

# Hertfordshire Local Industrial Strategy

Draft for consultation

September 2019

Johnson Matthey  
Royston

**Hertfordshire**  
Local Enterprise Partnership

PERFECTLY PLACED FOR BUSINESS



**INDUSTRIAL  
STRATEGY**

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# Introduction and purpose

**Hertfordshire Local Enterprise Partnership (LEP)** – like all other LEPs and Combined Authorities in England – has been tasked by government with developing a **Local Industrial Strategy (LIS)**.

The requirement for LISs was set out in the Industrial Strategy White Paper which was published in November 2017. Structured around five **Foundations of Productivity** and four Grand Challenges – and linked to a series of national **Sector Deals** – the overarching aims of the White Paper are essentially to:

- ▼ Improve the UK’s overall **productivity performance**; and
- ▼ Ensure that future economic growth is **more inclusive**.



### AI & Data Economy

We will put the UK at the forefront of the artificial intelligence and data revolution



### Clean Growth

We will maximise the advantages for UK industry from the global shift to clean growth



### Future of Mobility

We will become a world leader in the way people, goods and services move



### Ageing Society

We will harness the power of innovation to help meet the needs of an ageing society



## Developing Hertfordshire's Local Industrial Strategy...

Work has been underway to develop **Hertfordshire's Local Industrial Strategy** since the White Paper was published. The process has been iterative and consultative. It has also been genuinely “content-rich”, seeking to generate, test and refine evidence throughout. It has included:

- ▼ Wide-ranging discussions and debates about the nature of Hertfordshire's economy with over 150 stakeholders at the **LEP's Annual Conference and AGM** in March 2018 and with a further 150 at a special **State of the Economy conference** in November 2018;
- ▼ “Deep dives” into aspects of Hertfordshire's economy which have focused on place; these have considered very different kinds of places – initially, Letchworth Garden City in the north of the county and Broxbourne in the south east (and noting that more discussions of this nature are planned elsewhere in the county);
- ▼ A series of working meetings with key partners, notably University of Hertfordshire, Hertfordshire County Council and the newly formed Hertfordshire Growth Board to ensure the LIS fits in with the wider growth proposition for Hertfordshire;
- ▼ A survey of over 450 businesses which was conducted by the University of Hertfordshire's Business School and focused on issues relating to productivity in Hertfordshire;
- ▼ The commissioning of bespoke thematic evidence gathering, including major enquiries into the **loss of employment land across Hertfordshire** and **the nature of the productivity challenge**;
- ▼ A series of discussion panels with neighbouring LEPs on cross border issues such as transport and sector support, and to support the emerging work of LEPs across the Greater South East region in recognising their importance to UK plc; and
- ▼ A public awareness campaign promoted across multiple media channels to tell the Hertfordshire “story” to maximise engagement and provoke discussion/debate throughout its development.
- ▼ A study of Hertfordshire's social enterprise sector is nearing completion and will feed into our final LIS. Further work is also planned – most immediately an investigation into opportunities for the growth of the creative industries, and a round-table event with businesses and stakeholders in St Albans.

### ...building on our Strategic Economic Plan

In developing the LIS, it is however crucial to recognise the broad continuity that exists with Hertfordshire's **Strategic Economic Plan (SEP)**. This was first prepared in 2014 and then substantially refreshed in 2017. It secured a high level of support – from business, local government and other stakeholders. It set out an economic route map for the county and – two years on – it remains highly germane.

The Local Industrial Strategy is, effectively, a further “refinement” of the SEP, not a departure from it. There is strong continuity in relation to many of the key themes – and rightly so.

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#### Hertfordshire's evidence base

[Economic Outlook 2018](#)

[Brexit and Hertfordshire](#)

[Skills and Labour Market Review 2018](#)

[East of England Science and Innovation Audit](#)

[Loss of Employment Space](#)

[Hertfordshire Infrastructure and Funding Prospectus](#)

[Hertfordshire Business Productivity Survey 2019](#)

In addition to the above, sub-strategies on digital infrastructure, inward investment, innovation and social enterprise will feed into the emerging LIS and support ongoing LEP priorities and programmes.



Council of LEP Chairs at No.10 Downing Street for meeting with Prime Minister

### Where we are up to...

The timetable for the development of LISs has been set by government, but it has also been subject to change. As it stands, government’s expectation is that all LEPs and Combined Authorities should have published LISs by early 2020.

Substantive work has been done, but there is more to do. Over the months ahead, three elements will be critical.

**The first will be a developing discussion with other LEPs across the Greater South East.**

This reflects the fact that there are common issues across the city region that has London at its core. Many of these require a shared response. This is partly because of the scale of challenges and opportunities. But it also reflects the political reality that the southern LEPs are struggling to be heard alongside constructs like

the Northern Powerhouse, Midlands Engine and Oxford-Cambridge Arc.

The southern LEPs are functionally united by their links to London, yet for too long, institutional fragmentation has meant that these commonalities have been ignored. The Local Industrial Strategies Policy Prospectus invites LEPs to “collaborate across broader regional geographies”<sup>1</sup> and the southern LEPs are responding to this challenge.

**The second will be an intense period of “co-design” with government.**

In many respects, the inclusion of the “co-design” process is the biggest single difference between LISs and SEPs.

Our final LIS will be jointly branded with government and the intention is that different

<sup>1</sup> Local Industrial Strategies Policy Prospectus Published by BEIS, October 2018

parts of government will help to shape its detailed content within the framework that we provide. Cities and Local Growth Unit is leading this process but the input from government will come, potentially, from across Whitehall.

The process of co-design will be a major feature of the next few months. It will be important that we engage fully and effectively in it. As the Local Industrial Strategies Policy Prospectus notes:

*Subject to Local Industrial Strategies being agreed in places by government, they will help to inform local choices, prioritise local action and, where appropriate, help to inform decisions at the national level.*

## Hertfordshire's LIS and Brexit

At the time of writing, there continues to be huge uncertainty relating to the process and timing of the UK's departure from the European Union.

Given the level of uncertainty, we have sought – through the LIS and more generally – to focus on Hertfordshire's economic fundamentals. These link directly to resilience.

Hertfordshire has had to respond to major “economic shocks” in the past – such as the closure of British Aerospace in the 1990s. We therefore understand both the opportunities and threats that major changes can bring. We are confident that Hertfordshire's economy is reasonably resilient – with talented people and dynamic businesses.

However, we are not complacent. We are staying very close to our businesses and also to government during these inevitably uncertain times.

### **The third – signalled by the publication of this document – will be a further dialogue with our own partners and stakeholders.**

In many respects, this element remains the most important. Government has indicated that there is no new money to deliver the LIS – so delivery will require the better use of our existing resources (of all forms).

Working with businesses, partners and stakeholders across Hertfordshire, we will continue to gather and test evidence; to think through “*what Hertfordshire is*”; and – most importantly – to reflect on “*what Hertfordshire could become*”.

## This document – and how to respond to it

Over the next few months, the LIS will be developed apace. This document is our draft LIS but we have sought to keep it succinct – so that stakeholders and partners (within and outside Hertfordshire) can engage with it fully. We expect it to evolve whilst retaining a clear line of sight back to our SEP. But, most of all, we want it to be debated and discussed.

