how we can do things differently in response to the economic shock caused by the pandemic and other macro-economic challenges Watford faces, including the potential threats and opportunities that operating in a post Brexit economy and transitioning to a low carbon economy presents for Watford.

Underlying structural changes have accelerated during the pandemic. Town centres and retail operations were already being reimaged to provide more leisure and experiential opportunities to customers because of the threat posed by online shopping. Watford recognised this early and has successfully grown its leisure offer since 2018 driven by the intu Watford extension which opened that year. However, with additional COVID-19 pressures and restrictions, the rise in online shopping has outstripped all predictions and has led to many businesses leaving high streets in the UK and moving on-line, heralding the end to many well-known high street brands and the department store. Watford will need to respond.

Working from home was always a possibility for some but has now become the norm for a significant proportion of the population as a result of COVID-19 restrictions. This means that many companies may adopt a hybrid model of employee working with implications for the office sector and town centre footfall. Many companies have been using automation and artificial intelligence as part of their core business processes for some time and may choose to accelerate this to increase productivity, reduce costs and support their recovery. All of these changes will feed through into a demand for different, more flexible, types of workplaces and a different set of skills required by employers from their workforce.

Taken together, the cumulative impact of these changes requires a rethink in the way in which the Council supports and facilitates economic growth. The ambition behind the Economic Growth Strategy is to support business and the community through a step change in activity focussing on partnership working and key interventions to drive prosperity and growth. We believe it provides an exciting economic future for the town, its businesses and residents.

About Watford

Watford is an urban borough in South West Hertfordshire, on the edge of the East of England region to the north-west of London. It covers an area of 2,142 hectares (8.3 square miles) and is the only non-metropolitan borough wholly contained within the M25 and the largest town in Hertfordshire.

However, about 20% of the Borough forms part of the Metropolitan Green Belt and this is supplemented by a variety of green, open spaces. It is a compact borough with 96,600 (2019) people living within the Borough boundary making it one of the most densely populated local authority areas in the country.

The Borough has excellent transport links with mainline rail connections to London, the Midlands and the North, Underground and Overground connections to central London (under 20 minutes travel time), its north-west suburbs and the rural Chilterns, community rail connections to St Albans, coach services to Heathrow airport, bus services to Luton airport and convenient road connections via the M1, M25 and A41.

A long-established urban centre, with a market charter dating to the 12th century, Watford has always been a strong location for business and industry. Today the town remains a successful commercial hub and is a desirable place in which to live, work and enjoy leisure time. Demand for housing is high for those seeking homes to buy or rent. This has meant house prices and rental costs in the town have grown in recent years but they remain competitive compared to London prices.

Local businesses are active and engaged in local governance and partnerships, which help underpin commercial vitality, and the large, skilled working-age population makes a significant contribution to the local economy. The town is currently home to around 5,405 enterprises (2020) with a good mix of company size and sector, including a higher than average number of large businesses and HQs. There is representation from financial and professional services sectors, pharmaceutical, health sciences, creative media, manufacturing and retail and leisure industries, amongst many others.

Watford is the centre of a sub-region with more than 500,000 people living within a 20-minute travelling time catchment. Once known for traditional industries including printing, the town has successfully diversified into an attractive and popular regional business centre and a focus for culture and recreation. The completion in late 2018 of the £180 million extension to intu Watford, accompanying public realm enhancements and comprehensive events programme enabled the High Street to fare well pre-pandemic during what was an already challenging period for town centres across the UK. CACI placed Watford in the top 20 retail destinations list in 2018, as a result of these enhancements, demonstrating the towns continued attractiveness to the market as one of the premier retailing destinations nationally.

State of the economy

Macroeconomic context

The Watford Economic Growth Strategy is set within a broader policy framework established by the UK government and sub-regional bodies who are tasked with securing economic growth that is sustainable, tackles inequality and drives competitive advantage.

The Government's Industrial Strategy has driven thinking and approaches in this area. It established a set of principles that both the Hertfordshire Local Economic Partnership, in developing a Hertfordshire Local Industrial Strategy and Watford Council have considered in their approach to sustainable growth. These principles include:

- The growing recognition of the pace of climate change as an economic threat
- The need to ensure people have the skills/ambition needed to succeed in locally-important/growing sectors
- The role of modern infrastructure in providing improved access to jobs/education and securing investment
- The value of local assets in supporting an ecosystem of enterprise and innovation.
- The current and future role of digital technology in delivering economic and social value.

Whilst all of these principles remain pertinent, the current situation has changed dramatically due to the combined and parallel impact of the COVID-19 pandemic and Brexit. The Government's response to this – in addition to the measures put in place to manage the pandemic, has been to publish a new plan for growth. This was outlined in the March 2021 Budget. It focuses on three key pillars – infrastructure, skills and innovation as the basis for building back better. In addition, it incorporates the proposals for a Green Industrial Revolution published in December 2020. The [Build Back Better: our plan for growth](#)¹ publication states that further detailed proposals will be brought forward in due course. Watford's Economic Growth Strategy identifies actions that recognise the importance of the three pillars and will be refined to address government priorities should this be necessary.

The COVID-19 pandemic has had and continues to have a major impact on the national, regional and local economy. The government has put in place an economic support package, including grants, furlough payments and other measures to support enterprises during period of compulsory lockdown. Hertfordshire LEP has produced a county-wide recovery strategy, [Unlocking Hertfordshire: Hertfordshire Recovery Plan 2020](#)², and Watford has implemented a *Road to Renewal Plan*, which covers community, business and economy, and the Council.

¹ <https://www.gov.uk/government/publications/build-back-better-our-plan-for-growth>

² <https://www.hertfordshirelep.com/media/ix4hbcdw/hertfordshire-recovery-plan-august-2020.pdf>

Pre-pandemic (2019) Watford businesses employed over 72,000 people³, with an economic activity rate of 83.3⁴. Watford has historically had low levels of unemployment: the claimant count was approximately 2.5% in December 2019 and January 2020. This rate increased to 6.7% in January 2021 and 7.1% in March 2021⁵. The claimant count increased by 183% between January 2020 and March 2021.

It has proved difficult to disentangle the impact of Brexit from that of COVID 19 closures of businesses across Europe. It is already clear that developing the new import / export arrangements and unanticipated impacts on supply chains are causing challenges, and others may emerge over the next six to twelve months.

The Office for National Statistics (ONS) documents these changes. It produces a summary of all of its relevant available data [Understanding the UK economy](#)⁶ which includes details of International Trade. In April 2021 it identified that exports of goods, excluding non-monetary gold and other precious metals, fell by £5.3 billion (19.3%) in January 2021 because of a £5.6 billion (40.7%) fall in exports to the EU. Imports of goods, excluding non-monetary gold and other precious metals, fell by £8.9 billion (21.6) in January 2021 because of a £6.6 billion (28.8%) fall in exports from the EU.

As more detail emerges, Central Government is providing more advice and guidance on managing the new requirements. Other business-led organisations are identifying problems and lobbying for further changes. Our more proactive business engagement strategy will signpost and direct businesses to the support that is available nationally and regionally. This strategy will be reviewed annually and adjusted to ensure it is pertinent as circumstances change.

Regional context

Regional partnerships and arrangements

Local Industrial Strategies and the 'Plan for Growth' will operate on a regional basis. In Watford's case this will be within a Hertfordshire context and the Council will continue to be a proactive partner in Hertfordshire-wide work.

Watford have been engaging with Hertfordshire LEP, the nine other Hertfordshire Districts and the County Council to produce a Strategic Economic Plan, a draft Local Industrial Strategy, and a Hertfordshire Recovery Plan 2020. In addition, Hertfordshire LEP has produced a [Hertfordshire Local Skills Report](#)⁷ and will publish a Hertfordshire Skills Strategy later in 2021.

The Council is a proactive member of [Hertfordshire Growth Board](#). This body brings together Hertfordshire LEP and all the Hertfordshire Councils. The aim of the Growth Board is to respond to key challenges facing the area over the coming years, to provide joined up leadership and

³ <https://www.nomisweb.co.uk/reports/lmp/la/1946157230/report.aspx?town=watford#tabjobs>

⁴ <https://www.nomisweb.co.uk/reports/lmp/la/1946157230/report.aspx?town=watford#tabempunemp>

⁵ <https://www.nomisweb.co.uk/reports/lmp/la/1946157230/report.aspx?town=watford#tabwab>

⁶ <https://www.ons.gov.uk/economy/nationalaccounts/articles/dashboardunderstandingtheukeconomy/2017-02-22>

⁷ <https://www.hertfordshirelep.com/media/maf1pk3y/hertfordshire-local-skills-report-2021.pdf>

governance and to provide a single point of contact for central government over funding opportunities for the future. The Growth Board has produced the [Hertfordshire Infrastructure and Funding Prospectus 2018-2031](#)⁸ to identify the Investment needed to unlock potential growth. This is key because it identifies strategic transport issues which are outside the District Council's remit, and in particular key East- West routes which span wider geographies. The Watford Junction Quarter Transformation programme, and the creative and screen industries programme mentioned elsewhere in this report are key Hertfordshire Growth Board programmes.

Regional geographies and plans: South West Hertfordshire

Underpinning the approaches taken by the Hertfordshire Growth Board is an analysis undertaken by the Hertfordshire LEP of the transport focussed growth corridors that exist within Hertfordshire. The West M1 Growth Corridor provides businesses with access to the M1 and connections to London, Luton, Milton Keynes and beyond, a locational strength that will help drive future growth. Watford sits at the pivotal point in this transport corridor, being the key interchange for public transport networks. The other South West Hertfordshire Districts: Dacorum Borough Council, Hertsmere Borough Council, St Albans City and District Council, Three Rivers District Council, are also part of this Growth Corridor.

There are strong economic linkages between the five District Councils, and they form a Functional Economic Market Area (FEMA). The FEMA area will maximise their potential if they adopt joint planning approaches which consider the determinants of growth on a FEMA wide basis. The five South West Hertfordshire Districts and the County Council have agreed to develop a Joint Spatial Plan (JSP) for the area and will in the future review their Local Plans against the JSP. As part of the process of developing the JSP an economic study was commissioned in 2019 which includes some interesting findings pertinent to this strategy.

The study identified that the FEMA was co-terminus with the Strategic Housing Market Area (SHMA). The 2016 Strategic Housing Market Assessment analysed migration between the Districts. Excluding long distance and moves to and from London, it showed an 84% level of self-containment, well above the 70% threshold for an area to be considered to be a self-contained housing market. This has implications for the supply of housing to support growth in Watford, suggesting that housing growth in adjacent districts is as important as housing growth in Watford itself.

In addition, it looked at evidence of retail spending patterns. Key findings demonstrated that whilst most convenience shopping is very local, a significant proportion of expenditure by Three Rivers (29%) and Hertsmere residents (10%) occurs in Watford. Watford is the dominant centre for comparison goods expenditure and accounts for sizeable proportions of spending by residents of Three Rivers (65%), Hertsmere (34%), Dacorum (11%) and St Albans (7%). Whilst this is pre pandemic information, it will help with the development of the Town Centre Strategy proposed in this report.

FEMAs amplify what happens in an area. Watford Town Centre retail will be affected by the impact of the pandemic on residents in surrounding districts as well as those living within the Borough. This

⁸ <https://www.hertfordshiregrowthboard.com/wp-content/uploads/2020/07/HIFP-Final-Report-low-res.pdf>

means that the impact could be more severe than anticipated if one was only considering how the pandemic had affected Watford residents

The South West Herts Economic Study Update (2019)⁹ has been used to inform decisions about the creation and retention of office space. It identified that there has been strong demand for office space in South West Hertfordshire with net take up of 9,000 sq. m between 2013 and 2018. Demand was strongest in Watford town centre and St Albans city centre because of their connections to London and close proximity to town centre amenities. Watford has protected its office space by the use of planning powers to minimise conversion to residential accommodation and is encouraging owners and developers to develop out available sites, such as at Clarendon Road, for new office accommodation as part of a response to this. The Economic Growth Strategy encourages this strategy to continue.

The economic study identified that the industrial market saw strong growth in demand between 2009 and 2018. Whilst its geography means that Watford cannot supply high levels of industrial space, other districts in the FEMA can do so. The Hertfordshire Innovation Quarter (Herts IQ) enterprise zone covers seven sites, with the bulk of these adjacent to each other at the Maylands Business Park to the east of Hemel Hempstead. The creative force behind this enterprise zone includes the Building Research Establishment (BRE) and Rothamsted Research which host other Herts IQ sites. The project is led by a consortium of seven Hertfordshire institutions.

In summary, there is strong evidence tested over a period of years that a strong FEMA exists in South West Hertfordshire. This has led to formalised joint planning to develop a Joint Spatial Plan. The area has been identified for investment priorities to improve connectivity, increase housing stock and support and encourage growth industries. Watford sits at the heart of the FEMA, both as the strategic transport intersection, the prime retail destination and the most desirable office location across the area. This Economic Growth Strategy recommends Watford continues to engage strongly with partners to make the most of this situation for the benefit of its residents and businesses.

The relationship with London

Watford's geographical location, northwest of London, and within the M25 means that it is influenced by pressures and activity within the London economy. Whilst this brings the benefits of a buoyant economy, it brings significant growth pressures including housing land, employment land and infrastructure pressures. The proximity to London may provide more opportunities in the future as companies and households seek to be close to but not part of the capital, in part a response to COVID-19.

Comparisons with other economies

It is proposed to develop a set of comparator data to enable regular comparisons to measure recovery and economic growth. Where possible we will use comparator, data produced by others for this purpose. The outcomes from this exercise will enable Watford to explore whether or not particular actions taken elsewhere have accelerated progress towards recovery and growth and we

⁹ <https://www.watford.gov.uk/downloads/download/967/south-west-herts-economic-study-update-2019>

will benefit from lessons learnt and identify if we believe their approaches are transferable to Watford.

Examples of this type of analysis include the [Grant Thornton Sustainable Growth Index](#)¹⁰. In 2019 it ranked Watford within the top 20% Local Authorities nationally for prosperity and in the top 25% of Local Authorities for health, wellbeing and happiness. Grant Thornton has undertaken an analysis of the resilience of Hertfordshire Districts in work it undertook for the Association of County Councils in 2020, and in its [Hertfordshire Ltd](#)¹¹ work with Hertfordshire LEP, it assessed Watford as being one of the most resilient of the Hertfordshire Districts to the economic impacts of COVID-19.

Going forward different studies predict different futures for Watford. KPMG's analysis [The future of towns and cities post COVID-19](#)¹², gave Watford a score of -0.81, ranking it in the bottom 10 of the 50 authorities it surveyed. Lambert Smith Hampton came to a different view in its [UK Vitality Index 2021: A definitive health check on the UK's towns and cities](#)¹³. It ranked Watford as being 7th highest nationally. Each used different assumptions, and we will monitor the situation carefully and produce annual updates as to what we believe the situation to be in Watford.

Study	2019	2020	2021
Grant Thornton Sustainability Growth Index	Overall 76/324		
• Prosperity	Top 20%		
• Health and Wellbeing	Top 25%		
Grant Thornton Hertfordshire Ltd		County relatively resilient	
KPMG – the future of towns and cities post COVID-19 2021 (100+ towns)			-0.81- 43/50
Lambert Smith Hampton 2021 Vitality Index (100 towns)			7 th highest

Table 1: National comparisons

In addition, we will develop a second set of data, which will include identifying which economies are suitable benchmarks against Watford and will draw up a list of similar comparators. Slough, Reading, Croydon and Woking have been identified as potentially useful comparators in our background analysis. It is proposed to explore whether this is the best comparator data set or if there are others which would prove more useful. A review of these Council's economic growth interventions will then be made to assess their relevance to Watford. The aim is to establish longitudinal data sets that Watford can use to measure progress over time and to help shape the priorities for the next iteration of the strategy. By having both national and local comparators one may be able to draw outline conclusions as to the differences between sector trends and location-based trends.

¹⁰ <https://www.grantthornton.co.uk/insights/sustainable-growth-index-how-does-your-place-score/>

¹¹ <https://www.grantthornton.co.uk/en/insights/hertfordshire-limited/>

¹² <https://home.kpmg/uk/en/home/insights/2021/01/future-of-towns-and-cities-post-covid-19.html>

¹³ <https://www.lsh.co.uk/explore/research-and-views/research/2021/feb/vitality-index-2021>

Location	GVA per head (£) (2016)	Employment (jobs / density)	No. of large enterprises	Residents' Gross weekly pay (£)	Qualification NVQ Level 4+ (%)
Watford	42,451	72,000 / 1.16	30 (0.6%)	593.10	49.0
Slough	46,599	94,000 / 0.99	40 (0.6%)	629.70	41.5
Reading	44,408	125,000 / 1.16	50 (0.7%)	637.10	53.9
Croydon	20,212	144,000 / 0.58	40 (0.3%)	675.90	49.1
Woking	32,564	58,000 / 0.94	20 (0.4%)	665.70	60.1

Table 2: Comparison with other similar South Eastern economies.

This analysis is a starting point and it needs further refinement. The objective is to be able to track and analyse how Watford is performing on a national basis and against a subset of similar economies over time.

Local Context

Population

Watford has a resident population of 96,600 (2019)¹⁴ split almost equally between male (49.59%) and female (50.41%). This split is in line with the resident population of Hertfordshire and England.

The population stood at 86,500 in 2009¹⁵ so there has been an increase of 10,100 (11.67%) over the 10 year period compared with a 8.47% and 7.83% increase in Hertfordshire and England respectively over the same period.

Population density (mid 2019) in Watford is high at 4,507¹⁶ people per sq. km compared to just 724 and 432 people per sq. km in Hertfordshire and England respectively. This puts Watford in the top 40 most densely populated local authority areas in the UK.

Projections of population growth (2018-based estimates)¹⁷ suggest that Watford will see growth of 0.4% by 2025 compared to 1.7% for Hertfordshire and 3% for England over the same period. Given the previous level of population increase in Watford this low estimate seems unlikely.

¹⁴ Source: ONS Population estimates -

<https://www.nomisweb.co.uk/reports/lmp/la/1946157230/report.aspx?c1=1941962834&c2=2092957699#tabrespop>

¹⁵ Source: ONS Midyear population estimates -

https://www.nomisweb.co.uk/reports/lmp/la/1946157230/subreports/pop_time_series/report.aspx?c1=1941962834&c2=2092957699

¹⁶ Source: ONS Estimates of the population for the UK, England and Wales, Scotland and Northern Ireland -

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalesscotlandandnorthernireland>

¹⁷ Source: ONS Population projections for local authorities -

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/datasets/localauthoritiesinenglandtable2>

When compared to the England average of 19.22% aged under 16, Watford has a young population profile with 22.3% (mid 2019) of residents aged under 16, more than 3% above the England average, and higher than the Hertfordshire average (20.63%). In terms of working age residents (age 16 to 64), Watford continues to have a higher proportion of residents, 64.39%, compared to 62.2% for Hertfordshire and 62.39% for England.