The document will be publicly available on Hertfordshire LEP's website for 30 days until the LEP's Annual Conference and AGM on 7th October. This event formally concludes the consultation period.

We are seeking responses to the questions in this document via the **online survey**. Respondents will be given a summary of the feedback received and their responses will be used to inform the LIS's development.



Hertfordshire has grown more quickly than the national (English) average over the last five years.



## Hertfordshire's challenges in relation to productivity and inclusive growth

Hertfordshire has a sizeable local economy. Data from the Office for National Statistics (ONS) suggests that it is home to about 1.2 million people, 740,000 of whom are of working age. Within the county, there are about 725,000 jobs and 62,000 enterprises. The value of economic output (GVA) is around £37 billion. On all of these headline indicators, Hertfordshire has grown more quickly than the national (English) average over the last five years.

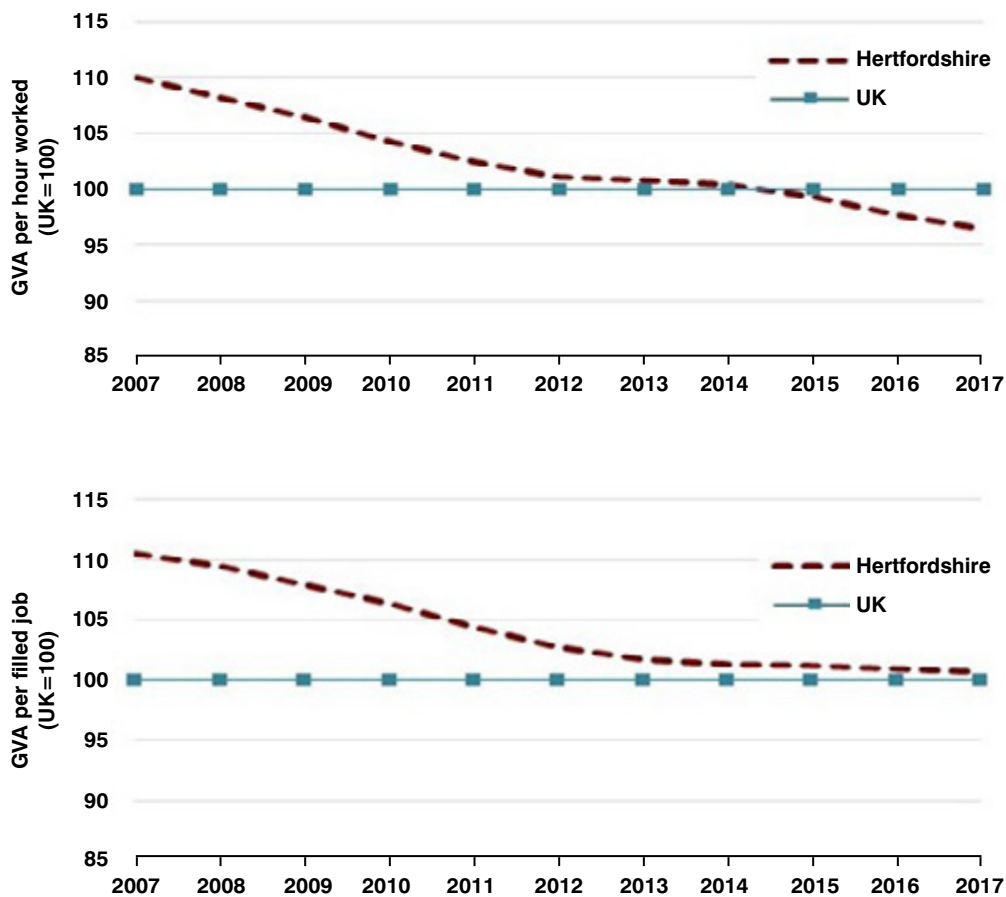
## The productivity challenge...

However, economic growth in Hertfordshire has been driven largely by population and jobs growth. **Productivity in Hertfordshire has grown very slowly over the last decade and it has declined relative to the UK average.**

Indeed, on one measure, it has dipped below the UK-wide figure; this is a shocking statistic given the strength of Hertfordshire's assets.

In Hertfordshire, the reasons for poor productivity performance are complicated. All five of the Foundations of Productivity are implicated, but in a way that can only be understood with some reference to the way in which Hertfordshire's economy has grown and changed over decades. In planning for the future, there is a need to be informed by the past – whilst also looking more broadly.

Figure 1: Productivity in Hertfordshire – on different measures relative to the UK average



Source: ONS datasets



## ...and the imperatives around inclusive growth

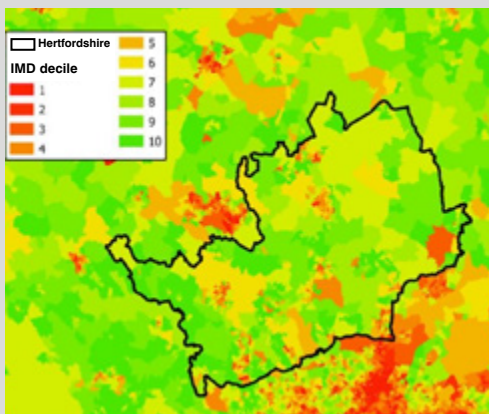
But what of the second key challenge from the Industrial Strategy White Paper: the need for more inclusive growth across all our communities?

This is, in practice, very difficult to measure. However, there is much evidence to suggest that levels of inequality in Hertfordshire are substantial – as the maps below from the Indices of Deprivation demonstrate.

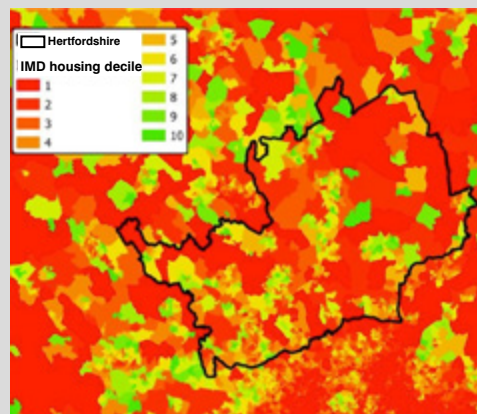
Hertfordshire has some very prosperous communities, but in parts of the county – particularly in the New Towns/Garden Cities and in south east Hertfordshire (close to London) – there are also very disadvantaged households and communities. Being “poor in a rich place” is very hard, particularly given the nature of the housing market and the cost of living more generally.

Figure 2: Perspectives on Hertfordshire from the Indices of Deprivation

A: Overall Index of Multiple Deprivation



B: Housing domain<sup>2</sup>



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## The implications

**Improving productivity performance and achieving more inclusive growth are the overarching challenges for the LIS** – and the challenges presented to all Local Enterprise Partnerships through the Industrial Strategy White Paper.

There are no “silver bullets” in relation to either, but within Hertfordshire, there are assets and opportunities to respond – and an appetite to do so fully.

## Consultation question 1

The challenges of productivity and inclusive growth are the two overarching priorities in the Industrial Strategy White Paper. Do you agree that they are also overarching priorities for Hertfordshire?

<sup>2</sup>This is defined around indicators linked to affordability, overcrowding and homelessness

# Hertfordshire's economic past, present and future

Thinking through what any economy might “look like” in several decades’ time is not easy – particularly at moments of major geo-political uncertainty. What we can say with confidence is that by 2040 or 2050, Hertfordshire’s local economy will look very different from the picture in 2019. Fundamentally, the purpose of the LIS is to help navigate the journey it takes.



## How Hertfordshire has changed over the last 30-40 years...

To inform this process, it is helpful to reflect on the way in which Hertfordshire's economy has evolved over the last few decades. It is easy to forget the distance travelled, but some of the changes have been very significant indeed.

Most immediately, **Hertfordshire has grown substantially**. Its population has increased by well over 200,000 people over little more than thirty years – equivalent to adding the whole of Watford and Stevenage (at their current sizes). It has also delivered substantial numbers of new homes – although there is much still to be done<sup>3</sup>. **Connectivity has also been transformed**. For example, the M25 motorway was only opened in 1986; now it provides the focus for orbital connectivity through southern Hertfordshire. It is hard to imagine what Hertfordshire might be like without it.

**The narrative in relation to specific places is richer again** (see Figure 3 below). Over about a generation, Watford, Hatfield and Stevenage have all seen elements of transformation – and this process is ongoing. If we look back over two generations, the emergence of the New Towns is the headline. But the transformation process is also about today's new developments: the formation of Hertfordshire's new enterprise zone, Hertfordshire Innovation Quarter, on the edge of Hemel Hempstead, and the emergence of major new communities (Harlow and Gilston Garden Town on the Hertfordshire-Essex border and Hemel Garden Communities in the south west) are also 'stories' about processes of major economic change – albeit processes which are at a much earlier stage and in our collective gift to shape.

### Figure 3: Understanding the evolution of specific places in Hertfordshire in economic terms

#### IN THE LATE 1980s/EARLY 1990s...

The late 1980s/early 1990s saw the demise of aviation-related manufacturing at Leavesden Aerodrome, leaving a large derelict site near **Watford**.

At about the same time, the aerospace sector – which had been a mainstay of Hertfordshire's economy – saw fundamental changes. British Aerospace's activities in **Hatfield** were downscaled and then closed altogether in what constituted a major 'shock' for the county. This also left Hatfield Polytechnic – which had really grown up as a technical college focused on aeronautical engineering – without its original purpose.

The merger between Glaxo and Wellcome had yet to happen – but it led to R&D jobs being moved from Kent to **Stevenage** (in the mid-1990s) which became the main R&D site.

Subsequently, Glaxo Wellcome merged with SmithKline Beecham to form GSK.

#### ...AND TODAY

Subsequently, Warner Bros. invested to create what is now a major hub for the UK film industry and a significant driver for south west Hertfordshire.

After the closure of British Aerospace, the Hatfield Aerodrome site was redeveloped as Hatfield Business Park. This is thriving. It accounts for over 12,000 jobs and has attracted major, knowledge-based businesses, including both Ocado and BT.

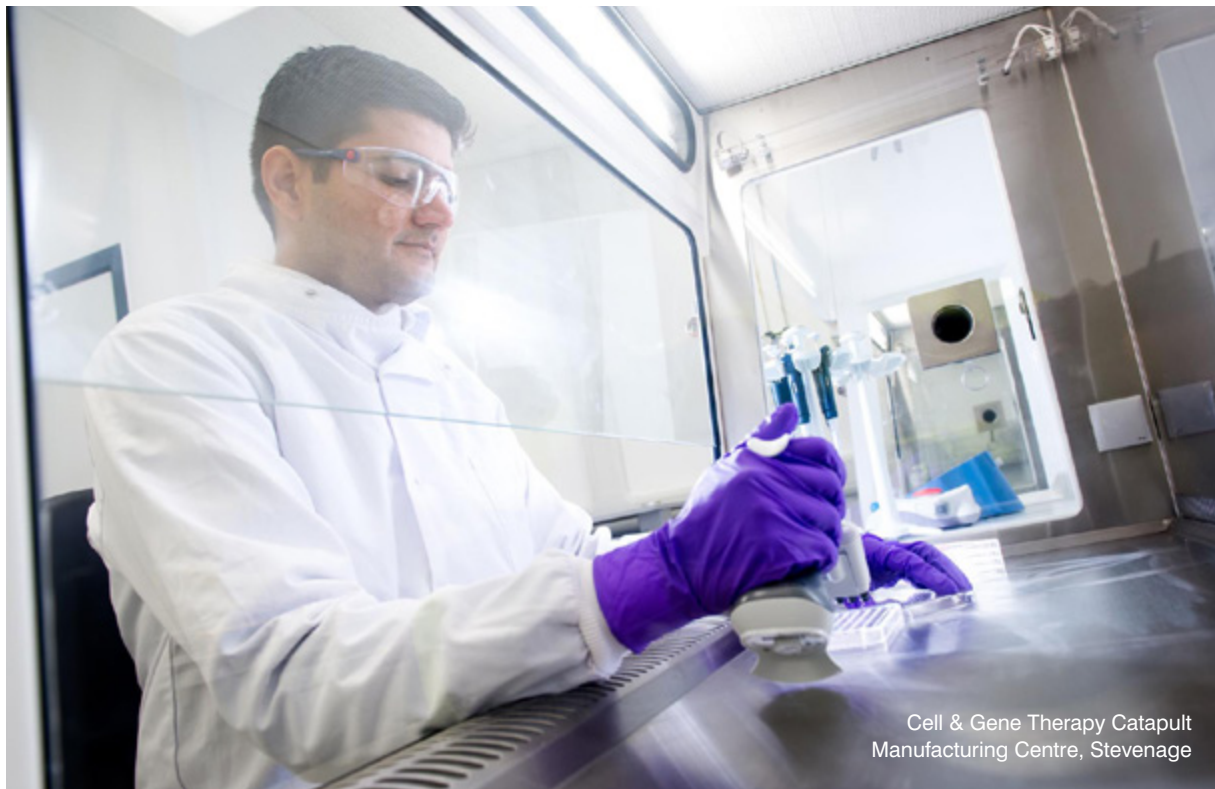
It is also home to the main campus of the University of Hertfordshire. The University now has around 25,000 students and world class specialisms, including, for example, leading edge robotics (as identified in [Sir Andrew Witty's Review of Universities and Growth](#)).

GSK continues to have a substantial research presence in Stevenage and is now the sixth biggest pharma company worldwide.

Its presence has led to some major developments in recent years. This includes the formation of Stevenage Bioscience Catalyst (about a decade ago) and – much more recently – the Cell and Gene Therapy Catapult Manufacturing Centre. Today, research and commercialisation activities within these facilities define the core of a cell and gene therapy cluster which is attracting substantial investment and is of global significance.

<sup>3</sup> *Hertfordshire Infrastructure and Funding Prospectus, 2018-2031* Completed by Aecom for Hertfordshire Infrastructure and Planning Partnership (HIPP), 2018





## Major trends and drivers...

But what of the future?

Hertfordshire – like every other area – will be shaped by major trends and drivers, some of which are captured through the four **Grand Challenges** identified in the Industrial Strategy.