In the 65+ age group, Watford has a significantly lower number of residents with just 13.31% aged over 65 compared to 17.17% and 18.39% for Hertfordshire and England respectively.

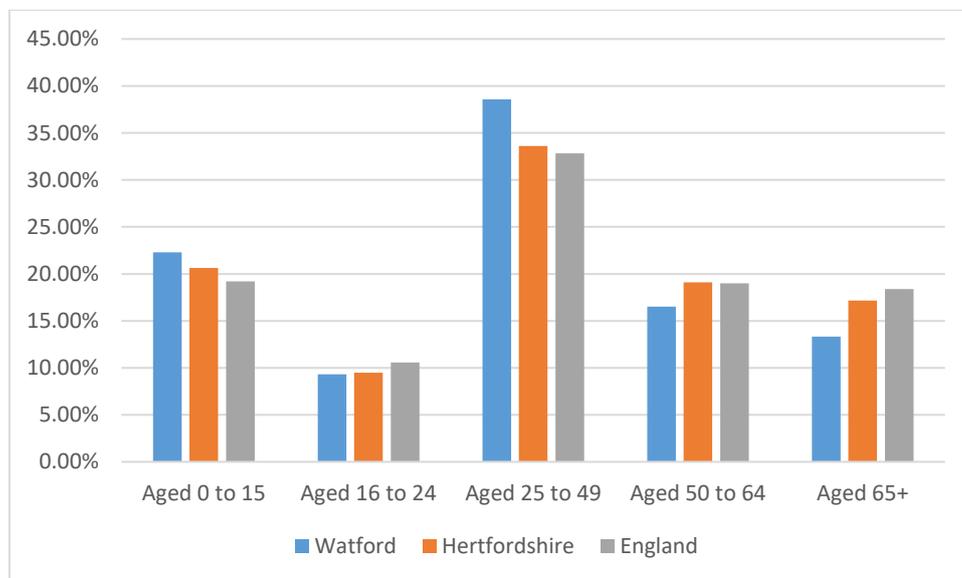


Figure 1: Population (mid 2019) by age band

The median age of Watford residents (mid 2019) is 37 compared to 40.2 and 40 for Hertfordshire and England.

This population profile provides Watford with an advantage – a large working age workforce and supply of young people entering the workforce over time. The challenge will be to ensure that our young people have the necessary skills to equip them to meet the future needs of business and the economy. This age profile and availability of a skilled workforce is a key determinant to attract and retain businesses and investment.

Labour supply

Watford has an economic activity rate of 74.3% (December 2020)¹⁸, compared to 83.3% in December 2019, a reduction of 9% on the pre-pandemic level. This rate is lower than the economic activity rates of Hertfordshire and England which stand at 81.8% and 79.5% respectively.

The economic activity rate has fallen quickly in Watford since the beginning of the pandemic with the rates in Hertfordshire (-0.2%) and England (+0.3%) remaining fairly static over the same period.

¹⁸ Source: ONS Annual Population survey -

<https://www.nomisweb.co.uk/reports/lmp/la/1946157230/report.aspx?c1=1941962834&c2=2092957699#tabempunemp>

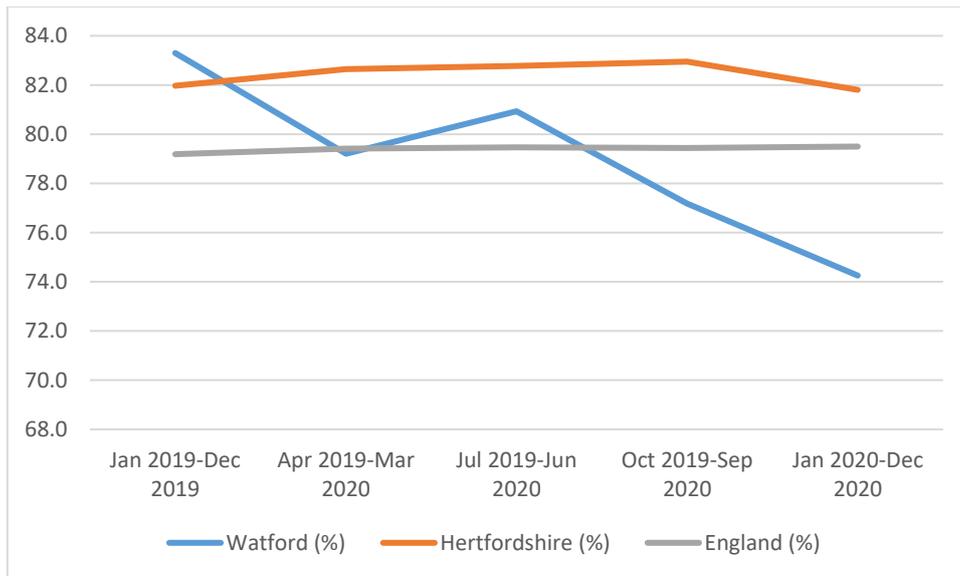


Figure 2: Economic activity rate

Evidence of the fall in economic activity in Watford manifests itself in an increase in the claimant count level over the same period. In January 2020 the claimant count stood at 1,555 and had risen to 4,400 in March 2021¹⁹, an increase of 182.96% over the period.

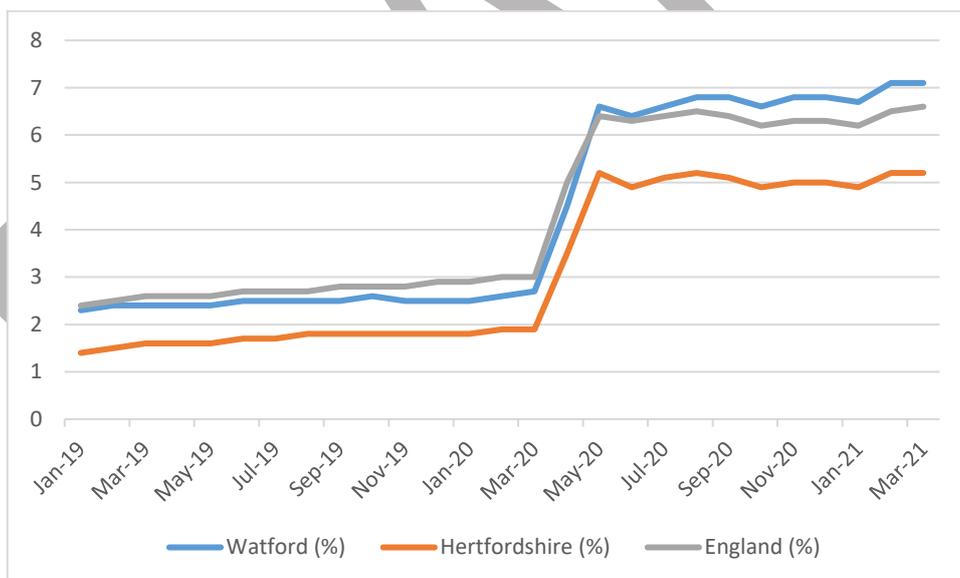


Figure 3: Claimant count rate

Gender-based economic activity rates mirror this pattern, with 78.5% of males and 70.7% of females economically active in Watford. The female economic activity rate has been lower in Watford for a number of years, this is thought to be linked to the age profile of Watford residents and the cultural traditions of some of our communities.

¹⁹ Source: ONS Claimant count by sex and age -

<https://www.nomisweb.co.uk/reports/lmp/la/1946157230/report.aspx?c1=1941962834&c2=2092957699#tabwab>

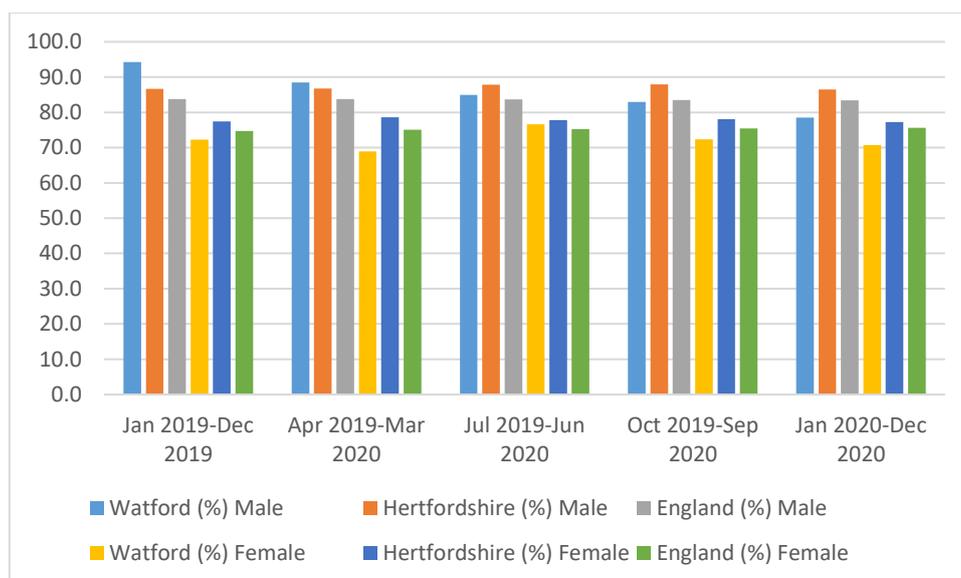


Figure 4: Economic activity rate (by gender)

Traditionally Watford has had high levels of economic activity, pointing to a strong economy that provides jobs for its residents, but equally it is attracting employees from a wider geography to meet business demand. Watford's jobs density figure over time is evidence of this.

The occupation structure of Watford shows a large proportion of residents employed in the highest Standard Occupational Classification (SOC) level, SOC major group 1-3 (managers, directors and senior officials). Employment in this group accounts for 49.9% (December 2020)²⁰ of all employment compared to 58.2% and 50.7% of employment in Hertfordshire and England respectively.

In December 2019, SOC major group 1-3 employment stood at 55% in Watford, 54.4% in Hertfordshire and 48.1% in England indicating that Watford residents have been more adversely since the beginning of the pandemic with a loss of 5,900 jobs at this level.

Occupation	Watford (Number)	Watford (%)	Hertfordshire (%)	England (%)
SOC 2010 major group 1-3	23,900	49.9	58.2	50.7
• 1 Managers, directors and senior officials	#	#	15.7	11.8
• 2 Professional occupations	10,400	21.7	24.7	22.9
• 3 Associate professional & technical	10,100	21.2	17.8	15.9
SOC 2010 major group 4-5	8,500	17.7	19.4	19.2
• 4 Administrative & secretarial	#	#	11.4	10.1
• 5 Skilled trades occupations	#	#	8	9.1

²⁰ Source: ONS Annual population survey -

<https://www.nomisweb.co.uk/reports/lmp/la/1946157230/report.aspx?c1=1941962834&c2=2092957699#tabempocc>

Occupation	Watford (Number)	Watford (%)	Hertfordshire (%)	England (%)
SOC 2010 major group 6-7	#	8.2	10.2	15.4
• 6 Caring, leisure and other Service occupations	#	#	5.6	8.7
• 7 Sales and customer service occupations	#	#	4.6	6.7
SOC 2010 major group 8-9	11,600	24.2	12.1	14.6
• 8 Process plant & machine operatives	7,700	16	4.6	5.4
• 9 Elementary occupations	#	#	7.5	9.2

Table 3: Employment by occupational classification (January 2020-December 2020)

Conversely, employment in SOC major group 4-5 rose from 14.6% in December 2019 to 17.7% in December 2020 and employment in SOC major group 8-9 rose from 18.5% in December 2019 to 24.2% in December 2020, an increase of 1,600 jobs over the 12-month period. This SOC major group 8-9 figure is double that of Hertfordshire at 12.1% and significantly higher than England at 14.6%.

Watford residents are well educated with 49% (2020)²¹ educated to NVQ level 4+ compared to 47% and 42.8% for Hertfordshire and England respectively. The number educated to NVQ level 3+ is also higher than both Hertfordshire and England but drops below these comparator levels for qualifications above NVQ level 2 and NVQ level 1.

It is estimated that 13.3% of Watford residents have no or unrecognised qualifications compared to 10.4% and 11.9% for Hertfordshire and England. This lack of qualifications is a cause for concern in what will become an increasingly competitive jobs market as businesses recover from the pandemic.

	Watford (Number)	Watford (%)	Hertfordshire (%)	England (%)
NVQ4 and above	31,600	49.0	47.0	42.8
NVQ3 and above	41,600	64.3	61.9	61.3
NVQ2 and above	48,300	74.8	79.8	78.2
NVQ1 and above	56,000	86.7	89.6	88.2
Other qualifications	#	#	5.8	5.7
No qualifications	#	#	4.6	6.2

Table 4: Qualification levels (January 2020-December 2020)

Resident's average weekly wage in Watford is currently £593.10 per week (2020)²² down from £663.90 in 2019, a reduction of £70.80 per week. This compares to £684.80 in Hertfordshire which is a £14 per week increase on 2019 and £589.80 in England which is a £2.30 decrease on 2019.

²¹ Source: ONS Annual population survey -

<https://www.nomisweb.co.uk/reports/lmp/la/1946157230/report.aspx?c1=1941962834&c2=2092957699#tabquals>

²² Source: ONS Annual survey of hours and earnings (ASHE) - resident analysis -

<https://www.nomisweb.co.uk/reports/lmp/la/1946157230/report.aspx?c1=1941962834&c2=2092957699#tab>

Year	Watford (£)	Hertfordshire (£)	England (£)
2015	611.30	613.30	531.90
2016	628.30	632.50	544.70
2017	640.00	650.00	555.80
2018	589.60	664.90	574.80
2019	663.90	670.80	592.10
2020	593.10	684.80	589.80

Table 5: Earnings by place of residence (average weekly wage)

The reduction in resident's weekly wages appears to be linked to the reduction in SOC major group 1-3 employment; jobs at this level are more likely to attract higher salaries than those further down the occupational classifications. Traditionally Watford residents have enjoyed higher salaries than those working in the town, but living elsewhere, suggesting that residents commuting out of the borough to work have been impacted by job losses.

There is a correlation between qualification level, occupational level and salary and it is hoped that as the job market recovers post-pandemic, Watford's well educated residents will be able to access higher level occupation jobs once again and that weekly wages will rise and return to pre-pandemic levels.

Labour demand

Watford has a strong jobs base with a jobs density of 1.16 (2019)²³, i.e. there is more than one job for every resident aged 16-64. This compares to a job density of 1.0 and 0.88 for Hertfordshire and England respectively. The jobs included in the density figure is a workplace-based measure and comprises both employee and self-employed jobs.

The jobs density in Watford has consistently been above one since 2000 (the start of the published data set) demonstrating that the Borough has a strong supply of job opportunities and performs as a natural regional employment centre.

Watford has a mixed economy with employment spread across all eighteen industry classifications²⁴ but over 50% of employee jobs come from just four industry classifications:

- Professional, scientific & technical: 19.53%
- Health: 11.72%
- Retail: 10.94%
- Business administration & support services: 10.16%

[earn](#)

²³ Source: ONS Jobs density -

<https://www.nomisweb.co.uk/reports/lmp/la/1946157230/report.aspx?c1=1941962834&c2=2092957699#tabjobs>

²⁴ Source: ONS Business Register and Employment Survey -

<https://www.nomisweb.co.uk/reports/lmp/la/1946157230/report.aspx?c1=1941962834&c2=2092957699#tabjobs>

Industry	Watford (Employee Jobs)	Watford (%)	Hertfordshire (%)	England (%)
1 : Agriculture, forestry & fishing (A)	5	0.01	0.24	0.60
2 : Mining, quarrying & utilities (B,D and E)	100	0.16	0.78	1.14
3 : Manufacturing (C)	1,875	2.93	5.56	7.95
4 : Construction (F)	3,500	5.47	6.58	4.83
5 : Motor trades (Part G)	950	1.48	1.96	1.87
6 : Wholesale (Part G)	3,000	4.69	5.25	4.01
7 : Retail (Part G)	7,000	10.94	9.17	9.22
8 : Transport & storage (inc. postal) (H)	1,250	1.95	3.61	5.04
9 : Accommodation & food services (I)	4,250	6.64	5.96	7.51
10 : Information & communication (J)	5,000	7.81	5.49	4.49
11 : Financial & insurance (K)	1,750	2.73	2.27	3.55
12 : Property (L)	1,250	1.95	1.57	1.77
13 : Professional, scientific & technical (M)	12,500	19.53	13.17	9.07
14 : Business administration & support services (N)	6,500	10.16	14.73	9.03
15 : Public administration & defence (O)	850	1.33	1.96	4.04
16 : Education (P)	3,500	5.47	7.99	8.67
17 : Health (Q)	7,500	11.72	9.17	12.66
18 : Arts, entertainment, recreation & other services (R,S,T and U)	2,500	3.91	4.55	4.54
Total	64,000			

Table 6: Employment by broad industry classification (2019)

When compared to Hertfordshire's industry classification composition Watford is able to demonstrate more specialism within professional, scientific & technical (+6.43%), health (+2.62%), information & communication (+2.32%) and retail (+1.77%).

These specialisms are not surprising given Watford's business make-up and base, that the acute hospital serving SW Hertfordshire is located in the Borough and its position as a regional centre for retail, hospitality and leisure.

Traditionally, Watford resident's average weekly wage has been higher than the average weekly wage of those working in the Borough but living outside but this was reversed in 2020. The

workplace average weekly wage in Watford is currently £608.10 per week (2020)²⁵ down from £630.70 in 2019, a reduction of £22.60 per week. This compares to £613.30 in Hertfordshire which is a £3.70 per week decrease on 2019 and £589.80 in England which is a £2.30 decrease on 2019.

Year	Watford (£)	Hertfordshire (£)	England (£)
2015	535.20	551.80	531.60
2016	569.60	570.60	544.20
2017	580.30	591.20	555.80
2018	537.40	603.00	574.80
2019	630.70	617.00	592.20
2020	608.10	613.30	589.90

Table 7: Earnings by place of work (average weekly wage)

The reduction in resident's weekly wages compared to their workplace equivalent suggests that Watford residents working outside the Borough in higher paid jobs have lost their jobs during the pandemic.

Year	Watford (£) by place of residence	Watford (£) by place of work
2015	611.30	535.20
2016	628.30	569.60
2017	640.00	580.30
2018	589.60	537.40
2019	663.90	630.70
2020	593.10	608.10

Table 8: Earnings by place of residence vs place of work (average weekly wage)

Businesses can draw on a much wider labour market pool than just residents. Watford's location and connectivity supports easy commuting using road and rail connections opening up access to potential employees from across a wide geographical area.

Travel to work patterns identified in the 2011 census showed that on a daily basis, Watford is receiving an inflow of 28,814 commuters, while 24,790 residents travel out of the Borough, predominantly to work in London.