Over the next period, in Hertfordshire, as elsewhere:

- ▼ **Data and digitization** will redefine much of what we do and how we do it, transforming mobility, healthcare and the nature of both sectors and jobs – indeed, many of the jobs in which we will be working in 20 years' time have yet to be defined.
- ▼ **Town centres** will need to redefine themselves: rather than high street retailing, the emphasis will be far more cultural and experiential, recognising (and perhaps nurturing) the **social aspects of economic life**.
- ▼ At the same time, the **pressure to use resources better** will grow quickly – precipitated by mounting evidence surrounding the severity and immediacy of the climate crisis.
- ▼ The **population will age** with multiple consequences – including the design of houses, the nature of jobs and the need to make provision for **multiple career changes in a (much longer) working life**.
- ▼ Within this context, **the millennial generation will itself age**. The emphasis on consuming “experiences rather than things” (or OpEx rather than CapEx) could change – although a return to the norms of the past seems very unlikely indeed.
- ▼ **Medicine will be personalised**, harnessing the precision of genetic coding to bring about better treatments and outcomes. At the same time, radically different solutions will be needed in respect of **social care**, especially in relation to older people.

- ▼ Particularly in urban areas, **transport will become a service** and reliance on private cars (certainly those fuelled by petrol or diesel) will decline.

These trends and drivers are very largely generic. They will shape Shropshire, Newcastle and Devon as much as Hertfordshire. But that makes them no less real.

How they “bite” in practice will depend on:

- ▼ the current character of Hertfordshire as a place and as an economy;
- ▼ the strengths of its existing assets; and
- ▼ the nature of relationships with elsewhere – and how these are changing.



## Hertfordshire's economic character today

It is impossible to understand the character of Hertfordshire's economy – and the reasons for its poor productivity performance – without some reference to its location (considered below) and its spatial make-up.

Hertfordshire is multiple places. These differ substantially from each other, despite their proximity. For example, on its “vibrant economy index”, Grant Thornton identifies St Albans as the 16th most vibrant local authority district (amongst 324) in England while Broxbourne's rank is 206 – yet they are no more than 20 miles apart.

The core of Hertfordshire's economy is defined around a series of medium-sized towns, none of which has the scale of a city individually – but if considered in combination, the three largest (Watford, Stevenage and Hemel Hempstead) would rank alongside a medium-sized city (such as Nottingham) in terms of scale.

Against this backdrop, Hertfordshire's towns vary tremendously in character. Its largest town is Watford – which is distinctive in being “inside the M25”. While it lost jobs in the early 2000s, it has grown steadily since and further growth is anticipated as various major development



projects (such as Watford Health Campus) come to fruition. Hertfordshire also has smaller historic settlements which have grown organically over centuries (e.g. St Albans, Hertford, Ware). But perhaps what sets Hertfordshire apart are its Garden Cities and New Towns which have seen accelerated planned growth over just a few decades. The successes, failures and frustrations of the New Towns are well documented and

they largely informed Hertfordshire's Strategic Economic Plan. All five New Towns/Garden Cities have substantial assets (including major businesses and knowledge-based assets). At the same time, they all require significant investment if they are to address continuing socio-economic issues, and if they are to be "fit for purpose" for mid-21st Century economic life. In all cases, re-investment processes are underway – and

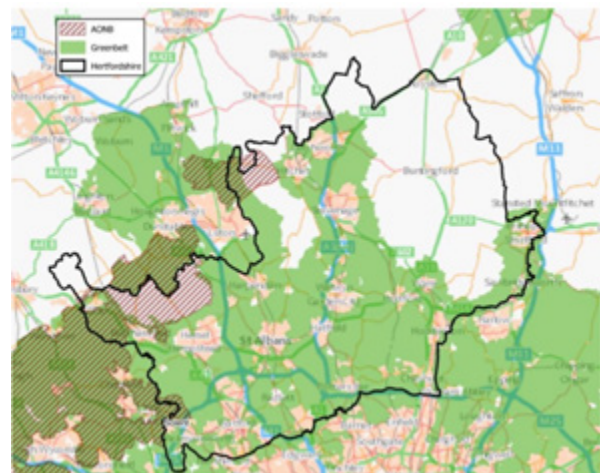


Source: Hemel Garden Communities Charter

some momentum has been achieved over recent years. But re-investment is a major undertaking and it must be sustained.

All of Hertfordshire's major towns are within the Metropolitan Green Belt as the map below shows. Given the purposes of this planning designation, Hertfordshire's polycentric character is unlikely to change and any major new schemes are likely to be in the north of the county (beyond the green belt). In fact, two new Garden Towns/Communities are on the horizon. Harlow and Gilston Garden Town is in east Hertfordshire (on the Essex-Hertfordshire border) and the development process is now underway. In addition, Hemel Garden Communities could see around 11,000 new dwellings. But aside from these major schemes, most growth in Hertfordshire is likely to be incremental, focused on existing settlements and achieved by increasing the density of land uses. This, in turn, creates supply side imperatives and possibilities in relation to how Hertfordshire might grow.

**Figure 4: Situating Hertfordshire – and key planning and other constraints**



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## Hertfordshire's economic character today

Hertfordshire has outstanding scientific research and other knowledge-based assets that ought to be driving that growth.

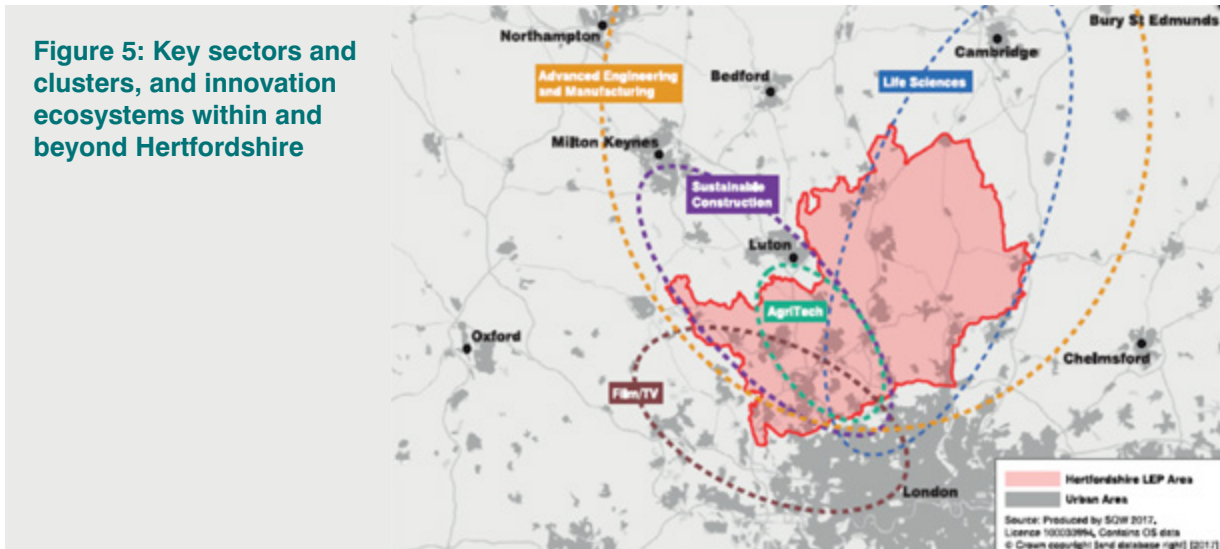
As a hub for scientific research, Hertfordshire differs from other locations insofar as its strengths are vested primarily in a dynamic group of world-leading, research-intensive, businesses – such as GSK, Airbus, MBDA, Roche, Eisai and Johnson Matthey. These are complemented by commercially-focused research organisations of international significance; two outstanding examples are BRE and Rothamsted Research. The University of Hertfordshire has world class research specialisms and it is a third key element of Hertfordshire's research base.