Businesses

In March 2020 Watford was the home to 5,405 enterprises²⁶ and 6,365 local units, up from 4,210 and 5,085 respectively in 2015. This represents a 28.38% increase in the number of enterprises compared to a 15.21% increase in Hertfordshire and a 12.98% increase in England over this time

²⁵ Source: ONS annual survey of hours and earnings - workplace analysis -

<https://www.nomisweb.co.uk/reports/lmp/la/1946157230/report.aspx?c1=1941962834&c2=2092957699#tabjobs>

²⁶ Source: ONS Inter Departmental Business Register (IDBR) -

<https://www.nomisweb.co.uk/reports/lmp/la/1946157230/report.aspx?c1=1941962834&c2=2092957699#tabidbr>

period. Over the same period the number of local units increased by 25.17% in Watford, 13.84% in Hertfordshire and 11.23% in England.

The number of businesses in Watford, both enterprises and local units, has increased every year since 2010 (the start of the published data set) demonstrating that the Borough is an attractive place to operate a business from and suggesting there are advantageous conditions for businesses to start and grow.

Watford supports high levels of small enterprises with 90.2% (2020) classed as micro (employing nine or fewer employees). This is in line with Hertfordshire at 91% and England at 89.7%. A further 7.7% are classed as small (employing between 10 and 49 employees), compared to 7.2% and 8.4% for Hertfordshire and England respectively.

For medium (50 to 249 employees) and large (250+ employees) Watford has a higher proportion of enterprises than both Hertfordshire and England reflecting the role the Borough plays in supporting headquarters and regional offices of major companies.

Enterprises	Watford (Number)	Watford (%)	Hertfordshire (%)	England (%)
Micro (0 To 9)	4,875	90.2	91.0	89.7
Small (10 To 49)	415	7.7	7.2	8.4
Medium (50 To 249)	85	1.6	1.4	1.5
Large (250+)	30	0.6	0.4	0.4
Total	5,405			

Table 9: Enterprises by size

This position is broadly mirrored when looking at local units.

Local Units	Watford (Number)	Watford (%)	Hertfordshire (%)	England (%)
Micro (0 To 9)	5,425	85.2	87.3	84.9
Small (10 To 49)	745	11.7	10.2	12.2
Medium (50 To 249)	170	2.7	2.2	2.6
Large (250+)	25	0.4	0.3	0.4
Total	6,365			

Table 10: Local Units by size

This economic profile distributes employment across a large number of businesses of differing sizes potentially protecting the economy from economic shocks.

Socio economics

The English Indices of Deprivation (IoD) 2019²⁷ were published in September 2019. The IoD measure relative levels of deprivation in 32,844 small areas or neighbourhoods, called Lower-layer Super Output Areas (LSOA), in England. The IoD 2019 is based on 39 separate indicators, organised

²⁷ <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>

across seven distinct domains of deprivation which are combined and weighted to calculate the Index of Multiple Deprivation (IMD) 2019.

In the IMD 2019, Watford is ranked 195 out of 317 authorities, putting it in the 7th decile nationally. This means that, overall, Watford is less deprived than half the authorities in England.

Watford is the third most deprived local authority in Hertfordshire behind Stevenage and Broxbourne. However, three Hertfordshire local authorities are among the 10% least deprived authorities in England (Three Rivers, East Herts and St Albans).

Overall, Watford is not an area with significant deprivation issues and the majority of the LSOAs within the town are in the bottom 50% of LSOAs nationally for deprivation; the borough's position has improved relative to that of 2015.

The combined deprivation index, which weights income and employment more heavily than the other domains, obscures the more deprived areas in Watford, which are affected by crime, living environment deprivation, health and disability, and education, skills and training deprivation in particular. This is, at least in part, because income and employment deprivation are less of an issue for Watford than for other areas.

The ten most deprived LSOAs in Watford, as ranked in the IMD 2019 are as follows (the ranking for the last IMD data in 2015 is shown in brackets in the first column).

Watford rank	Ward	LSOA code	Hertfordshire		England	
			Rank	Decile (1st = most deprived)	Rank	Decile (1st = most deprived)
1 (1)	Central (Water Lane, Gladstone Road, Grosvenor Road, part of Radlett Road, Brockleberry Close, Raphael Drive, top part of Queens Road)	E01023860 (009B)	5 (5)	1st (1st)	5055 (5005)	2nd (2nd)
2 (3)	Holywell (Caractacus Green, part of Charlock Way, Moor View, Jellicoe Road, Stripling Way, Rose Gardens)	E01023865 (011C)	21 (22)	1st (1st)	7239 (7800)	3rd (3rd)
3 (2)	Meriden	E01023876 (003D)	26(19)	1st (1st)	7924 (7590)	3rd (3rd)

Watford rank	Ward	LSOA code	Hertfordshire		England	
	(Garsmouth Way, Aldbury Close, Harvest End, part of York Way)					
4 (4)	Holywell (Ascot Road, Greenhill Crescent, Caxton Way, Croxley View)	E01023866 (011D)	27 (30)	1st (1st)	8294 (9203)	3rd (3rd)
5 (7)	Woodside (Haines Way, Queenswood Crescent, Sheriff Way, Nottingham Close)	E01023906 (001C)	61 (41)	1st (1st)	10719 (10062)	4th (4th)
6 (10)	Oxhey (Deacons Hill, Blackwell Drive, Riverside Road, Eastbury Road, Thorpe Crescent)	E01023883 (012B)	62 (49)	1st (1st)	10758 (10710)	4th (4th)
7 (13)	Callowland (Maude Crescent, St George's Road, Breakspeare Close, Nicholas Close)	E01023857 (006C)	67 (56)	1st (1st)	10894 (10812)	4th (4th)
8 (9)	Meriden (Gaddesden Crescent, Bovington Crescent, Garston Lane)	E01023877 (003E)	73 (75)	2nd (2nd)	11225 (11837)	4th (4th)
9 (12)	Leggatts (The Harebreaks, Chestnut Walk, Foxhill, Brushrise, Elm Grove)	E01023870 (004C)	78 (52)	2nd (1st)	11515 (10734)	4th (4th)
10 (5)	Stanborough (Clarke Way, Rushton Avenue, Orbital Crescent, Harris Road)	E01023891 (002B)	92 (31)	1st (1st)	11970 (9377)	4th (3rd)

Table 11: Ten most deprived LSOAs in Watford

The Herts Insight data observatory provides a [visual representation of IMD ranking across Watford](#).

The MOSAIC Consumer Classification allow us to further understand resident’s characteristics. The most recent analysis (2020) backs up the age, education and occupation demographic data. The top ten MOSAIC profiles in Watford cover 71.2% of our residents and show them to be ambitious, successful and stable.

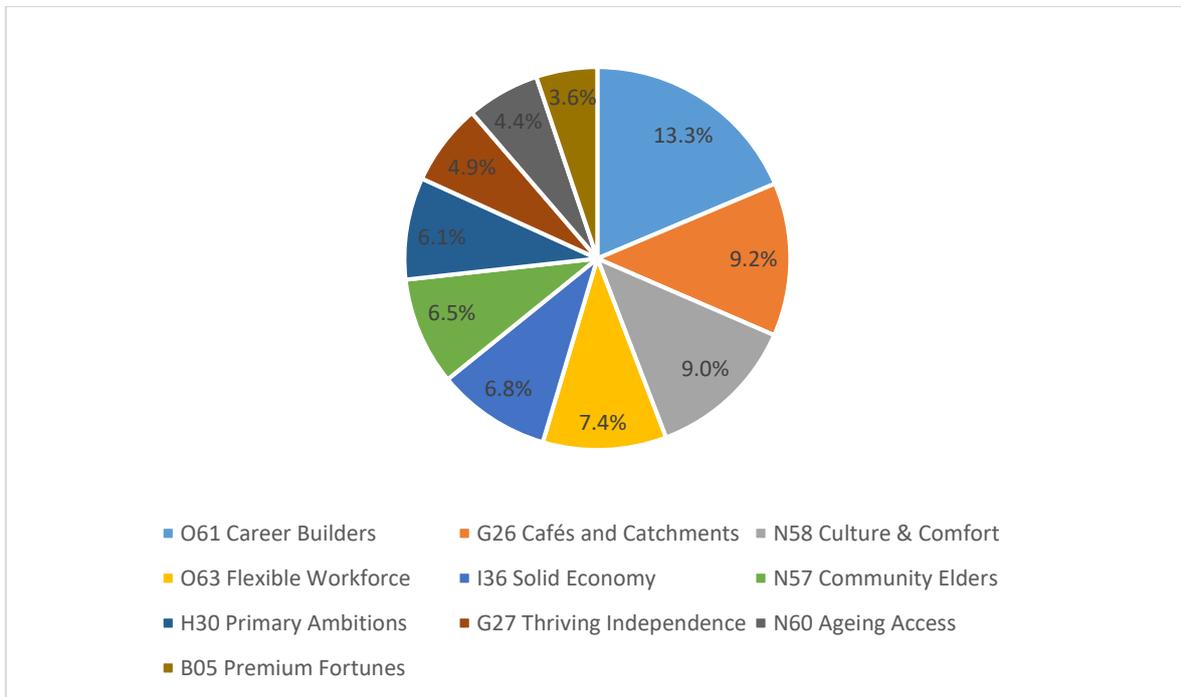


Figure 5: Watford’s MOSAIC profile (2020)

MOSAIC Type	Description
Career Builders	Professional singles and couples in their 20s and 30s progressing in their field of work from commutable properties
Cafés and Catchments	Affluent families with growing children living in upmarket housing in city environs
Culture & Comfort	Thriving families with good incomes in diverse suburbs
Flexible Workforce	Successful young renters ready to move to follow worthwhile incomes from service sector jobs
Solid Economy	Stable families with children, renting higher value homes from social landlords
Community Elders	Established older households owning city homes in diverse neighbourhoods
Primary Ambitions	Families with school-age children, who have bought the best house they can afford within popular neighbourhoods
Thriving Independence	Well-qualified older singles with incomes from successful professional careers in good quality housing
Ageing Access	Older residents owning small inner suburban properties with good access to amenities
Premium Fortunes	Asset-rich families with substantial income, established in distinctive, expansive homes in wealthy enclaves

Table 12: MOSAIC descriptors

Sectors

One of Watford's key strengths is that it has a mixed economy with employment spread across all eighteen industry classifications (2019)²⁸ but over 50% of employee jobs come from just four industry classifications:

- Professional, scientific & technical: 19.53%
- Health: 11.72%
- Retail: 10.94%
- Business administration & support services: 10.16%

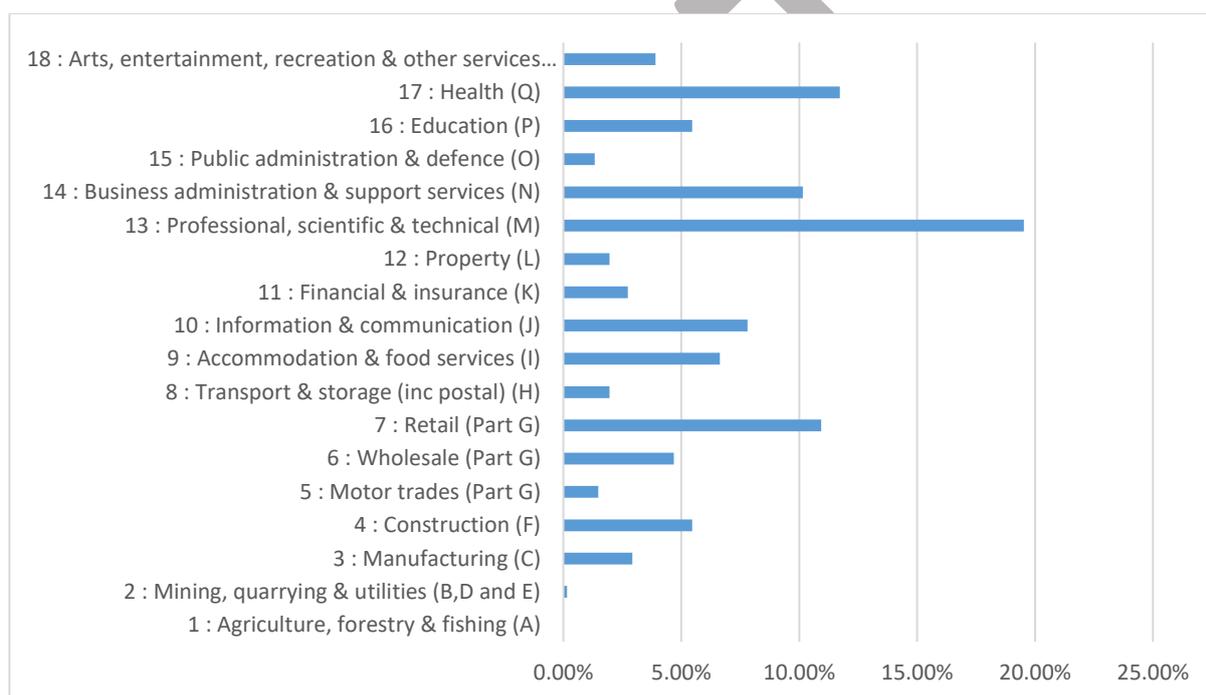


Figure 6: Employment (%) by broad industry classification (2019)

The number of businesses (enterprises)²⁹ operating in each of these eighteen broad industry classifications generally supports the employment specialisms with the highest number of business, across all sizes, in:

- Professional, scientific & technical: 925
- Construction: 775
- Information & communication: 770
- Retail: 730
- Business administration & support services: 430

²⁸ Source: ONS Business Register and Employment Survey -

<https://www.nomisweb.co.uk/reports/lmp/la/1946157230/report.aspx?c1=1941962834&c2=2092957699#tabjobs>

²⁹ Source: ONS Inter Departmental Business Register UK Business Counts-

<https://www.nomisweb.co.uk/reports/lmp/la/1946157230/report.aspx?c1=1941962834&c2=2092957699#tabidbr>

- Wholesale: 255
- Arts, entertainment, recreation & other services: 255
- Accommodation & food services: 220

These eight broad industry classifications account for 80.67% of the businesses (enterprises) operating in Watford.

Industry	Micro (0 to 9)	Small (10 to 49)	Medium (50 to 249)	Large (250+)	Total
1 : Agriculture, forestry & fishing (A)	10	0	0	0	10
2 : Mining, quarrying & utilities (B,D and E)	10	5	0	0	15
3 : Manufacturing (C)	150	25	5	0	185
4 : Construction (F)	725	40	5	0	775
5 : Motor trades (Part G)	100	15	0	0	115
6 : Wholesale (Part G)	195	45	10	5	255
7 : Retail (Part G)	680	40	0	5	730
8 : Transport & storage (inc postal) (H)	195	5	5	0	205
9 : Accommodation & food services (I)	175	30	5	5	220
10 : Information & communication (J)	735	25	5	5	770
11 : Financial & insurance (K)	80	5	0	0	90
12 : Property (L)	155	10	0	0	165
13 : Professional, scientific & technical (M)	880	35	10	5	925
14 : Business administration & support services (N)	370	50	10	5	430
15 : Public administration & defence (O)	0	0	0	0	0
16 : Education (P)	55	15	10	0	80
17 : Health (Q)	135	40	5	0	185
18 : Arts, entertainment, recreation & other services (R,S,T and U)	220	30	5	0	255
Column Total	4,875	415	85	30	5,405

Table 13: Enterprise count by broad industry classification and size (2020)

Watford has a range of sectors that are important to our economy but looking at the level of employment in each broad industry classification together with the number of businesses operating in each, the growth sectors identified by Hertfordshire LEP and feedback from stakeholders, the following four sectors have been identified as priorities for Watford:

- Professional services
- Creative, cultural, digital, media and film, including IT
- Healthcare (medical services, medical equipment and pharmaceuticals)
- Retail, hospitality and leisure

In identifying these as priority sectors we continue to recognise the importance of all sectors and businesses in Watford, it is the diversity of our business base that helps drive our economic success. All sectors have been impacted by the COVID-19 pandemic, will demonstrate varying degrees of resilience and ‘bounce-back’ as economic restraints are removed, and will need support in order to maximise their recovery and any future growth.

We will work with each sector through our Key Account Management programme to understand current challenges being faced by our businesses and explore whether there are mutually beneficially activities which could boost the economic performance of each sector and that of the Borough.

Our approach to working with identified priority sectors will vary dependent on the specific needs of the sector, forthcoming opportunities and the rate of return on investment of resources.

Our objectives	Our actions
<p>Growth in our most important sectors will create wealth and jobs. We are creating the base for business to grow through major development and regeneration sites, and focusing on training and skills. All sectors are important to the Watford economy.</p> <p>We continue to implement our Account Management approach to engaging with our businesses. This will enable us to work more closely with each sector to address key challenges they are facing.</p>	<p>We will strengthen local clusters through enhanced collaboration, with the Council working with business representative organisations to act as a catalyst (particularly in support of innovation). We will develop a programme of support that engages with business and seeks to strengthen local clusters.</p> <p>We will work with local businesses to understand emerging employment and skills gaps and work closely with education providers to ensure that provision helps address these gaps and begin a journey to ensure that Watford can meet business demands for skills and ensure that residents possess skills to work within the local economy.</p> <p>We will review the availability of employment space and work with the developer community to establish the demand for high quality, affordable workspace.</p> <p>We will work with the development community to understand the nature of enquiries that are received within the Borough and ensure that this demand is fed into the planning process. Thereby ensuring a proactive approach to growth opportunities in the short and long term.</p>

Professional services

This sector encompasses accountancy, financial services, insurance, legal and management consultancy businesses and represents c. 835 (2020)³⁰ Watford businesses of varying sizes including Hillier Hopkins, KPMG, Myers Clark, PWC and VVW amongst many others.

³⁰ Source: ONS UK Business Counts - enterprises by industry

These sectors have been impacted by the COVID-19 pandemic. The Law Society³¹ have identified that legal firms will have experienced a 10-20% drop in revenue for the 2020/2021, while KPMG³² have reported that the finance and banking sector faced significant instability and high volatility in global capital markets.

The success of this sector is closely linked to Watford's performance. This strategy requires partners to work closely and collaboratively to understand the changes that these sectors will go through as the recovery gets underway and they adopt further automation. The latter meaning that the skills required by the sector will need to be more specialised yet flexible. Similarly there may be different levels of employment matched with the level of automation.

The sector is facing wider pressure due to new technology and increased automation which is removing a number of back office functions and reducing employment. However this creates the opportunity for high skilled careers that provide higher value remuneration. Technology such as Blockchain, artificial intelligence (AI), and robotics and internet of things (IoT), are just some of the ways technology is disrupting the sector, these technologies will continue to have an impact into the future.