Around these and other major players, a series of overlapping innovation ecosystems have evolved. These are defined around:

- ▼ **Life sciences** – with a major focus on cell and gene therapy in and around Stevenage (and Welwyn Garden City and Hatfield), but also very strong links to London and Cambridge.

- ▼ **Advanced engineering and manufacturing** – which has a lineage to the likes of British Aerospace in Hatfield but now is substantially broader and frequently has a very strong IT component. Its footprint extends north and west, into Cambridgeshire, Bedfordshire and Luton.
- ▼ **Sustainable construction** – with a major research competence in the form of BRE in Watford and also a strong cadre of major construction businesses (including Willmott Dixon in Letchworth Garden City and Skanska in Rickmansworth).
- ▼ **Agri-tech** – with strong research credentials at Rothamsted Research in Harpenden.
- ▼ **Film and TV** – with Warner Bros. Studios Leavesden and Elstree Studios in South West Hertfordshire, and strong links into both Buckinghamshire and London.

These are core to Hertfordshire's economic dynamism and potential, and they are shown in schematic spatial terms in the graphic below. All five have substantial assets within the county but also footprints which extend well beyond the county's boundaries.



## Relationships beyond Hertfordshire – and how these might change

Aside from the M25 (which, in part, defines Hertfordshire's southern boundary), Hertfordshire's principal transport routes are all defined on radial axes to/from London. These include the M1, A1(M) and A10 motorways/trunk roads, and the major rail routes (notably the East Coast Mainline and West Anglia Mainline). The consequence is that north-south connectivity through (and beyond) Hertfordshire is congested but good; conversely, east-west links are currently fundamentally poor, limiting the effective

extent of functional economic market areas from east to west (both within and beyond the county).

Hertfordshire's key relationships are defined currently on these north-south axes, and they take many forms. There are a whole set of linkages defining the innovation ecosystems referenced above. In this context, links with London are very strong – and in two directions – but there are also important links to the north, particularly into Cambridge.





## The London factor...

For Hertfordshire, the pervasive nature of links with London is critical. For nine of its 10 districts, over 10% of the resident workforce is employed in London. However, this bald statistic masks a whole range of different circumstances.

For the areas that are close to London, there are substantial flows into and out of adjacent outer London boroughs. These local flows exist alongside flows into central London (where the higher paid jobs are generally to be found).



Over recent years, London has grown very quickly and is facing undoubted pressures, not least in relation to housing. The strength of links to London has direct implications for Hertfordshire's housing market, which is also under pressure. This, in turn, is affecting the supply of employment land. Within Hertfordshire, it is estimated that over 771,000 square metres (over 7 million square feet) of commercial floorspace has been lost over the last decade (equivalent to the entire stock of St Albans, Stevenage and Watford combined). Losses to residential uses account for 50% of office (B1) losses and 25% of industrial (B2) losses, mostly through permitted development rights<sup>4</sup>.

However, the process of London's growth has not been especially smart – and the nature of the growth process is important for Hertfordshire.

The Resolution Foundation has commented on patterns of growth since the financial crisis. It has observed that

*...the capital's growth since the crisis has been powered not by high-tech productivity improvements but by old-fashioned employment growth. So while output per person has increased faster in London than in other parts of the country, output per hour worked has not. London's growth has also been concentrated in lower-paying sectors such as accommodation, transportation and administrative services. **In short; although London's economy may have grown faster than the rest of the UK over the past five years, this has been achieved by adding more people to the workforce rather than by producing things more efficiently***<sup>5</sup>.

<sup>4</sup> Loss of Employment Space in Hertfordshire – Study into extent, implications and solutions Lambert Smith Hampton, February 2019

<sup>5</sup> London Stalling: Half a century of living standards in London. Report by Stephen Clarke for the Resolution Foundation, June 2018 – page 5



Looking ahead, the future of London will have major consequences for Hertfordshire. As it stands, the draft London Plan may not be making sufficient provision to accommodate the projected housing needs of its own population and a dialogue with other areas is being sought. In economic terms, this presents both opportunities and threats for Hertfordshire.

### ...and the Oxford-Cambridge Arc

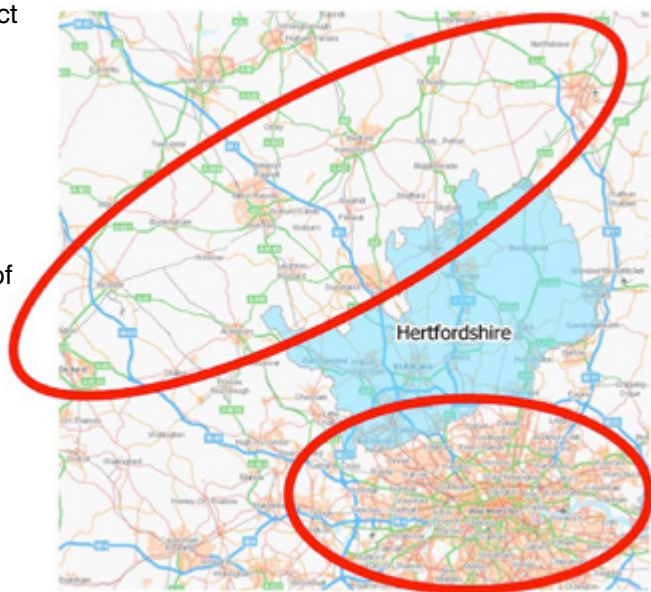
A second major growth narrative which will affect Hertfordshire relates to the Oxford-Cambridge Arc (or the Cambridge-Milton Keynes-Oxford (CaMKOx) Corridor). The area is home to 3.3 million people and stretches around 130 miles from Cambridgeshire, via Bedford and Milton Keynes, to Oxfordshire<sup>6</sup>. It is considered to be one of the most economically significant parts of the country, contributing just over £90 billion a year to the UK economy with global strengths in knowledge-intensive sectors<sup>7</sup>.

Reporting in 2017, the National Infrastructure Commission (NIC) recognised that the arc is “neither a joined-up transport corridor, nor a single functional economic area”. The success of Oxford and Cambridge has contributed to high house prices and low levels of affordability. The undersupply of homes presents a challenge to future economic growth of the arc. The NIC stated that “if the arc is to maximise its economic potential, current rates of house building will need to double – delivering up to one million new homes by 2050”<sup>8</sup>. The intention is that this should be supported by two key transport developments; the new East West Rail line (‘Varsity Line’) by 2030 and the accelerated development of the Oxford-Cambridge Expressway<sup>9</sup>.

### Implications for Hertfordshire

Hertfordshire is literally located between these two growth narratives – as the map below illustrates. They need to be recognised in these terms and Hertfordshire needs to chart its own response, recognising that they present both opportunities and threats going forward.