Innovation in legal services using AI was captured by the UK Law Society in Capturing Technological Innovation in Legal Services (Chittenden 2017)³³. This included a section specifically on AI describing several AI systems under development and gaining traction, such as Kira, which are now becoming more well-established following test uses and adoption by law firms. Kira is being adopted by many law firms in the UK to reduce administration and gain efficiencies.

Creative, cultural, digital, media and film

This sector is one that is growing rapidly across the UK, despite the pandemic. The sector currently represents c. 870 (2020)³⁴ Watford businesses of varying sizes, is seeing growth in both employment and the supply chain and there is potential for further growth. The sector offers high levels of employment for young people and it will be important that young people have the skills required by local companies.

The film sub-sector offers considerable opportunity to increase Watford's GVA, employment levels and visibility. Working with the film studios there is potential to place South West Hertfordshire and Watford at the heart of the UK Film industry.

The creative industries' contribution to the UK was £111.7bn in 2018³⁵ and it is growing at twice the rate of the economy. The sector now makes up more than five per cent of the UK economy's GVA. Much of the increase has been driven by a boom in the computer services sub-sector. While this includes video games, it also covers wider digital industries.

³¹ <https://www.lawsociety.org.uk/topics/research/larger-law-firms-Covid-19-survey>

³² <https://home.kpmg/xx/en/home/insights/2020/07/Covid-19-impact-on-banking-m-and-a-2020.html>

³³ <https://www.lawsociety.org.uk/en/topics/research/capturing-technological-innovation-report>

³⁴ Source: ONS UK Business Counts - enterprises by industry

³⁵ <https://www.gov.uk/government/news/uks-creative-industries-contributes-almost-13-million-to-the-uk-economy-every-hour>

Watford is part of a significant concentration of creative industries located in North London and South West Hertfordshire which includes Warner Bros. UK and Elstree Studios, and is home to an expanding creative, digital and information technology cluster. It is important to recognise the support that this sector offers the wider economy by contributing to making Watford an attractive and increasingly popular place to live and work.

Work is underway to provide further stimulus for the sector which will help yield further job growth, support the redevelopment of the town centre and serve to assist in attracting further inward investment. Creative businesses represent an important contributor to job growth and are a key high-wage contributor to the local economy sector.

Watford has the correct demographics to continue the development and growth of the sector. With this considerable potential to grow further, we therefore see this as a key sector.

Healthcare (medical services, medical equipment and pharmaceuticals)

In addition to being at the centre of the sub-regions' acute medical services provision, Watford is home to c.195 (2020)³⁶ businesses across the wider healthcare sector, including patient care, medical services, medical equipment, medical devices and pharmaceuticals. Watford businesses included in this sector grouping include Sigma Pharmaceuticals, Smith+Nephew, Rocket Medical and Pharmasure amongst many others.

The healthcare sector as a whole is a significant contributor to the UK economy:

- The UK medical device market is the third largest in Europe, behind Germany and France, and the sixth largest in the world. It was valued at \$9.5 billion in 2015 (Emego³⁷).
- The annual turnover of pharmaceutical goods wholesalers in the UK (2017) was over £42 billion, while the gross revenue from retail sales of pharmaceutical products amounted to almost £5 billion in 2015. The net capital expenditure in the manufacturing of pharmaceutical goods was over £1 billion in 2017 (Statista³⁸).
- The Medical Technology (MedTech) subsector, triggered by the COVID-19 pandemic, has seen the development and adoption of medical technologies increase at an unprecedented rate³⁹. The MedTech landscape review⁴⁰ (2019) sets out the scale and scope of the subsector.

The Office for Life Sciences Life Sciences Competitiveness Indicators 2020⁴¹ report backs up the importance and significance of the sector to the UK.

³⁶ Source: ONS UK Business Counts - enterprises by industry

³⁷ <https://www.emergobyul.com/resources/market-united-kingdom>

³⁸ <https://www.statista.com/topics/5056/pharmaceutical-industry-in-the-uk/>

³⁹ <https://www.srgtalent.com/blog/the-long-term-impact-of-covid-19-on-the-uk-medtech-sector>

⁴⁰ <https://www.ahsnnetwork.com/app/uploads/2019/02/MedTech-Landscape-Review-AHSN-Network.pdf>

⁴¹

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/977265/Life_Science_Competitiveness_Indicators_2020_report.pdf

With the planned redevelopment of Watford General Hospital, the range of healthcare sector businesses located in Watford and our location within the London-Oxford-Cambridge 'Golden Triangle' there is an opportunity to grow this sector and supply chain businesses.

The [Pharmaceutical Industry Network Group](#) (PING) was established in 2010 by the Pharmaceuticals & Life Sciences practice of Watford-based law firm VWV LLP to bring people together from across the pharmaceutical supply chain in the local area.

From its founding sector members from Watford, Hertfordshire and beyond. Today, PING exists as a networking group for people across the pharmaceutical supply chain, to discuss and share best practice, ideas and generally help each other at a time of great change.

Members range from suppliers to pharmacists, including prescription-based suppliers, OTC suppliers, generics suppliers, manufacturers, wholesalers, logistics, orphan drugs, named patient suppliers, comparator drug suppliers, specials suppliers, exporters, importers, regulatory advisers, pharma researchers, clinical trial statisticians, and market access and pharma data consultants.

Retail, hospitality and leisure

This sector is the most visible and one that our residents engage with on a daily basis. The sector currently represents over 1,000 (2020)⁴² Watford businesses of varying sizes.

Retail sector analysis for Watford relates to the performance on the High Street and secondary shopping areas, but also that of the retail brands that have headquarters in the town, such as TJX Europe, Ralph Lauren, and Costco. Both elements have been faced with challenges both prior to, and now as a consequence of the COVID-19 pandemic.

The retail sector has been visibly changing since 2009. The impact of online shopping and e-commerce has dramatically impacted upon the High Street. The strength of the supermarkets has grown and many household name retailers have closed. Watford, like other locations, has been affected by the 2020 closure of major chains such as Debenhams and John Lewis.

The structural changes we are seeing in the retail sector are having a profound impact on our High Street, this is being further accelerated by the pandemic - a 57% increase in online retailing was reported in 2020. With Watford's role as a sub-regional centre for retail, hospitality and leisure (South West Hertfordshire Retail and Leisure Study (2018))⁴³, it is vital to work in partnership with the sector to ensure that our High Street is able to adapt and become a new destination by including greater housing, leisure and visitor experiences.

Ensuring that the retail, hospitality and leisure sector is able to adapt and remain profitable and operational in Watford is an important strategic focus for the Council, working with the Watford BID and other key stakeholders.

⁴² Source: ONS UK Business Counts - enterprises by industry

⁴³ <https://www.watford.gov.uk/downloads/download/972/south-west-herts-retail-and-leisure-study-2018>

Employment and skills

Pre-pandemic Watford businesses employed over 72,000 people⁴⁴, including 64,000 employee jobs, with an economic activity rate of 83.3⁴⁵. Watford has historically had low levels of unemployment: the claimant count was approximately 2.5% in December 2019 and January 2020. This rate increased to 6.7% in January 2021 and 7.1% in March 2021⁴⁶. The claimant count increased by 183% between January 2020 and March 2021.

It is anticipated that the full longer-term impact of the pandemic will not be known for some time, with key milestones including the end dates for Government support measures such as the [Coronavirus Job Retention Scheme](#) (CJRS)⁴⁷ and [Self-Employment Income Support Scheme](#) (SEIS)⁴⁸, and whether or not businesses will be able to pivot again and successfully reopen after successive lockdowns.

The immediate response to the pandemic – and the unemployment caused by it, has been addressed through the [Unlocking Hertfordshire: Hertfordshire Recovery Plan](#)⁴⁹ published in August 2020. This included a large skills and employment support package of measures, including the further development of the [Hertfordshire Opportunities Portal](#) (HOP) website, and has been supported by all partners. Watford Borough Council's key role has been signposting businesses and residents to available sources of help and guidance to support them through the impact of the pandemic. This has included signposting businesses to Watford & West Herts Chamber of Commerce and Wenta, both of whom are intermediaries in the [Kickstart Scheme](#)⁵⁰.

There have been major changes to the way people work, shop and study triggered by COVID-19 and the necessary lockdowns. These are expected to further accelerate changes and innovation across all sectors, speeding up the need both for new skills where demand is growing and re-skilling away from sectors that are evolving or declining to need a smaller and differently skilled workforce.

The skills infrastructure

The Government's approach to improving Skills Provision in England has been to establish 36 regional Skills Advisory Panels, which bring together employers, skills providers and key local stakeholders to better understand and resolve skills mismatches at a local level. The Hertfordshire LEP led Skills and Employment Board discharges this role for Hertfordshire. The role of the Board is to develop a clear understanding of the current and future Hertfordshire skills and labour market needs and employment support provision in the region.

Hertfordshire has a well-developed Higher and Further Education infrastructure. This includes the University of Hertfordshire, network of Further Education Colleges, including West Herts College which serves Watford and the wider South West Hertfordshire area in

⁴⁴ <https://www.nomisweb.co.uk/reports/lmp/la/1946157230/report.aspx?town=watford#tabjobs>

⁴⁵ <https://www.nomisweb.co.uk/reports/lmp/la/1946157230/report.aspx?town=watford#tabempunemp>

⁴⁶ <https://www.nomisweb.co.uk/reports/lmp/la/1946157230/report.aspx?town=watford#tabwab>

⁴⁷ <https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme>

⁴⁸ <https://www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme>

⁴⁹ <https://www.hertfordshirelep.com/media/8346/hertfordshire-recovery-plan-august-2020.pdf>

⁵⁰ <https://www.gov.uk/government/collections/kickstart-scheme>

particular, and specialist organisations with a good track record of working together. Collectively providers deliver initiatives to increase access to further education, respond to identified skill shortages by establishing organisations such as the Institute of Technology, (digital, construction, life science and Together Training Limited. Together Training Ltd is a Joint Venture between Oaklands College and West Herts College to support apprentice levy paying employers and serves Hertfordshire and beyond.

Skills strategies

Skills have been a key part of the government's response to the pandemic – one of three pillars in the *Plan for Growth: Build Back Better*, and the subject of a Further Education White Paper [Skills for jobs: lifelong learning for opportunity and growth](#)⁵¹, which builds on the work undertaken recently to make employers more central to the skills agenda.

Skills Support for the Workforce (SSW) is a major programme co-financed by the Education and Skills Agency (ESFA) and the European Social Fund focussed on supporting small & medium-sized businesses to upskill their employees. In Hertfordshire Serco is the prime contractor for the programme. In 2020 the ESFA commissioned Serco to conduct research with employers to provide key information to inform the development of the new Hertfordshire Skills and Employment Strategy and related plans. The detailed [Hertfordshire Employment, Skills and Enterprise Review](#)⁵² (the summary covers three LEP areas) was compiled from the responses of 57 Hertfordshire based businesses. Hertfordshire LEP has incorporated this information into its analysis and published an updated [Hertfordshire Local Skills Report](#) (March 2021)⁵³. It is due to publish a revised Skills and Employment Strategy in June 2021.

Both of these documents provide a detailed analysis of current and future skills needs in Hertfordshire. They are comprehensive and cover all stages of a working career and key sectors identified elsewhere in the Hertfordshire LEP Local Industrial Strategy⁵⁴. The documents have been developed in consultation with business, which is well represented on the Skills and Employment Board. There will continue to be a strong focus on apprenticeships, on digital skills and on 'light and dark green skills' as businesses respond to the changes in practice needed to meet the requirements of the climate emergency (light green) or manufacture specific products (dark green).

The views of business

The Hertfordshire wide analysis conducted by Serco identified that 60% of employers identified that they have one or more skills gaps in their organisation, which impact on productivity and growth. These include digital, numeracy, planning and organisational skills. 20% of employers had a hard to fill vacancy over the last 12 months. They also predicted

⁵¹ <https://www.gov.uk/government/publications/skills-for-jobs-lifelong-learning-for-opportunity-and-growth>

⁵² <https://www.hertfordshirelep.com/media/qoflflks/hertfordshire-employment-skills-enterprise-review-nov-2020.pdf>

⁵³ <https://www.hertfordshirelep.com/media/maflpk3y/hertfordshire-local-skills-report-2021.pdf>

⁵⁴ <https://www.hertfordshirelep.com/media/7569/hertfordshire-lis-consultation-draft-2019.pdf>

increased opportunities and skills needs in the health and social care, digital, construction and planning, the green economy and professional services sectors.

There are concerns that the scope and scale of apprenticeships and that their value as a qualification is not fully understood, although 47% of employers said they would consider taking an apprentice in the near future. Employers were seen to be willing to invest in new technologies to support learning, although there were concerns about applicability in practical situations. Equally 17% of employers said they would be likely or very likely to support employees to undertake a higher qualification in the next three years.

These Hertfordshire-wide views were mirrored in the local consultation conducted as part of the process of creating this strategy. A number of local businesses reported that they are increasingly unable to recruit, or when they do, skills are not at the level they require, and they had at least one vacancy that was hard-to-fill. Employers stated that the key factors in filling these vacancies is not having applicants with the required skills, a small number of applicants or applicants lacking the required attitude, motivation or personality.

Developing a Watford Skills and Employment Plan

The aim of the Watford Skills and Employment Plan is to support economic growth and productivity by working with businesses to address skills requirement both now and for the future, looking at the new Hertfordshire Skills and Employment Strategy through a Watford lens and using this as a platform to move forward.

In order to develop a skills and employment plan to support the Watford economy it will be necessary to drill down the Watford specific data in the Hertfordshire-wide skills report and strategy. It will also be necessary to map further and higher education provision by organisation and subject area in and, if appropriate adjacent to Watford, and then work closely on a sector-by-sector basis with local businesses to formulate and implement plans.

The purpose of the joint working would be to share information, identify current and future gaps and needs and then work to shape a pipeline of suitably qualified individuals. This would include drawing on and adapting planned local and regional programmes and if necessary developing new relevant qualifications.

This would fit well with wider strategies. A Programme Board could be established to oversee the development of the strategy, bring together Watford Borough Council, businesses, schools, further and higher education, Hertfordshire LEP, and other key stakeholders, such as the University of Hertfordshire, Serco and the DWP.

Some of the key ingredients of the plan are already in place. There is a suggestion in the [Hertfordshire Local Skills Report](#) that the data analysis could also be broken down on a district basis and it is assumed that the same analysis could be undertaken of the Hertfordshire Skills and Employment Strategy. This would provide a strong platform for further detailed work.

This could then be supplemented by creating a database and network of all the skills providers active in Watford identifying which qualifications they provide. This mapped against the information from Hertfordshire LEP would enable us to identify potential gaps in provision.

There needs to be a dynamic mechanism to shape the development of the skills offer on the ground. It is proposed in the first instance to focus on working with businesses in the four key sectors we have identified elsewhere in this report for Watford (Professional Services; Creative, Cultural Digital and Film; Healthcare (medical services, medical equipment and pharma) and Retail, Hospitality and Leisure) and to establish sector skills boards for each of them.

These boards would, with appropriate provider representation, go through the analysis and identify what needs to happen. This could range from wider dissemination of information to enable businesses to link up with existing providers and courses, either locally or in Hertfordshire, to working together to develop new qualifications to meet emerging needs.

Local residents and organisations supporting them in searching for employment and reskilling opportunities may also benefit from the directory of organisations and qualifications being made freely available as a linkage to the [Hertfordshire Opportunities Portal](#) or other employment sources.

It is also proposed to establish a cross-cutting apprenticeship board to develop a strategy to help non levy paying and levy paying businesses understand the full range of apprenticeship opportunities and build these into their businesses. This would draw on work being undertaken elsewhere and not replicate it.

Watford sits at the heart of a FEMA and its sectors may spread across borough boundaries into other South West Hertfordshire Districts. It may be appropriate to work with adjacent districts to create joint sector skills boards and to establish if they are also creating locally based skills strategies.

Watford Borough Council's role

The Council has a key role in creating an environment where better linkages are built between the wider business community and local skills providers. The account management system, the business forums, the link to business organisations and its business sign posting services are key elements in this.

Analysis

Watford has many strengths. It has an excellent geographical locational, with strong transportation links by road, rail and air and close proximity to key London assets including the City of London and six international airports within a one-hour travel time. It sits at the heart of a strong economic sub-region and is the home of the sub-regions' acute health, retail, cultural, leisure and hospitality offer. This makes it an ideal location for headquarters and regional hubs as well start-ups and SMEs wanting to operate in a well-established centre for business.

It sits within and is part of the South West Hertfordshire's TV / film industry cluster - a growth sector in the UK. Watford has a strong enterprise culture, a young, well-educated population, a strong supply of jobs, a high number of knowledge intensive jobs and a strong track record of attracting private sector investment.

Watford is well positioned to take advantage of many of the opportunities, changes and innovations that have been brought about as a result of the COVID-19 pandemic. This includes developing a new economic future for the Town Centre, with a shared vision, strategy, and town centre partnership management approach. This would include supporting the retail, leisure and hospitality sector to further innovate and evolve.

It is in a strong position to benefit from the growth of cultural, creative and digital businesses in the area. Watford will continue to actively participate in the Hertfordshire Growth Board work stream to develop South West Hertfordshire's profile as the centre of the UK film and TV industry and attract new and different inward investment across this sector.

Watford's broad base of different sectors should help Watford remain resilient and continue to have a high job density. COVID-19 has increased joint working and communication between the Council and businesses and there is an opportunity to continue to work together to support business growth.

Watford is presented with a number of challenges in realising some of these opportunities. As identified elsewhere, the COVID-19 pandemic has accelerated longer term structural changes in all sectors, and particularly those being driven by the application of digital technology to redesign services or provide them on-line. It has created a step change in the numbers of people working from home. This is both a threat and an opportunity for Watford, as it is an outstanding location for office-based business, attracting international, national and regional headquarters as well as smaller local companies. There is much current speculation that businesses will seek to relocate out of cities and there may be an opportunity for Watford to capitalise on its proximity, affordability and more environmentally friendly location.

The council is developing its relationship with businesses through an account management approach, allowing it to better understand the opportunities and challenges faced by businesses individually and collectively. This enhanced understanding provides an opportunity, for example, to develop a Watford Skills and Employment Plan. This would help match business skill requirements with appropriately trained people and smooth the transition for people from employment and careers in those areas where demand for staff may change or decline. This will be key post pandemic in assisting people into a wide range of employment opportunities and enabling them to access career pathways resulting in higher long-term wages.

Watford should seek to make more of its position at the heart of the South West Hertfordshire FEMA. There is an opportunity to strengthen linkages across Hertfordshire to ensure that all the areas in the FEMA are playing to their strengths and can mutually benefit each other, amplifying demand and providing employment opportunities. This includes the inward investment proposition, which is currently under-developed.

Due to lack of land availability and increasing demand, the council will need to work closely with property owners and agents to protect and re-purpose business accommodation as it becomes available, and plan to develop out its remaining sites with modern, fit for purpose commercial uses. Our inward investment and start up / scale up strategy will need to focus

on attracting and retaining innovative and low carbon businesses which do not require large sites.

Other key factors in delivering inclusive and sustainable growth will need to be progressed in tandem with developing a thriving and productive economy. Watford will need to work on developing and delivering a sustainable transport strategy, facilitating the provision of a wide range of housing types and ensuring there is easy access to relevant skills development and retraining as mentioned above.

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Economic Vision, Growth Strategy and Priorities

Our vision for Watford by 2031

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 Watford's exceptional qualities and advantages, sharing 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.

Our ambitions for 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.

Our growth strategy and priorities for Watford

Watford has an enviable history as a vibrant town that has long welcomed business and industry, successfully adapting and transforming its economy to secure prosperity and vibrancy for its community and the wider region. The town thrives on its reputation as a dynamic place that embraces new ways of doing things and, thanks to its super connection to the rest of the country, is firmly on the map as a great place for businesses to locate and succeed and for people to live and flourish.

Our Economic Growth Strategy seeks to focus on the best of Watford and the advantages what will take our town to the next level. It sends a clear message to businesses, employees and local people 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.

A shared strategy for success

We recognise that to be successful we have to bring our vision for Watford to life, and this means identifying the right priorities and actions that are focused on delivery and making a difference. This not only relates to our Economic Growth Strategy, but to the town as a whole, which is why we have engaged with our community and partners to find out what is important to them, tested ideas that have emerged, and underpinned our findings with up to date data and information.

Our five priorities for prosperity and success for Watford

- 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.

Priority 1: Developing a thriving and productive economy

We are fortunate in Watford to have a strong and resilient economy. We are home to a good and diverse mix of businesses, ranging from sole traders to large multinationals that operate across a range of sectors. We benefit from a high GVA and job density. We want to champion this success, recognising the impact of COVID-19 and Brexit on the long-term fortunes of businesses and job sectors.

We will work with our partners to build a thriving and productive Watford economy, influencing and engaging where it is in Watford's best interests, targeting support where it is needed and increasing employment space to match the needs of business.

Our objectives	Our actions
Maximise the benefit of working with Hertfordshire wide organisations.	We will actively engage to influence the development of countywide economic strategies, so they reflect the needs of Watford and its business community, strengthening our work with Hertfordshire LEP and as a member of Hertfordshire Growth Board. This includes: countywide strategies to support business throughout the pandemic, strengthen key sectors, to the challenges from Brexit and address the climate emergency.
Maximise the benefits from the Functional Economic Market Area (FEMA) area by aligning planning and other policies to ensure that Watford benefits from and supports growth in adjacent areas.	We will maximise the benefits for Watford from being at the heart of the South West Hertfordshire FEMA, working productively with partner councils to develop the Joint Strategic Plan and Local Plans, which support the successful development of our economies and communities. We will engage with Hertfordshire Growth Board to secure funding for the projects in the Investment Prospectus within the FEMA.
Respond proactively to challenges to the economy and community presented by the COVID 19 pandemic.	We will implement Watford's Road to Renewal Plan, deploying funding assigned to the Council to support businesses and the community, signposting businesses and residents to the right support and funding. We will develop a programme of support that really engages with business, responding to their need and seeks to strengthen our local clusters.
Respond to opportunities and challenges presented by	We will work with Hertfordshire-wide organisations to understand the emerging impact of Brexit, listening to feedback from local businesses,

Our objectives	Our actions
Brexit and new regulatory framework(s).	championing their experiences and signposting them to programmes of support.
Use our account management system to help us understand the issues facing our largest employers.	We will foster meaningful and dynamic relationships with our business leaders, creating a single points of contact to fast-track enquiries. .We will analyse what they are telling us to understand emerging themes and trends and use this insight to inform our discussions and decision making. We will develop a 'one-council' approach to make sure these businesses stay, expand and meet their recruitment needs in Watford.
Provide the right environment, services and facilities, such as workspace, to encourage innovative companies to base and develop themselves in Watford.	We will encourage more companies to invest in research and development, and innovation by providing what they need to flourish, we will work to promote new innovation and incubator workspaces and the right business advice. We will explore solutions for delivering more high-quality commercial space through our forward-looking plans for areas such as Watford Junction and Clarendon Road, and champion new employment and business space in the town centre.
Support start-ups and scale ups.	We will support small independent businesses thrive in Watford as they seek to innovate and create jobs in the town, signposting them to the right financial advice, staff training and new technologies.
Protect existing employment space.	We will use our planning powers to limit the conversion of commercial space to residential use.
Review the availability of employment space and work with the developer community to establish the demand for high quality, affordable workspace.	We will work with our development community to understand the nature of enquiries that are received within the Borough and ensure that this demand is fed into the Planning process. .Thereby ensuring a proactive approach to growth opportunities in the short and long term.
Deliver commercial space to support business growth, such as Croxley Park, Watford Business Park and Clarendon Road.	We will progress the development of our major projects such as Watford Business Park, Croxley Park and Clarendon Road. We will deliver Watford Business Park's redevelopment of the 'Gateway Zone' (Greenhill Works) at the northern entrance, we will deliver Building One at Croxley and work with developers and investors to create a compelling business plan for Clarendon Road.

Priority 2: Supporting our key sectors

Watford has an outstanding diversity of businesses, but we know from data and feedback from that our economy is underpinned by four key employment sectors:

- Professional services – especially accounting, legal, finance and insurance
- Creative, Cultural Digital, Media and Film
- Healthcare (medical services, medical equipment and pharma)
- Retail Hospitality and Leisure

Whilst all our business sectors are important for our future prosperity, we recognise these four provide significant employment opportunities and offer real potential for growth, linking to sector action plans commissioned by Hertfordshire LEP. We will work alongside these sectors to understand their opportunities and aspirations and to build Watford's reputation as a town where businesses in these sectors can flourish.

Our objectives	Our actions
Work with Hertfordshire LEP to develop sector action plans which support our key sectors and businesses.	We will actively engage in discussions on sector action plans, reviewing plans in our partnership networks as they emerge so they reflect the voice of businesses.
Focus on retaining and growing businesses in all of our key sectors.	We will develop a shared understanding of what is important to businesses that have chosen to locate and stay in Watford, supporting them to thrive and grow. We will work with businesses, partners and skills providers to shape provision that meets their needs and aspirations. Working with partners and business community we will develop Watford's brand narrative and relaunch our inward investment marketing material.
Work with the professional services sector to retain and grow businesses.	We will welcome the growth of our professional services sector, which brings so much to our economy, working alongside them to build Watford's reputation as an outstanding location for the sector, combining a great base for office and home working.
Work with the creative, cultural, digital and film sector to maximise the opportunities from the SW Herts Film and TV sector and the potential for clustering of creative sector businesses in Watford.	We will promote Watford as the gateway to the creative, cultural, digital and film sector and a prime location for new office based and start up creative sector businesses, joining those already prospering here.
Work with the healthcare sector to retain and grow businesses in this area.	We will build on our successful healthcare sector, linking to the proposed major investments in Watford General Hospital, which will provide an added impetus to retaining and growing healthcare businesses.
Work with the retail hospitality and leisure services to diversify their offer and become more sustainable in the medium term.	We will champion our retail, leisure and hospitality businesses, supporting them to respond to the challenges and opportunities facing the sector, particularly post the pandemic, enriching Watford town centre and ensuring it remains a premier regional retail and cultural destination.

Priority 3: Supporting our communities to access opportunities

We want Watford to be a town where people can fulfil their potential and where no one gets left behind. A strong and successful local economy is fundamental to achieving our ambition for a happy and healthy town, offering access to a variety of jobs, opportunities to build careers and providing pathways to enhance or develop new skills. We are passionate about our success being shared across our community and will work with partners to ensure people are equipped to fully participate in our economy, creating jobs, providing training and education that will develop the skilled flexible workforce we need now and in the future.

Our objectives	Our actions
Ensure our economic decisions are inclusive, and support our business and local communities to access opportunities.	We will review our approach to Social Value, ensuring we maximise the benefits for the local community. We will challenge our actions throughout this plan, making sure they are making a meaningful contribution to driving economic inclusivity for local people.
Ensure the right mix of facilities, services and transport links are integrated into the council's new developments, creating successful, well-designed new communities.	We will ensure our new developments are well-designed, providing good access to employment and supported by quality new community facilities, so they are inclusive and effectively integrated into the wider town.
Work with those residents in sectors most impacted by the COVID-19 pandemic, such as retail and hospitality, through the delivery of the Hertfordshire LEP Economic Recovery Plan.	We will focus our Road to Renewal Plan economic and business activity on supporting our business community to revive and thrive post COVID-19, offering practical help, including grants, training packages and employment support through the Herts Opportunities Portal.
Support our current and future workforce to be resilient following the COVID-19 pandemic.	We will ensure our residents can find the right support for improving or developing new skills and increasing their employability, developing a culture where training and retraining is easy to access and seen as a normal part of working life, creating a strong, adaptable local workforce and employment base.
Work with the Hertfordshire Skills and Employment Board, University of Hertfordshire, West Herts College, other providers, schools and local businesses in our key	We will work alongside our businesses to develop a Watford Skills and Employment Plan, enhancing the Watford perspective in the Hertfordshire Skills and Employment Board by identifying gaps, delivering a step change in how businesses, the council and skills providers work together to support employers and employees to create a strong and resilient workforce.

Our objectives	Our actions
sectors to develop a Watford Skills and Employment Plan and put in place mechanisms to deliver this.	
Support the delivery of Apprenticeships.	We will champion apprenticeships, building on Watford's successful approach that has put employers at the heart of the apprenticeship system, benefiting trainees and businesses. We will include this in the Watford Skills and Employment Plan.
Attract new highly skilled workers and retain talented people in the borough.	We will promote Watford's strength as a place to work, highlighting the career and training opportunities and the range of benefits Watford offers as part of our inward investment strategy.

Priority 4: Creating a new economic future for the town centre

Watford town centre is the engine of our local economy and is a vital part of the town's offer to businesses and employees. A top 20 retail destination, with an exciting mix of leisure, culture, retail and hospitality, Watford is responding to the changing nature of the High Street, recognising the changing ways people use their town centres, a trend accelerated during the COVID-19 pandemic. We will build on our outstanding town centre partnerships, including with Watford BID, the Atria shopping centre and the wider private sector, to maximise opportunities for the High Street, seeking to create the right balance of attractions, facilities and activities that will secure its future success. Underpinning our ambitions for the town centre, will be a range of initiatives including a jointly created Town Centre vision strategy and marketing plan and major infrastructure works to improve connectivity and increase the amount of employment space available.

Our objectives	Our actions
Create a new Vision Strategy and marketing plan for the town centre.	We will drive forward our work with partners to benchmark the Town centre against a national placemaking framework, jointly developing a shared vision, strategy and marketing plan to support the Town Centre.
Ensure Watford town centre promotes a more diverse experience and appeal as a welcoming, safe destination.	We will work with partners and stakeholders to ensure the town centre is a clean and safe environment that is welcoming to residents, visitors and people who work in the town. Through the regeneration of the town centre, we will create new spaces to improve the ambience and experience, encouraging more people to enjoy all it offers and stay longer. We will explore tourism initiatives, seeking to increase footfall and bring new visitors to the town.
Support town centre businesses.	We will target support to our town centre businesses, particularly those experiencing recent difficulties, reviewing regulation to help businesses operate safely.
Develop a town centre planning framework.	We will develop a specific town centre planning framework, facilitating future development, working alongside partners,

Our objectives	Our actions
	businesses and residents to shape a successful future for our High Street.
Transform the heart of the town by delivering improvements such as Watford Junction and Clarendon Road.	We will transform the heart of the town, working with our partners, delivering improvements within the town centre, including Watford Junction and Clarendon Road. We will also explore the delivery of new residential units and workspaces to help diversify the town centre and provide an even more attractive environment for residents and visitors.
Encourage investment and improve accessibility.	We will promote the town centre as a super connected, well situated business location, taking the best of the 15-minute city concept where good quality services and facilities are easy to access and enjoy

Priority 5: Creating the right environment for sustainable growth

We want our economic growth and prosperity to reflect our commitment to making Watford a carbon neutral town by 2030, recognising the greatest challenge of our times is to successfully blend the need to thrive and grow with securing a more sustainable and greener future for our town and community.

We are well placed to do this, supporting our commitment with a Sustainability Strategy, setting out our targets for carbon reduction for the council, businesses and residents, linking more sustainable ways to travel, build and live with shaping our economic growth.

Businesses can play a vital role in reducing Watford's carbon emissions and we are eager to work with them to highlight how they could be more energy efficient and adopt greener ways of working. We know there is a growing wealth of green businesses we want to attract to the town, supporting our sustainability ambitions and putting Watford on the map as a location where they can thrive, joined by others committed to carbon reduction, waste reducing and energy saving.

Our objectives	Our actions
Ensure the delivery of infrastructure improvements to act as a catalyst for economic growth by meeting the needs of employment and housing growth.	<p>We will encourage key infrastructure improvements to act as a catalyst for growth, improving our sustainable transport links to connect people to jobs, businesses to knowledge and markets and employers to talent.</p> <p>We will work with partners to influence and support, where it is in Watford's best interests, priority commercial developments such as Watford Junction and Clarendon Road.</p> <p>We will work with Hertfordshire County Council to address congestion in the town, tackling known pinch points that can hinder journeys. We will champion investment in active travel and better public transport prior to programmes of house building so people living in Watford have greater transport choices and are less reliant on the car.</p>

Our objectives	Our actions
	<p>We will seek investment in schools, health provision. Community and sports facilities and outdoor space (as well as other important social infrastructure), recognising the critical role they play in building strong and successful communities.</p> <p>We will promote sustainable travel options and campaign for a long-term modal shift towards public transport and active travel.</p>
<p>Deliver new high-quality housing with a particular focus on increasing housing options to attract and retain residents / employees.</p>	<p>We will support the delivery of quality new homes in line with the Local Plan and where it meets our aspirations for the town, ensuring local people are able to access a range of housing to meet their needs.</p>
<p>Encourage delivery of high-speed broadband to attract new investment, support the growth of businesses and our community.</p>	<p>We will support the delivery of high speed broadband, boosting the town's digital offer to business and our flourishing cultural and creative sectors.</p>
<p>Encourage our residents and businesses to reduce their carbon footprint.</p>	<p>We will support the work to implement the Sustainability Strategy by promoting cycling, walking and the use of public transport and work with our stakeholders to promote a less wasteful, low carbon economy.</p>
<p>To encourage low carbon businesses to invest and grow in the Borough.</p>	<p>We will develop inward investment collateral that promotes Watford to low carbon companies and encourages all businesses relocating here to adopt low carbon measures.</p>

Appendix A: Specification and process

Specification

The Council had a clearly defined specification produced which it used to engage with prospective consultants. This specification can be summarised as follows:

The Council sought an Economic Growth Strategy to:

- Provide a vision and strategy for economic development for Watford that embraces economic growth, environmental sustainability and social equity and inclusive growth
- Identify Watford's contribution and potential to the economies of the region
- Guide the economic development, regeneration and investment activities of the Council and its partners, provide a business rationale and the actions required to achieve the identified goals.

The Council's priority outcome was that, in summary, the strategy should include the following:

- An economic vision and Economic Growth Strategy
- Priorities for Watford's economic growth
- How the Council should support business growth
- How the Council can work with partners to support employment and skills, including addressing identified skills shortage and hard to fill vacancies, and how local skills provision addresses skills needs
- Identification of existing business sectors (specialisms/growth potential), along with any complementary sectors and supply chains, that the Council should seek to retain and attract to Watford, with a corresponding rationale, together with proposed actions to achieve proposals
- Identification of areas where we should work with regional partners to deliver economic growth, including an analysis of the opportunities and threats presented by Hertfordshire Growth Board, Enterprise Zone and Local Industrial Strategy projects and priorities. It should identify initiatives that will deliver on the opportunities and mitigate any threats
- Identification of where the Council should invest resources and finances to support economic growth, with appropriate business case justifications
- An executive summary in a visual format to be shared with members, stakeholders, the public
- Action and implementation plan.

The Council required the consultant team to:

- Engage with Watford's Elected Mayor, Members, representatives of Watford's business community and regional stakeholders
- To create proposals to build consensus around the future plan in a cost effective way
- Engage with the Council's leadership team and senior officers – so that ownership, buy-in and input were achieved
- Work hand-in-hand and in a collaborative way with Council officers.

Process

Our consultants, Deyton Bell Limited, were appointed following a competitive tender and proposed a five phase approach which was adopted and can be summarised as follows:

Phase 1 - Inception

A virtual meeting with the Watford Borough Council contract manager/Steering Group to:

- Engage with key people, finalise expectations and agree the project scope
- Identify data and intelligence availability, including relevant existing projects
- Agree communications protocols with the Council to reach stakeholders, and key contacts
- Agree reporting; frequency and form; project risks and escalation procedures for issues
- Agree the format for reports, the strategy and presentations as required

Phase 2 - Gathering Data/Details of Existing Initiatives/Planning

This included review and analysis of economic data including:

- Compilation of a list of existing initiatives which can be built upon
- Compilation and agreement of a 'long list' of key stakeholders
- Agreement on any additional data gathering that may be required
- Review with the Council of the list of existing initiatives to ensure there are no omissions.

Phase 3 - Stakeholder engagement

- This involved agreement on the key stakeholders to be consulted.
- This list was then prioritised for on-line, phone, and face to face meetings and be agreed
- The content of all forms of communication with stakeholders was then agreed and drafted
- An on-line survey of stakeholders was devised to inform the Strategy.
- Various stakeholders, plus selected survey respondents were contacted by way of

follow up

- The stakeholder engagement phase included both Council staff and external parties.

Phase 4 - Proposed New Initiatives/Production of draft (interim) Delivery Document:

- Using survey responses, outputs from stakeholder meetings and data gathered
- An initial working draft was presented to the Council for review.
- Using feedback received and as planned, four further drafts of the report were produced

Phase 5 - Final phase:

- Feedback to date was incorporated and final consultations undertaken
- The strategy was then finalised and a Delivery Plan created.

Throughout the five stages the Council and Deyton Bell worked closely together, regularly discussing issues and ideas, and shaping the emerging recommendations.

Deyton Bell adapted both process and outputs to meet the Council's needs and to reflect changing circumstances and requirements.

Appendix B: Stakeholder consultation

Stakeholder consultation was an integral and important part of the process adopted by Deyton Bell during their work to develop this strategy. Their work focussed on 5 key actions, namely:

- Identification and validation of stakeholder communities
- Development and distribution a stakeholder survey
- One 2 one discussions with selected stakeholders
- Review and analysis of stakeholder commentary
- Adoption of key themes during strategy drafting

Deyton Bell utilised a list of core stakeholders provided by the Council as the primary focus for their research. In some instances there was insufficient information to enable them to make an informed approach, and in some instances those approached did not respond, but numerous consultees were kind enough to offer opinion.