**Figure 6: Hertfordshire's neighbours – and the growth narratives**



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<sup>6</sup> Partnering for Prosperity: A new deal for the Cambridge Milton Keynes-Oxford Arc, The National Infrastructure Commission, (November 2017), p.18

<sup>7</sup> Introducing the CaMKOx Arc, Bidwells, p.6

<sup>8</sup> Partnering for Prosperity: A new deal for the Cambridge Milton Keynes-Oxford Arc, The National Infrastructure Commission, (November 2017), p.8

<sup>9</sup> Introducing the CaMKOx Arc, Bidwells, P4

## Alternative scenarios for Hertfordshire 2040

Given its character, assets and location – and developments that are occurring elsewhere – there are, broadly, two economic scenarios for Hertfordshire as we look forward. Both present risks and opportunities. Both seem probable – to some degree. Both also have implications in relation to the need for productivity enhancements and more inclusive growth.

**The challenge for the LIS is to anticipate and respond to both, and to do so in the context of both the more generic trends and drivers identified above and the specificities of Hertfordshire as a series of places.**

## Consultation question 2

Do you recognise these two growth scenarios? What do you consider to be the challenges and opportunities linked to each – and how should partners across Hertfordshire respond to them?

Figure 7: Future scenarios for Hertfordshire's economy

### SCENARIO 1

Hertfordshire fulfils the potential of the Golden Triangle

- ▼ Stevenage, Welwyn Garden City and Hatfield together define a “science corridor” that plays a complementary and synergistic role to the overheating powerhouses of London and Cambridge;
- ▼ Wider cluster development is encouraged and facilitated, generating a variety of jobs – but skills provision needs to be put in place to equip local people to respond; and
- ▼ Major global corporates are retained and encouraged to (re-)invest.

### SCENARIO 2

Hertfordshire facilitates London's growth

- ▼ Hertfordshire continues to grow rapidly in terms of population, fuelling demand for local services which means that jobs growth continues apace;
- ▼ Employment land continues to be lost – so jobs are increasingly peripatetic and/or service based;
- ▼ Commuting to London accelerates – whilst the growing numbers of jobs in Hertfordshire attract in-commuting from areas to the north;
- ▼ Transport infrastructure is under pressure and congestion is a challenge.

# Strategic themes for Hertfordshire

Hertfordshire needs to do (much) better in relation to **productivity** and **inclusive growth** – and on those two fronts, the policy of UK government (set out in the Industrial Strategy White Paper) is very germane locally. Hertfordshire also needs to continue to **build homes** sustainably and at pace. In addition, it must **respond to the climate crisis** and deliver future economic growth in a far more resource-efficient fashion than previously.

These are four key outcomes for Hertfordshire – and for the UK. It is crucial that progress is made towards all four. By 2040, if progress is not made, the consequences would be very undesirable indeed.

**Achieving these outcomes requires a response to both of the scenarios outlined above.** It also needs imagination, commitment and ambition.

In our view it needs sustained progress to be made on seven main fronts. We see one of these (*Digital foundations, frontiers and futures*) as overarching and enabling, but the other six strategic themes are of equal importance. Together, they ought to be transformational.

**Figure 8: Strategic themes for Hertfordshire**





The rationale for each of the seven strategic themes is summarised briefly in the table below

STRATEGIC THEME

## Digital foundations, frontiers and future:

Reinventing connectivity, potential and prospects

RATIONALE

- ▼ Hertfordshire is under substantial pressure in infrastructure terms and it needs to harness the possibilities of digital connectivity fully and effectively – and there are major opportunities to do so.
- ▼ It has some major players in this space with an appetite for innovation.
- ▼ University of Hertfordshire also has strong credentials in relation to data sciences.

STRATEGIC THEME

## Old New Towns, new New Towns

RATIONALE

- ▼ Hertfordshire's economic performance and character owes much to existing New Towns and Garden Cities.
- ▼ The older New Towns and Garden Cities all have challenges relating to:
  - ▼ infrastructure;
  - ▼ inter-generational deprivation;
  - ▼ mismatch between local jobs and people; and
  - ▼ limited cultural offer.
- ▼ They all need to be reinvigorated for the 21st century.
- ▼ A series of new New Towns (Garden Towns/communities) are planned – and they need to be delivered excellently and in a manner that is “future proofed” – both in terms of built environment and the communities that are created. Digital solutions are likely to be critical.

STRATEGIC THEME

## Unlocking science-based clusters in the Golden Triangle

RATIONALE

- ▼ Hertfordshire is a major focus for commercial research and development and it performs strongly in terms of business expenditure on R&D.
- ▼ It has excelled over the last decade in growing a cell and gene cluster which is of global significance. This must flourish with synergistic links to London and Cambridge.
- ▼ It has very strong advanced engineering credentials and these should add depth and breadth if linked to enterprise. There is a particular concentration on which to build along a “science corridor” along the A1(M) – from Hatfield through Stevenage towards the north Hertfordshire towns.

STRATEGIC THEME

## East-West growth corridors

RATIONALE

- ▼ Hertfordshire’s economy is driven by radial (north-south) connectivity, but it needs a similarly strong east-west (orbital) dynamic to garner meaningful agglomeration benefits.
- ▼ Better east-west connectivity is also key to generating multipliers from planned new development – both housing-related and that associated with new enterprise zones (particularly Hertfordshire IQ, but also Harlow Enterprise Zone, which is just over the border in Essex, and London Luton Airport Enterprise Zone, which, again, is just outside Hertfordshire, but close to it).
- ▼ Defining an approach to east-west connectivity provides a major opportunity for a “digitally astute” response – and one that can potentially effect significant modal shifts.
- ▼ The A414 Corridor – from Hemel Hempstead through Hatfield to Harlow – is the focus for much of the county’s planned growth (and two enterprise zones) and this needs to be unlocked and advanced with purpose.

STRATEGIC THEME

## Space to grow

RATIONALE

- ▼ Hertfordshire has a strong track record relating to new business formation and self-employment, but it performs badly in terms of scale-up.
- ▼ Evidence suggests that non-micro (i.e. larger) businesses perform better in terms of productivity and they are also more likely to enable progression (which is very important in relation to inclusive growth).
- ▼ Affordable “grow on” space is in very short supply across Hertfordshire in the context of a substantial loss of employment floorspace over the last decade – so there are major issues to navigate in ensuring, literally, that there is “space to grow”.

STRATEGIC THEME

## Beyond boundaries – a new relationship with London

RATIONALE

- ▼ The eastern part of southern Hertfordshire abuts London and is the most poorly-performing part of the county.
- ▼ It is the only part of Hertfordshire to have seen a decline in employment over recent years and it needs a new approach to economic development. Its skills profile is also poor, relatively and absolutely.
- ▼ More generally, Hertfordshire needs a stronger strategic dialogue with London, recognising the extent of interdependencies.



STRATEGIC THEME

## Creative sectors, creative people

RATIONALE

- ▼ Hertfordshire has outstanding assets in relation to film and TV; these are concentrated in south-west Hertfordshire and are of national significance.
- ▼ The creative/cultural industries are of growing importance in building sustainable places at settlement level: Hertfordshire's asset base is mixed in these terms and there are real opportunities to do more, particularly in the New Towns/Garden Cities.
- ▼ Hertfordshire needs to attract and retain its creative people, recognising their catalytic importance within the economy.