Meetings were held with over 20 stakeholders representing industry, professional services firms, business service and support groups, faith groups, politicians, banks and housing providers.

The details of conversations which resulted must remain confidential as promised to respondents, but selected highlights of commentary offered by respondents during interview includes the following:

- Watford's location is key, particularly proximity to London, LHR, LTN, STN, M4/M1/M25
- Watford should re-explore its relationship with London to leverage proximity and transport links
- Connectivity to London for work/leisure, combined with remoteness for homes/countryside is key
- Watford must decide if it is a dormitory town reliant on London or an economic hub in its own right
- The relationship with London and Hertfordshire could be Urban Hertfordshire / Rural London
- Watford should explore London centric university linkages via a possible satellite campus
- A University would stimulate ideas amongst youth
- Watford could capture ideas via enterprise initiatives and offer start up help
- The TV/film industry would be perfect for this via blending young people, new ideas, new skills
- TV/film potential is considerable but should be carefully promoted to avoid conflict with neighbours

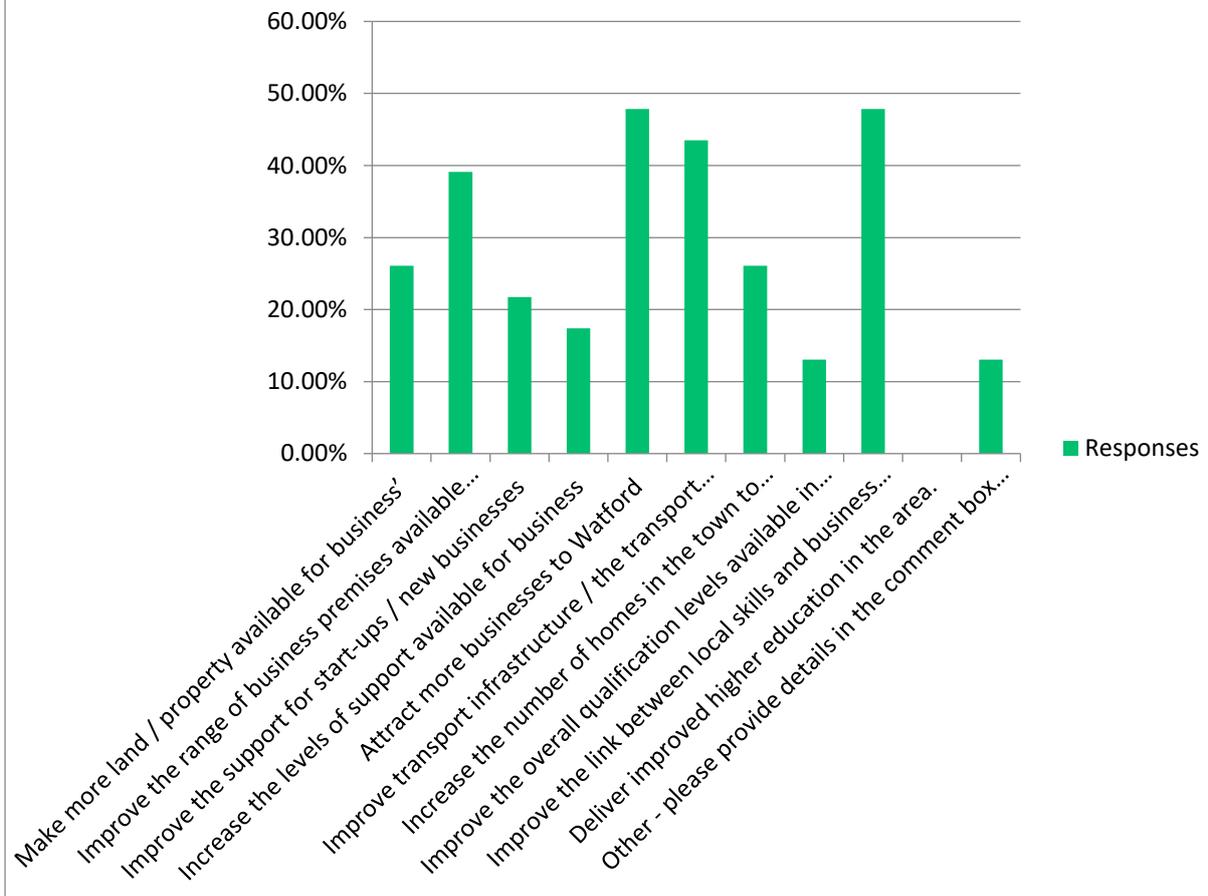
- Consider attracting special effects firms and build a new cluster – build bridges with studios
- Watford has limited land available for development so as businesses grow they would leave
- This is a key constraint so any growth strategy should avoid land based solutions
- However, it may be possible to work in partnership with other initiatives offering land/space
- Watford must decide what it wants to be good at – the local economy is weak/poor in some regards
- Leaders must accept what Watford can do/be and understand and avoid what it can't do/be
- Business support seems to be focussed on Growth – this could miss out new and struggling business
- Skills shortages are a real problem and living costs are high – however local big firms create opportunity
- Relationships with investors are key to stimulate enterprise - London investors are reticent about Watford
- Hertfordshire has perception challenges as there is no single dominant town – Watford must self-promote
- Business owners do not know where to go for help – growth services should be replaced by survival services
- Hi growth/international/knowledge driven business are no longer key – survival is key and Watford must react
- Traditional businesses have been forgotten by support providers and need help now
- High Street revitalisation is required and possible but local digitalisation is a key threat

The list above represents selected highlights drawn from stakeholder interviews, but the comments made came from a wide range of organisations operating across public, private and not for profit sectors in/around Watford.

Deyton Bell drafted a set of questions to be asked of further stakeholders via an online survey. Together we refined this and the Council then distributed the questionnaire to contacts on its database.

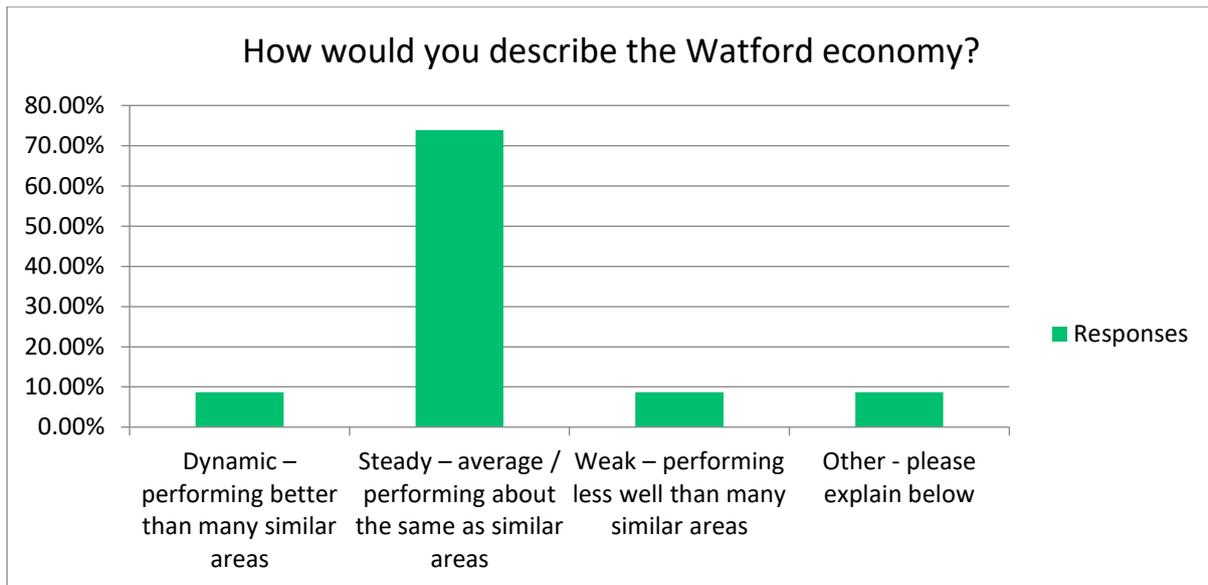
The results of the survey are too detailed to reproduce in full but a summary of key responses is outlined below:

What do you think are the most important factors in building a strong and successful Watford economy. Please select your top 3 factors.



These results have informed this strategy and we must pay attention to the views of our stakeholders when formulating future policy. Inevitably views vary across respondents but the emphasis on skills linkage to business is particularly telling, particularly as they relate to building a strong and successful economy.

This is doubly important, as further responses suggest that Watford's economy has room to improve:



The core questions addressed by the stakeholder survey included the following:

1. How would you describe the Watford economy?
 - Dynamic – performing better than many similar areas
 - Steady – average / performing about the same as similar areas
 - Weak – performing less well than many similar areas
 - Other - please explain below

2. What do you think are the most important factors in building a strong and successful Watford economy? Please select your top 3 factors.
 - Make more land / property available for business
 - Attract more businesses to Watford
 - Improve the link between local skills and business needs
 - Improve the range of business premises available in the town
 - Improve transport infrastructure / the transport network across the town
 - Deliver improved higher education in the area
 - Improve the support for start-ups / new businesses
 - Increase the number of homes in the town to support a local workforce
 - Increase the levels of support available for business
 - Improve the overall qualification levels available in Watford
 - Other - please provide details in the businesses comment box below

Please add any further comments below and outline details of good examples you know of from other areas / elsewhere.

3. What do you think are the top 3 challenges / barriers / issues facing the Watford economy that may hold it back in future?

4. What do you think are the top 3 opportunities / ideas / positives that could stimulate economic growth in Watford?

5. Thinking about the following sectors, which do you think are the most important to Watford's economy going forward? Please rank the sectors below in order of importance, with 1 being the most important and 6 being the least important.
- Professional services
 - Bio/Pharma/Life sciences
 - ICT/Digital
 - Manufacturing
 - Leisure / Tourism / Retail
 - Creative industries/Film
6. Please tell us if you think there are any other sectors you think will be important to Watford in the future?
7. What do you think the vision for Watford's economy should be?
8. What additional facilities do you think would support Watford's economy?
9. What do you think would improve Watford as a place where people can develop their careers?
10. Is there anything else on the Watford economy you would like to add?
11. In what capacity are you responding to this survey?
- A local business
 - A business support organisation
 - A developer
 - An investor
 - A community based organisation
 - A local authority member of staff
 - Other (please write in below)
12. In which sector/category does your organisation mainly operate in?
13. Where do you normally work / operate?
- Watford
 - Elsewhere (please write in below)

Appendix C: The impact of COVID-19

On 11 March 2020 the World Health Organisation characterised COVID-19 as a pandemic and on 23 March 2020 the UK entered a national lockdown⁵⁵. This lockdown, the first of three, heralded the introduction of restrictions on how businesses operate triggering an economic downturn leading to recession.

The Government response was to introduce a package of financial measures to support businesses and jobs including loans, grants, business rates relief, tax deferment and salary replacement through the Coronavirus Job Retention and the Self-Employment Income Support Schemes.

At a more local level Unlocking Hertfordshire, the Hertfordshire Recovery Plan, was launched by Hertfordshire LEP along with a £3.28m package of measures to help businesses mitigate the immediate impacts of the pandemic.

Despite the national and local package of measures to support businesses Watford has been knocked by COVID-19 economically and socially – businesses have closed and people have lost their jobs. The most visible business closures have occurred on the High Street with the closure of the town's Debenhams and John Lewis stores – the first was unsurprising, the second was a blow as the store's roots dated back to 1880.

The role of Watford Borough Council

Watford Borough Council led on the delivery of direct business grants and business rates relief to local businesses under the umbrella of the Government schemes and in the 12-month period from April 2020 paid out in excess of £25 million in grants to over 1,500 small businesses and more than £36 million in business rates credits to businesses in our retail, hospitality and leisure sector helping them to survive the pandemic and continue to operate.

It was recognised early on that more was required to support local businesses so working through the business and economy workstream of its Road to Renewal Plan the council introduced a number of initiatives to increase awareness of the support available to our business community, signpost to trusted sources of support, capture business sentiment and, working with partners, develop and deliver a series of business support initiatives including the Watford Business Recovery and Growth Programme and Watford Business Growth Grant Scheme.

In parallel through the community workstream of the Road to Renewal Plan the council provided far ranging support to residents and the local community.

Economic impact

⁵⁵ Source: HM Government, PM address to the nation on coronavirus
<https://www.ons.gov.uk/economy/nationalaccounts/uksectoraccounts/articles/coronavirusandtheeffectsonukgdp/2020-05-06#practical-challenges>

The COVID-19 pandemic has had unprecedented impacts on national, regional and local economies. By April 2020, GDP was 24% lower than February 2020⁵⁶. For greater context, this was over three times the 7% decline in GDP recorded during the 2007-2009⁵⁷ recession.

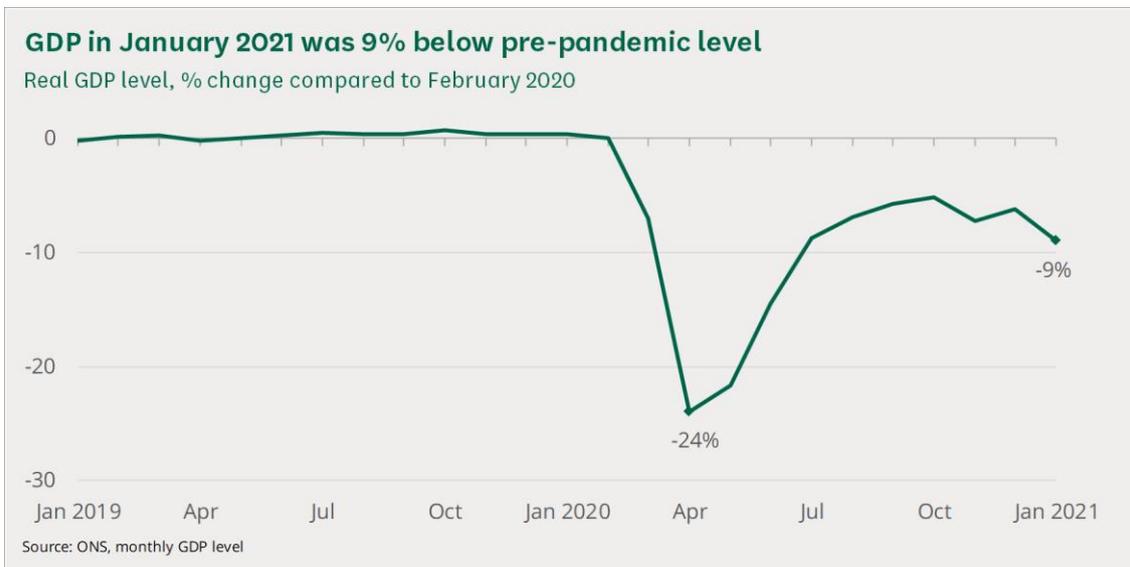


Figure 7: Monthly GDP level (ONS)

Economic activity increased over the spring and summer of 2020 as the result of national lockdown restrictions being lifted in May 2020, and GDP started to increase between May and September but then began to decline in October as a result of second national lockdown. National restrictions were eased, briefly, in December and as result GDP increased slightly, although GDP was 6% lower than pre-pandemic figures. By the end of 2020 national GDP had declined 9.8%, the biggest decline since consistent records began in 1948⁵⁸.

⁵⁶ Source: ONS, GDP monthly estimate

<https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/gdpmonthlyestimateuk/latest>

⁵⁷ Source: ONS, Coronavirus and the impact on output in the UK economy

<https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/gdpmonthlyestimateuk/latest>

⁵⁸ Source: House of Commons, Briefing Paper Number 8866 - <https://commonslibrary.parliament.uk/research-briefings/cbp-8866/>

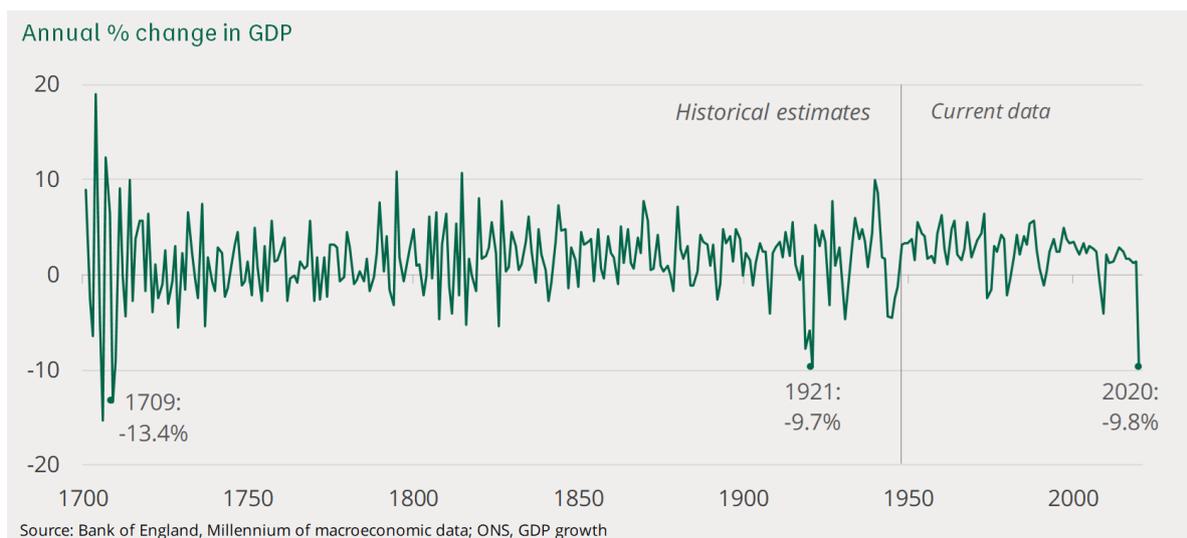


Figure 8: Annual percentage change in GDP

The pandemic has affected different sectors of the economy to different degrees. Sectors reliant on social contact and in-person service, including hospitality and entertainment, have been especially badly hit. Some sectors, such as financial services, have fared relatively better.

The unemployment rate has risen from 4.0% before the pandemic to 5.1% by the end of 2020. However, the Government's economic support measures have to date stemmed a larger increase from occurring⁵⁹.

COVID-19 economic support

The government and the Bank of England introduced a number of economic measures to help boost and sustain the economy during the pandemic. These measures were designed to preserve businesses and prop-up employment levels as the lockdowns and restrictions had resulted in many industries and sectors not being able to trade or work.

The economic impact and take up of Government financial measures by businesses in Watford is outlined in the sections below. Where possible comparisons to neighbouring districts, as well as the regional and national experience are made. The data will also take into account gender and age when this level of granularity is available.

Coronavirus Job Retention Scheme (CJRS)

The scheme – often described as the furlough scheme – aims to keep workers attached to their employers with the Government paying up to 80% of their wages. The CJRS is set to close on 30 September 2021⁶⁰. Since its commencement, over 11.5 million jobs have been

⁵⁹ Source: House of Commons Library - <https://commonslibrary.parliament.uk/research-briefings/cbp-8866/>

⁶⁰ Source: House of Commons Library - <https://commonslibrary.parliament.uk/the-furlough-scheme-one-year-on/>

furloughed through the Coronavirus Job Retention Scheme⁶¹. 4.2 million jobs were on furlough on 31 March 2021⁶².

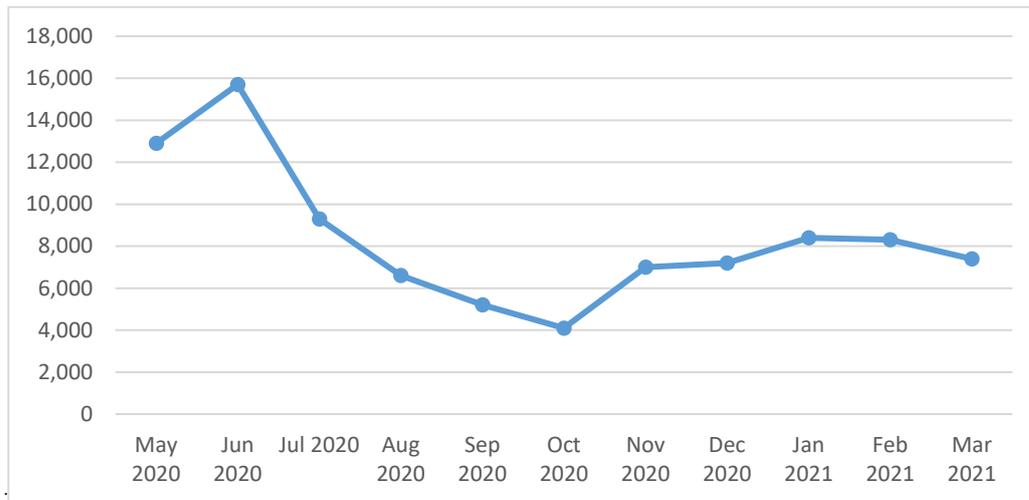


Figure 9: Total CJRS Claims in Watford

In Watford over 92,000 jobs have been furloughed between May 2020 and March 2021. During the first lockdown a total of 28,600 employments were furloughed, 15,700 of those claims were applied for in June 2020. As lockdown restrictions were eased CJRS claims within Watford began to gradually decline, only starting to peak again in October and November as a second national lockdown was introduced.

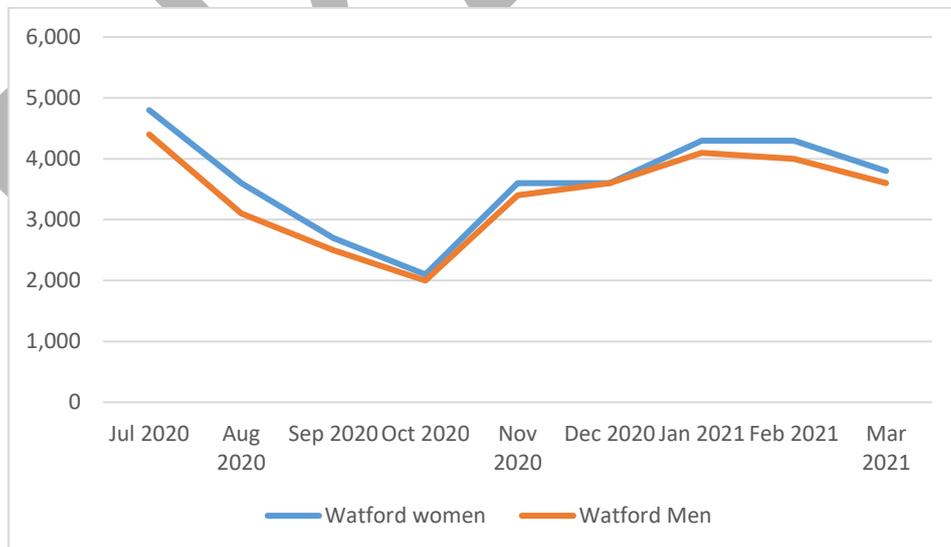


Figure 10: Watford CRJRS claims by Gender

Within Watford, female CJRS claims were higher than male claims - with a differing margin of 4%. 52% of CJRS claimants within Watford were female and 48% of claimants were male.

⁶¹ Source: HMRC - <https://www.gov.uk/government/statistics/coronavirus-job-retention-scheme-statistics-6-may-2021>

⁶² Source: HMRC - <https://www.gov.uk/government/statistics/coronavirus-job-retention-scheme-statistics-6-may-2021>

Sector	Total Employments Furloughed	
	Jan 2021	Feb 2021
Agriculture, Forestry and Fishing, Mining and Quarrying, Energy Production and Supply & Water Supply, Sewerage and Waste	Jan 2021	40
	Feb 2021	30
	Mar 2021	30
Manufacturing	Jan 2021	310
	Feb 2021	320
	Mar 2021	270
Construction	Jan 2021	440
	Feb 2021	430
	Mar 2021	390
Wholesale and Retail; Repair of Motor Vehicles	Jan 2021	1,630
	Feb 2021	1,590
	Mar 2021	1,410
Transportation and Storage	Jan 2021	320
	Feb 2021	340
	Mar 2021	320
Accommodation and Food Services	Jan 2021	1,980
	Feb 2021	1,850
	Mar 2021	1,670
Information and Communication, Financial and Insurance & Real Estate	Jan 2021	640
	Feb 2021	630
	Mar 2021	610
Professional and Scientific and Technical	Jan 2021	540
	Feb 2021	540
	Mar 2021	510
Administrative and Support Services	Jan 2021	860
	Feb 2021	850
	Mar 2021	750
Education	Jan 2021	260
	Feb 2021	280
	Mar 2021	190
Health and Social Work	Jan 2021	310
	Feb 2021	320
	Mar 2021	260
Arts, Entertainment and Recreation	Jan 2021	610
	Feb 2021	610
	Mar 2021	570
Public Administration and Defence; Social Security, Households & Other	Jan 2021	360
	Feb 2021	360
	Mar 2021	340
Other Service Activities	Jan 2021	90
	Feb 2021	100
	Mar 2021	90

Table 14: CJRS Claims by Sector in Watford

Between January 2021 and March 2021, during the third national lock down, the most impacted sectors in Watford were the wholesale, retail, motor vehicle repair, accommodation and food services.

In comparison to the other nine districts in Hertfordshire, the CJRS claim totals in Watford were most similar to those experienced in Hertsmere and Welwyn Hatfield.

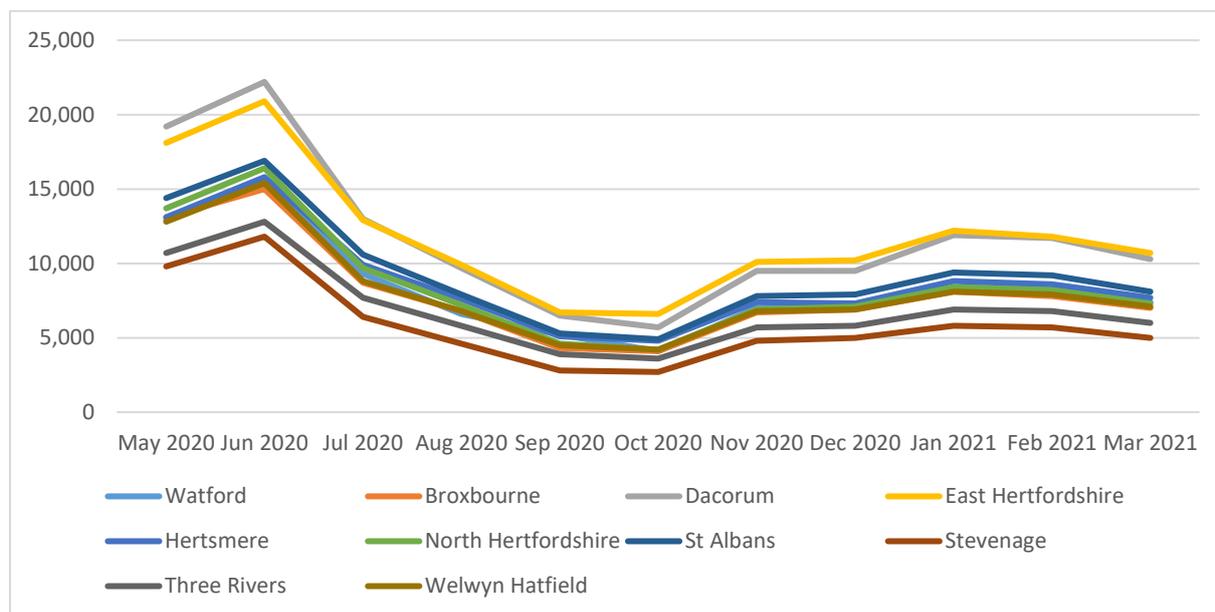


Figure 11: Total CJRS claims in Hertfordshire

	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021
Watford	12,900	15,700	9,300	6,600	5,200	4,100	7,000	7,200	8,400	8,300	7,400
Broxbourne	13,100	15,000	8,700	6,800	4,300	4,100	6,700	6,900	8,100	7,800	7,000
Dacorum	19,200	22,200	13,000	9,700	6,500	5,700	9,500	9,500	11,900	11,700	10,300
East Hertfordshire	18,100	20,900	12,900	9,900	6,700	6,600	10,100	10,200	12,200	11,800	10,700
Hertsmere	13,100	15,800	9,900	7,600	5,100	4,800	7,400	7,300	8,800	8,600	7,700
North Hertfordshire	13,700	16,400	9,700	7,200	4,600	4,200	6,900	7,100	8,400	8,200	7,300
St Albans	14,400	16,900	10,600	7,900	5,300	4,900	7,800	7,900	9,400	9,200	8,100
Stevenage	9,800	11,800	6,400	4,600	2,800	2,700	4,800	5,000	5,800	5,700	5,000
Three Rivers	10,700	12,800	7,700	5,800	3,900	3,600	5,700	5,800	6,900	6,800	6,000
Welwyn Hatfield	12,800	15,400	8,800	6,800	4,500	4,200	6,800	6,900	8,100	7,900	7,100

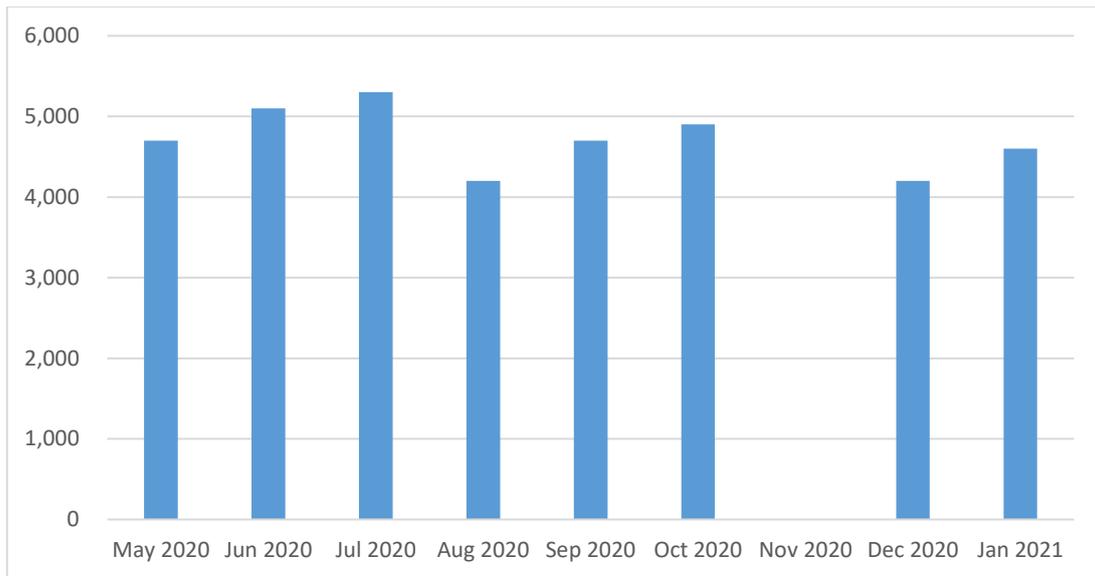
Figure 12: Monthly Breakdown of CJRS Claims in Hertfordshire

Self-Employment Income Support Scheme (SEISS)

The Self-Employment Income Support Scheme (SEISS) aims to provide similar support to the CJRS but for the self-employed with average annual profits of £50,000 or less⁶³. The SEISS has paid taxable grants to those qualifying in three tranches. The final grant will cover May to September 2021 and will be the fifth tranche. By 31 March 2021, 2.1 million individuals had claimed a Self-Employment Income Support Scheme grant, with 2 million individuals claiming in all three tranches⁶⁴.

⁶³ Source: HM Treasury News Release - <https://www.gov.uk/government/news/chancellor-gives-support-to-millions-of-self-employed-individuals>

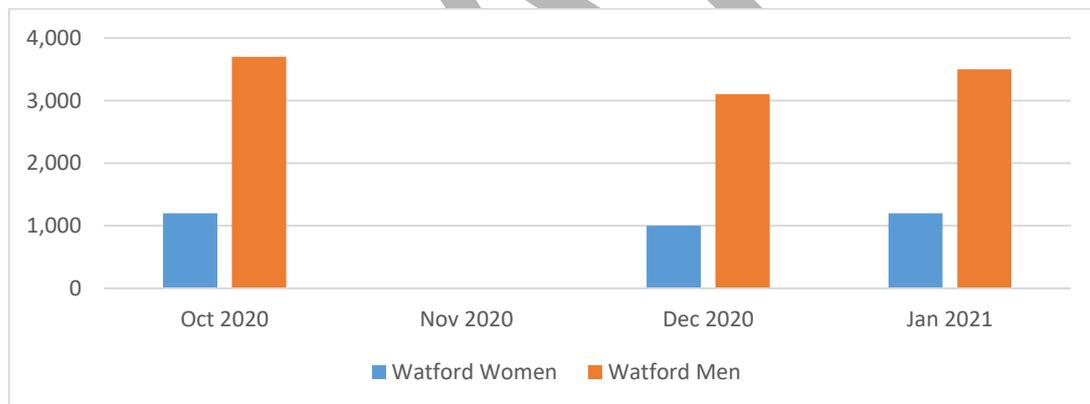
⁶⁴ Source: HMRC - <https://www.gov.uk/government/statistics/self-employment-income-support-scheme-statistics-february-2021>



*Figures for November 2020 were unavailable

Figure 13: Total SEISS Claims in Watford

SEISS Claims within Watford gradually increased between May and July 2020 as result of the first lockdown and then began to decline in August. As the second lockdown begun in autumn of 2020, SEISS claims began to increase again and then declined in December as lockdown was eased briefly.

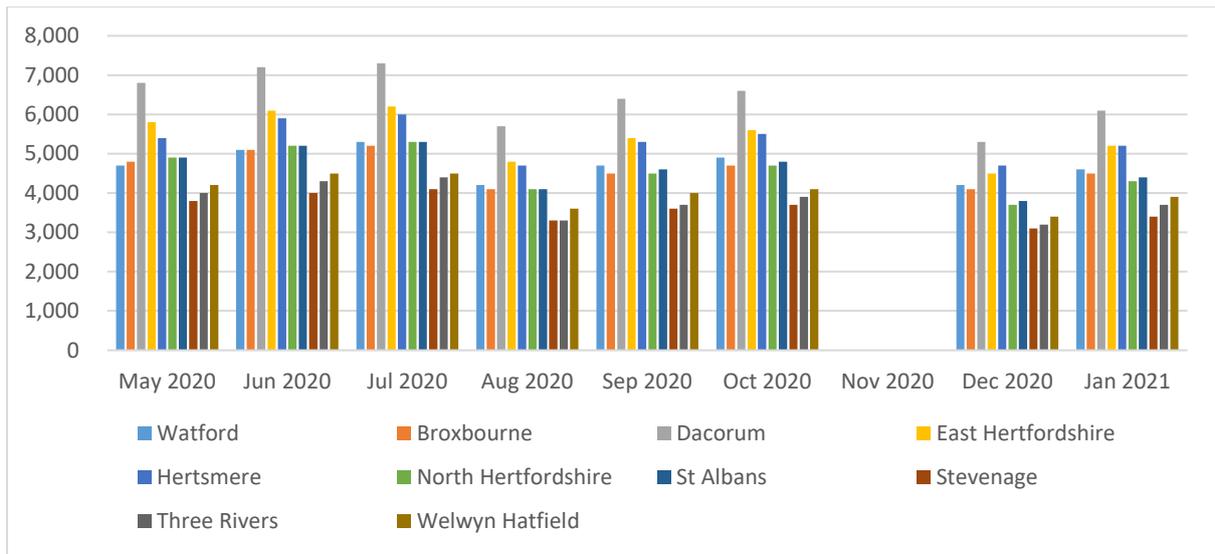


*Figures for November 2020 were unavailable

Figure 14 Watford SEISS Claims by Gender

Considerably more men applied for SEISS than women within Watford. A total of 13,700 SEISS claims were made between October 2020 and January 2021, with 75% of claims being made by men and 25% of claims coming from women.

Within Hertfordshire - Watford, Broxbourne, North Hertfordshire and St Albans shared a similar experience in regards to the total number of SEISS claims made between May 2020 and January 2021. Dacorum experienced the highest number of SEISS claims within the county.



*Figures for November 2020 were unavailable
 Figure 15: Total SEISS claims in Hertfordshire

	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021
■ Watford	4,700	5,100	5,300	4,200	4,700	4,900	0	4,200	4,600
■ Broxbourne	4,800	5,100	5,200	4,100	4,500	4,700	0	4,100	4,500
■ Dacorum	6,800	7,200	7,300	5,700	6,400	6,600	0	5,300	6,100
■ East Hertfordshire	5,800	6,100	6,200	4,800	5,400	5,600	0	4,500	5,200
■ Hertsmere	5,400	5,900	6,000	4,700	5,300	5,500	0	4,700	5,200
■ North Hertfordshire	4,900	5,200	5,300	4,100	4,500	4,700	0	3,700	4,300
■ St Albans	4,900	5,200	5,300	4,100	4,600	4,800	0	3,800	4,400
■ Stevenage	3,800	4,000	4,100	3,300	3,600	3,700	0	3,100	3,400
■ Three Rivers	4,000	4,300	4,400	3,300	3,700	3,900	0	3,200	3,700
■ Welwyn Hatfield	4,200	4,500	4,500	3,600	4,000	4,100	0	3,400	3,900

*Figures for November 2020 were unavailable
 Figure 16: Monthly Breakdown of SEISS Claims in Hertfordshire

Loans and finance for business

Five Government-backed financial loan schemes have been operating, each targeted at businesses of different sizes impacted by coronavirus:

1. The Bounce Back Loans Scheme (BLS) offered all businesses loans of up to £50,000 or 25% of turnover. The scheme offered streamlined application procedures and loans are 100% backed by the Government.
2. The Coronavirus Business Interruption Loan Scheme (CBILS) offered loans of up to £5 million for businesses with a turnover under £45 million. The loans are 80% backed by the Government.
3. The Coronavirus Larger Business Interruption Loan Scheme (CLBILS) extended the standard CBILS approach to larger businesses with turnover over £45 million.
4. The Future Fund provided convertible loans up to £5 million to UK-based companies that are unable to access other government support programmes because they rely on equity

investment and are pre-revenue or pre-profit. Government support was subject to companies having at least equal match funding from private investors.