Each of the seven strategic themes is a major commitment. In each case, it builds clearly on current assets and opportunities, and it sets a direction of travel without – as yet – having all of the answers.

These strategic themes represent an evolution from the Strategic Economic Plan and they will be advanced through several different processes across Hertfordshire. The Local Industrial Strategy is one part of the response.

## Consultation question 3

Do you agree with the seven strategic themes for Hertfordshire? Are there too many? Are we missing any?

# Our Local Industrial Strategy

The Industrial Strategy White Paper is organised around Five Foundations of Productivity which underpin (nationally-defined) Sector Deals and pave the way for four future-facing Grand Challenges: artificial intelligence and data; ageing society; clean growth; and future of mobility.

The Foundations of Productivity are identified by government as being relevant across the whole of the UK and crucial in terms of boosting productivity performance. They are seen by government as the primary focus for Local Industrial Strategies.

The five Foundations are generically stated, but they take a particular form in Hertfordshire. They also signal both opportunities and threats across the county. Through the co-design process, our intention is to develop appropriate responses with government, framed by the strategic themes we have identified.







## Ideas

Hertfordshire is a research-intensive county. Data from the Smart Specialisation Hub suggests that by 2015, Hertfordshire's total R&D expenditure was equivalent to 3.8% of GVA – well above the national target of 2.4% (i.e. one of the headline targets from the Industrial Strategy White Paper). Within Hertfordshire, the majority of R&D spend is accounted for by businesses (rather than higher education institutions, government or non-profit making organisations): business enterprise R&D (BERD) accounted for over 90% of Hertfordshire's R&D spend, a much higher proportion than elsewhere.

Historically, corporate R&D has been a defining feature of Hertfordshire. It has also been “in” rather than “of” Hertfordshire. However, over the last decade, substantial progress has been made in using the corporate research assets as a catalyst (directly or indirectly) for local, high value growth. The most successful example to date is in the field of cell and gene therapy.

Through a £38 million partnership with the then Department of Business, Innovation and Skills, Wellcome, the then-Technology Strategy Board and then-East of England Development Agency, GSK provided land and investment to build and launch what is now Stevenage Bioscience Catalyst (SBC). This formally opened in 2012. By spring 2017, Phase 1 was at capacity and SBC had 49 tenants. These included blue-chip companies (such as GE Healthcare, Johnson & Johnson, Eli Lilly and Sanofi), but also small start-ups and inward investors such as Aglaris Limited. Translational laboratories were established at SBC by both the University of Cambridge and University College London (UCL) and MRC Technologies relocated its drug discovery operations (and 70 staff) from London to Stevenage<sup>10</sup>.

Subsequently, Stevenage was also selected by the UK Cell and Gene Therapy Catapult as the site for its Cell and Gene Therapy Manufacturing Centre.

This new facility – which itself cost upwards of £50 million – is now operational. It is attracting interest from around the world. In 2018, it was estimated that tenants of SBC attracted investment worth over £700 million and that more than half of this was in the field of cell and gene therapy. Stevenage is, increasingly, seen as a global centre in this fast-emerging field.

More generally, Hertfordshire has a complement of innovative businesses. Survey evidence suggests that a higher proportion of firms are engaged in product and service innovation in Hertfordshire than is the case nationally. Moreover, it has had some success in securing innovation funding from Innovate UK – although the sectoral profile of this has been distinctive. Consistent with the arguments above, on a population-weighted basis, Hertfordshire has done well in two domains: life sciences and space science. It has done much less well in broader sectors such as digital, healthcare and high value manufacturing.

Against this backdrop, the University of Hertfordshire has been developing its role in support of innovation and commercialisation across Hertfordshire. The university has world class research specialisms on which to draw. These include advanced engineering, gaming and software. The University of Hertfordshire has an established Innovation Centre. It is also central to the Hertfordshire Science Partnership. With Hertfordshire LEP – and supported by SBC and RoCRE Rothamsted – the Partnership is seeking to use academic expertise and facilities to boost life sciences, agri-tech and pharmaceuticals sectors across the county.

Hertfordshire does therefore have both assets and pedigree in relation to “Ideas” – and there are significant opportunities looking ahead. In this context, creative links with both Cambridge and London are likely to be critical.

<sup>10</sup>East of England Science and Innovation Audit, 2017

## Developing our response

In responding to these opportunities, there are a number of ventures that we are seeking to progress, all of which are aligned with Hertfordshire's principal strategic themes:

- ▼ Recognising the scale of recent investment in early stage businesses, we will accelerate the development of the cell and gene therapy cluster in and around Stevenage through interventions to support commercialisation and growth (**Theme 3: Unlocking science-based clusters in the Golden Triangle**).
- ▼ We will further develop the role of University of Hertfordshire as an anchor institution, harnessing its strategic location at intersection of the A414 growth corridor (**Theme 4: East-West growth corridors**) and the A1(M) "science corridor" (**Theme 3: Unlocking science-based clusters in the Golden Triangle**).

We will, in addition, advance several other ventures linked to cluster development. These are presented below, under the **Business Environment** Foundation.

## Consultation question 4

In relation to the Ideas Foundation from the White Paper, what do you consider to be the key priority for Hertfordshire?

Career paths: students find out about routes into key industry sectors in Hertfordshire





## People

Hertfordshire has a well-qualified working-age population. The incidence of people with degree level qualifications is high – overall, it is over 42% and hence well above the England average. Locally, it is higher again; in St Albans, for example, it is 56%.

However, every day, Hertfordshire “exports” well qualified people, particularly to London. It also attracts a substantial in-flow from surrounding areas, particularly to the north. The consequence is that:

*Hertfordshire has net out-commuting mainly in the highest three skilled categories of occupation: Managers, Directors and Senior Officials (21,600 net out-commuting; Professional Occupations (30,200 net out-commuting) and Associate Professional & Technical Occupations (26,600 net out-commuting). By contrast, Hertfordshire has positive net in-commuting for lower skilled occupational categories. Putting it crudely, Hertfordshire is a net exporter of highly skilled employees and a net importer of low-skilled employees<sup>11</sup>.*

This process is crucially important for Hertfordshire and it certainly affects productivity performance. It means that employers in Hertfordshire are not benefitting fully from the skills of the resident workforce.

Within Hertfordshire, there is a second narrative, concentrated especially within the New Towns and in south east Hertfordshire, close to the boundary with London. Here, the qualifications profile is much less impressive. In Broxbourne, the latest data suggests that the proportion of the working age population with no qualifications is well above the national average. In addition, whilst across Hertfordshire the incidence of young people who are Not in Education, Employment or Training is low, there are substantial variations at a local level: the figure for St Albans is less than half that for Stevenage, Welwyn Hatfield and Broxbourne<sup>12</sup>.

Cutting across all of this are more general trends which were noted in the Industrial Strategy White Paper. They are also fully recognised within the [Hertfordshire Skills Strategy](#):

*Since the start of the 21st century with inventions such as artificial intelligence, 3D printing, autonomous vehicles, technology and biotechnology, commentators have identified that we are experiencing the ‘Fourth Industrial Revolution’. These rapidly developing technologies are changing the way we work, and the jobs and skills required to do them. The useful skills in the workplace of the future are likely to be different from those needed today.*

It will be essential that employers, training/ education providers and people – of all ages – across the county are equipped to respond.