- The Recovery loan Scheme was launched on 6 April 2021 and will run until 31 December 2021⁶⁵. It will provide lenders with a guarantee of 80% on eligible loans between £25,000 and £10 million. The scheme will be open to all business, including those who have already received support under the existing guaranteed loan schemes.

The loans are provided by commercial lenders with the exception of the Future Fund which is being delivered by the government-owned British Business Bank. The BBLs and CBILs were the most subscribed loan schemes.

Coronavirus business loan statistics		
As at 21 March 2021		
	Total value of loans (billion)	Number of loans approved
Coronavirus Business Interruption Loan Scheme (CBILS)	23.3	98,344
Coronavirus Large Business Interruption Loan Scheme (CLBILS)	5.3	716
Bounce Back Loan Scheme (BBLs)	46.5	1,531,095
Future fund	1.1	1,140
TOTAL	76.2	1,631,295

Figure 17: HM Treasury COVID-19 business loan scheme statistics⁶⁶

Region	Number of Loans Offered	Value of Loans Offered (£)	Proportion of Offered Facilities	Proportion of UK Business Population
Watford	3,830	123,115,936		
East of England	137,741	4,192,234,249	10%	10%

Table 15 : Regional Breakdown of Bounce Back Loan Scheme

Region	Number of Loans Offered	Value of Loans Offered (£)	Proportion of Offered Facilities	Proportion of UK Business Population
Watford	193	52,819,672		
East of England	7,460	1,766,950,464	10%	10%

Table 16: Regional Breakdown of the Coronavirus Business Interruption Loan Scheme

⁶⁵ Source: HM Treasury press release - <https://www.gov.uk/government/news/recovery-loan-scheme-launches-today>

⁶⁶ Source: HM Treasury - <https://www.gov.uk/government/collections/hm-treasury-coronavirus-covid-19-business-loan-scheme-statistics>

Eat Out to Help Out

The scheme was designed to stimulate the hospitality sector by offering discounts to diners to encourage them to eat out Monday-Wednesday during August 2020. A 50% discount of up to £10 per head to those eating in was available at any participating restaurant, café etc. In total, over 160 million individual meals (covers) were claimed under the scheme⁶⁷.

Alongside the scheme a temporary VAT rate of 5% was introduced for the hospitality and accommodation sector. It is up to individual businesses to decide whether or not to pass on this reduction to customers.

Eat Out to Help Out Claims: Watford		
Total number of restaurants claimed	Total number of meals claimed for	Total amount of discount claimed (£)
64	142,000	142,000

Table 17: Eat Out to Help Out Claims in Watford

Eat Out to Help Out Claims: Hertfordshire		
Total number of restaurants claimed	Total number of meals claimed for	Total amount of discount claimed (£)
941	1,401,000	8,837,000

Table 18: Eat Out to Help Out Claims in Hertfordshire

Within Watford a total of 142,000 meals were claimed for under the Eat Out to help Out Scheme. Making up 10% of the meals claimed in Hertfordshire. Within the East of England, 16% of Eat Out to Help Out meals claimed for, were made within Hertfordshire.

Eat Out to Help Out Claims: East of England		
Total number of restaurants claimed	Total number of meals claimed for	Total amount of discount claimed (£)
4,973	8,735,000	48,509,000

Table 19: Eat Out to Help Out Claims in East of England

Eat Out to Help Out Claims: England		
Total number of restaurants claimed	Total number of meals claimed for	Total amount of discount claimed (£)
50,592	90,008,000	517,102,000

Table 20: Eat Out to Help Out Claims in England

Redundancies

Despite the introduction of the CJRS and SEIS schemes there has been a marked increase in the number of redundancy notifications reported by the Insolvency Service. Between June 2020 and March 2021 a total of 5,957 redundancy announcements (jobs) were lodged in Hertfordshire. The

⁶⁷ Source: HMRC - <https://www.gov.uk/government/statistics/eat-out-to-help-out-statistics>

pattern of redundancy announcements broadly follows national lockdown periods and interim end dates of the CJRS scheme. Encouragingly there has been a marked decrease in the number of redundancy announcements reported since the start on 2021 suggesting that the worst is over but it should be noted that as we approach the end of CJRS (currently set at 30 September 2021) figures may rise again if businesses are not able to operate under near normal conditions.

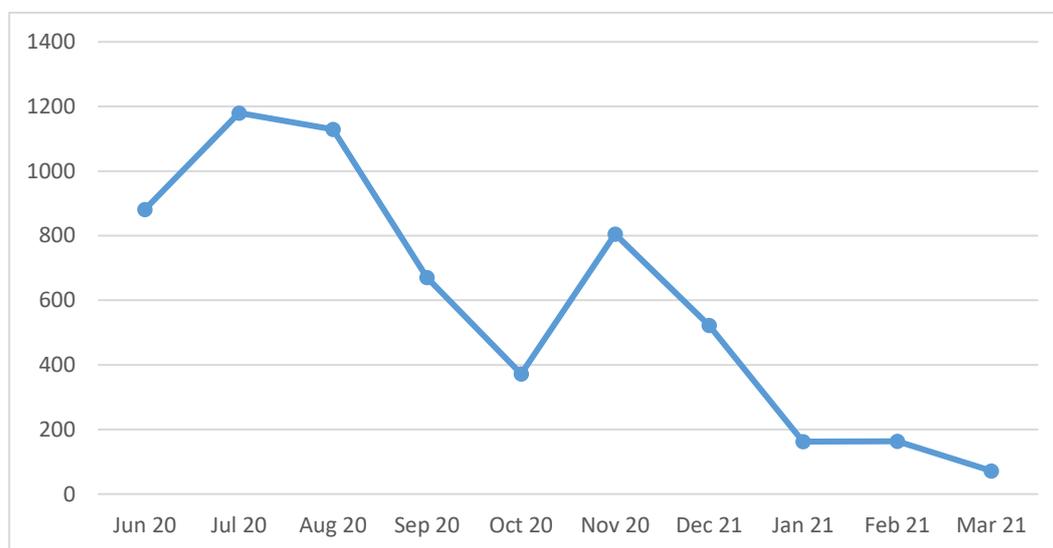


Figure 18: Total redundancy announcements in Hertfordshire (Hertfordshire LEP analysis)

As is to be expected different sectors have been impacted to varying degrees resulting in different rates of redundancy announcements. In Hertfordshire the sector with the highest number of announcements is the Professional, scientific & technical industry classification (15.3%) which is more than double that of England (6.4%). The number of redundancy announcements in this sector is concerning as this is the largest employment sector in Watford (19.53%) so ongoing trends in redundancy notifications will need to be monitored closely to see what impact there is on Watford's key employment sectors.

Top 5 impacted sectors	Hertfordshire		England	
Professional and scientific	912	15.3%	28,839	6.4%
Manufacturing	904	15.2%	60,002	13.4%
Distributive trades (inc. retail)	852	14.3%	49,787	11.1%
Accommodation and food services	840	14.1%	91,225	20.4%
Administrative and support services	397	6.7%	29,009	6.5%
Total Redundancies	5,957	100%	448,240	100%

Table 21: Top 5 impacted sectors in Hertfordshire (Hertfordshire LEP analysis)

Redundancy announcements will inevitably be reflected in increased numbers of people claiming out of work benefits and being included in the claimant count figures.

Unemployment

The impact on jobs and the labour market has been significant. In January 2020 Watford's claimant count rate was 2.5%, by March 2021 it was 7.1%, the highest rate in Hertfordshire and above the

national rate. In absolute terms the number of residents claiming out of work benefits rose from 1,555 in January 2020 to 4,380 in March 2021⁶⁸, a 181.67% increase over the 14 month period and the second highest number in Hertfordshire.

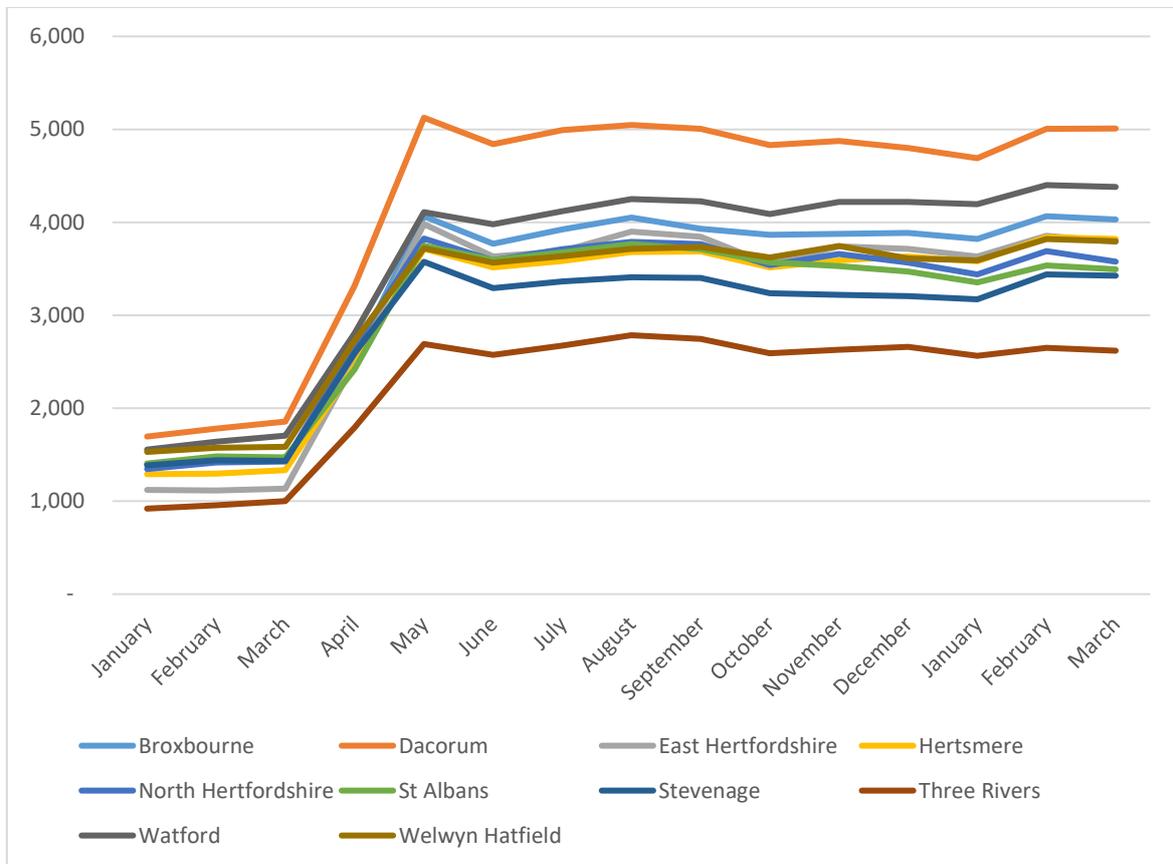


Figure 19: Claimant count rate (January 2020 to March 2021)

The increase in claimant count numbers can be seen across all ages, gender and wards suggesting that all sections of the Watford community has been impacted.

⁶⁸ Source: ONS Claimant count by sex and age - <https://www.nomisweb.co.uk/reports/lmp/la/1946157230/report.aspx?c1=1941962834&c2=2092957699#tabwab>

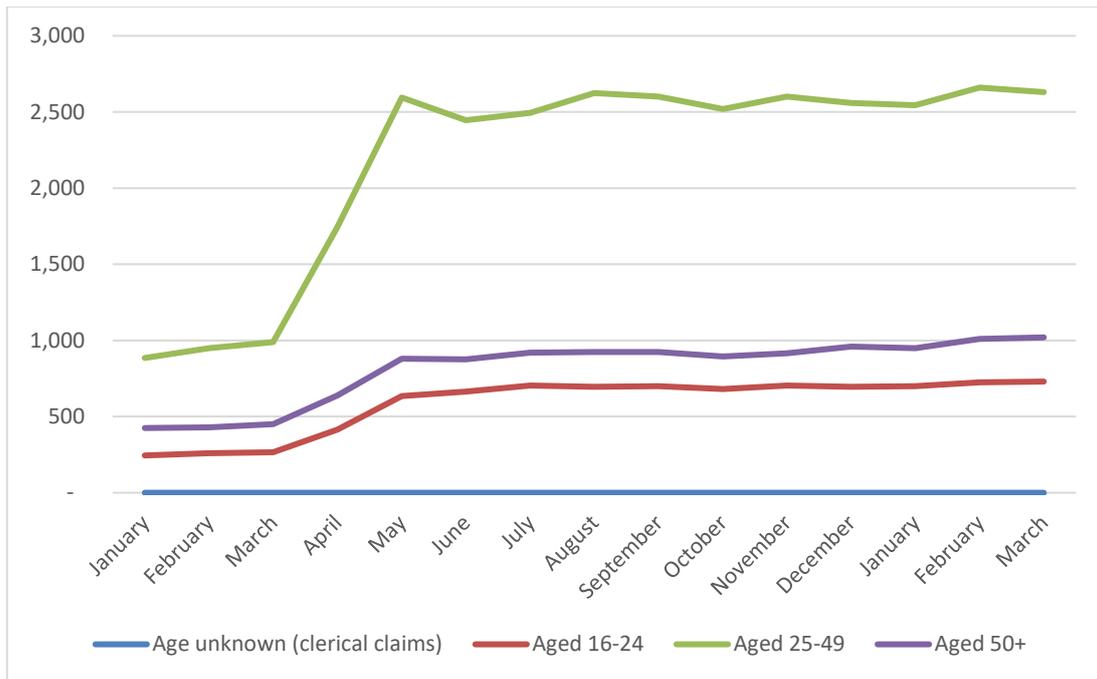


Figure 20: Claimant count by age (January 2020 to March 2021)

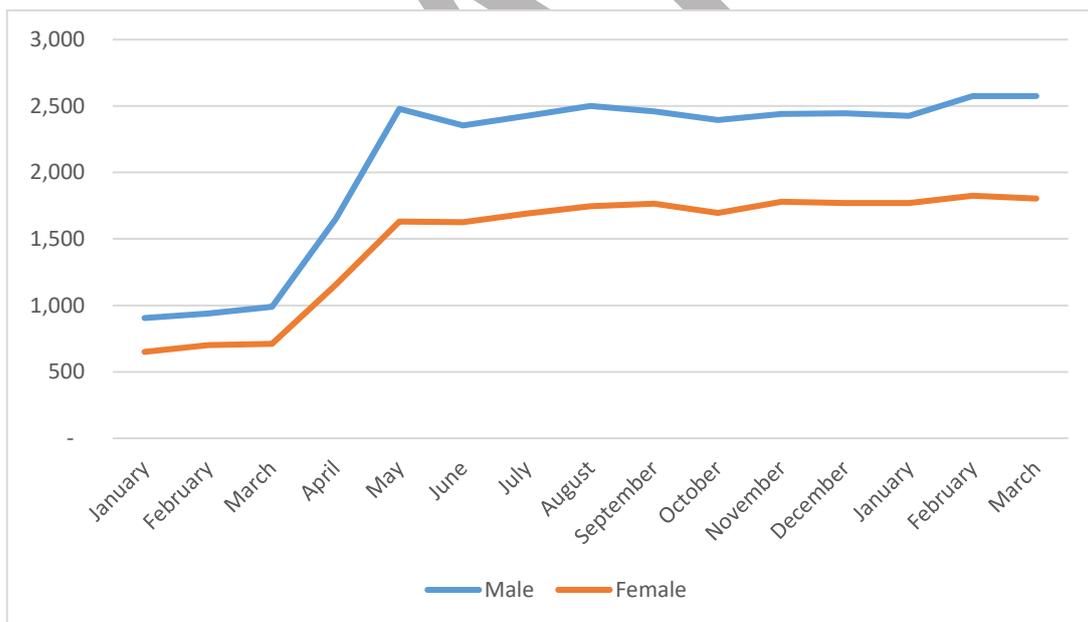


Figure 21: Claimant count by gender (January 2020 to March 2021)

The increase in claimant count is reflected in the economic activity rate. In December 2020 the economic activity rate was 74.3%⁶⁹, compared to 83.3% in December 2019, a reduction of 9% on the pre-pandemic level.

⁶⁹ Source: ONS Annual Population survey - <https://www.nomisweb.co.uk/reports/lmp/la/1946157230/report.aspx?c1=1941962834&c2=2092957699#tabempunemp>

Appendix D: The impact of Brexit

The UK voted to leave the EU in 2016 and officially left the trading bloc on 31 January 2020. However, both sides agreed to keep many things the same until 31 December 2020 – the Brexit transition period – to allow time to agree terms of a new trade deal. A deal was agreed on 24 December just seven days before the transition period ended.

Consequently many businesses were unprepared, in part due to the late agreement of a deal but largely because their focus had been on managing the impact COVID-19 was having on their business.

The LSE's Centre for Economic Performance published [The local economic effects of Brexit](#) analysis in 2017 looking at the potential impact of a soft vs hard Brexit at the local authority level and placed Watford in the top 10 most affected places based on potential GVA contraction under a hard Brexit.

In 2018 the UK Trade Policy Observatory at the University of Sussex published [The vulnerability of different parliamentary constituencies to Brexit economic shocks](#) which looked at the economic impact of 'no deal' and 'soft' Brexit scenarios. This calculated the effect of Brexit on the residents in an area rather than jobs in that area and suggested that 2,650 Watford residents could lose their jobs as a result of a 'no deal' Brexit, the highest across all constituencies. All of the constituencies with the largest potential losses among residents are located either within or close to London and all show significant job losses among workers who work outside the constituency.

The Hertfordshire LEP [Brexit & Hertfordshire: Understanding the risks and potential impacts](#) report provides a comparative analysis of the Brexit impact in Hertfordshire but points out the challenge in terms of analysing the prospective economic risk, impacts and opportunities of Brexit.

Due to the economic downturn brought about by COVID-19 and the fact that many businesses have been required to close since the end of the transition period the full impact of Brexit locally is still unknown. There has been a significant rise in claimant count numbers since the start of the pandemic so it is not possible to disaggregate these numbers to determine whether any new claims are as a result of Brexit.