<sup>11</sup> Hertfordshire Skills and Labour Market Review, 2018 – page 19

<sup>12</sup> [Releasing our Potential: Hertfordshire Skills Strategy to 2020](#)

## Developing our response

The People Foundation is very wide ranging. It presents challenges and opportunities, but also responsibilities, in seeking to respond to it. Taking into account the particular nature of Hertfordshire's economy, and its growth dynamic, we therefore intend to:

- ▼ Invest in digital and data analytics skills (at all levels) as an overarching priority across Hertfordshire **(Theme 1: Digital foundations, frontiers and futures)**.
- ▼ Develop an overarching STEM workforce and skills strategy (with the University, Further Education Colleges and employers) to ensure that the opportunities of the A1(M) "science corridor" are harnessed and reflecting fully on the possibilities of T-level qualifications. Linked to this will be a specific workforce and skills plan for cell and gene therapy, probably in association with partners in London and Cambridge **(Theme 3: Unlocking science-based clusters in the Golden Triangle)**.
- ▼ On a pilot basis, explore the possibility of creating local "outposts" of the University of Hertfordshire in Letchworth Garden City and Hatfield town centre, helping to widen participation in learning and define new town centre purposes **(Theme 2: Old New Towns, new New Towns)**.
- ▼ Enhance the role of Further Education Colleges within Hertfordshire's New Towns, recognising the need to build aspirations, achieve more inclusive growth and equip people for multiple career changes in a working life **(Theme 2: Old New Towns, new New Towns)**.
- ▼ Work with Hertford Regional College and other local partners (including those in West Essex and North London) to develop a skills and inclusion plan which will enable local people to benefit from emerging opportunities either side of the M25 in south east Hertfordshire **(Theme 6: Beyond boundaries – a new relationship with London)**.

## Consultation question 5

In relation to the People Foundation from the White Paper, what do you consider to be the key priority for Hertfordshire?





## Infrastructure

Over recent years, substantial numbers of new homes have been delivered across Hertfordshire. Between 2011/12 and 2016/17, Hertfordshire delivered approximately 3,189 dwellings per annum. Between 2018 and 2031, some 83,530 new homes are planned – signalling an ambition to deliver at twice the achieved rate of recent years. But even if this is achieved, it is unlikely to be sufficient: it is estimated that 97,411 new homes are needed over this period<sup>13</sup>.

Housing delivery is therefore a very significant challenge for Hertfordshire. The county is constrained physically, with substantial areas of green belt. Moreover, the capacity of the construction sector to respond to this scale of growth is far from certain.

The pace of growth means that much of Hertfordshire's infrastructure is under significant pressure.

A major study commissioned by **Hertfordshire Infrastructure and Planning Partnership** concluded that: *“across most infrastructure topics, decades of growth have created deficits in existing infrastructure, both across Hertfordshire and in localised areas”*<sup>14</sup>. Key elements include:

- ▼ significant congestion on the rail and road network across the county;
- ▼ poor east-west connections, resulting in an over-reliance on private vehicle use;
- ▼ growing pressure on the health and social care sector;
- ▼ a need to mitigate planned housing and economic growth through provision of new strategic green infrastructure; and
- ▼ pressures on the supply of energy (electricity and gas) and water in the context of sustained growth, and a lack of planned investment in both.

The study's authors – AECOM – estimated that the cost of delivering the infrastructure needed to support growth from now until 2031 is in the order of £5.7 billion (in 2018 terms). Taking into account secured and potential funding (from public, private and developer contributions), AECOM concluded that the funding gap is in the order of £3.6 billion (in 2018 terms) With regard to infrastructure, there is then a substantial job to be done.

<sup>13</sup>Hertfordshire Infrastructure and Funding Prospectus 2018-2031. Completed by Aecom for Hertfordshire Infrastructure and Planning Partnership (HIPP), 201

<sup>14</sup>Hertfordshire Infrastructure and Funding Prospectus 2018-2031. Completed by Aecom for Hertfordshire Infrastructure and Planning Partnership (HIPP), 2018

## Developing our response

A full response to Hertfordshire's infrastructure challenges is well beyond the scope of the Local Industrial Strategy. However, from the perspective of the LIS, it is important that infrastructure investments are prioritised to increase productivity and effect more inclusive growth. It is also important that they are genuinely "joined up", reflecting – for example – the particular opportunities linked to Hertfordshire IQ and the new developments at Harlow and Gilston, and Hemel Garden Communities. Throughout, digital solutions will need to be found.

Within this context, we therefore intend to work with partners to:

- ▼ Advance the concept of the Living Lab, focusing initially on Hatfield Business Park and harnessing the full possibilities of 5G wireless connectivity **(Theme 1: Digital foundations, frontiers and futures)**.
- ▼ Build on the Smart Motorway upgrade to secure further improvements in the A1(M), particularly between Junctions 6 and 8 at the heart of the A1(M) "science corridor" **(Theme 3: Unlocking science-based clusters in the Golden Triangle)**.

- ▼ Explore digitally-enabled options for radical improvements in east-west connectivity across Hertfordshire (both A414 and A505 corridors), including Mass Rapid Transit schemes linked to major new developments **(Theme 4: East-West growth corridors)**.
- ▼ Invest in motorway junction improvements on the M1 and M11 which facilitate the development of new communities and enterprise zones in (or close to) the west and east of Hertfordshire **(Theme 4: East-West growth corridors)**.
- ▼ Develop a county-wide response to the need for sustainable construction skills, recognising the need to deliver planned housing growth **(Theme 2: Old New Towns, new New Towns; and Theme 4: East-West growth corridors)**.

## Consultation question 6

In relation to the Infrastructure Foundation from the White Paper, what do you consider to be the key priority for Hertfordshire?





## Business environment

Caused, in part, by the pressures for housing growth in the context of permitted development rights, one of the major changes to Hertfordshire's business environment over recent years has been a very substantial loss of employment provision.

One report has estimated a net loss of over 771,000 square meters of commercial floorspace across Hertfordshire over the last decade. This led the authors to comment that:

*Hertfordshire has seen a major haemorrhaging of commercial floorspace. Almost a quarter of the office stock has been lost over the last decade, and for some local authorities it has effectively halved. This contrasts with an increase in office-related employment of 19% over this period. Whilst efficiencies in workspace use are happening across the economy, the scale of the divergence between office loss and employment growth in Hertfordshire is putting major pressure on businesses<sup>15</sup>.*

The picture regarding industrial floorspace is similar, if less extreme: floorspace has declined as employment in relevant sectors has increased. This too is highly problematic given the need for larger scale developments to meet future demand.

In short, the relationship between employment and floorspace in Hertfordshire is undergoing a profound change and – over time – this is likely to impact on the nature, geography and sectoral footprint of economic growth. It demands a clear response.

In general terms, Hertfordshire has been – and remains – a good place from which to form a business. Of the 10 local authority districts, eight have a business start-up rate above the national average, and for about half – most of which are in south west Hertfordshire – the start-up rate has consistently been substantially higher than the national picture. However, the evidence seems to suggest it is a difficult place in which to grow a business – and the changing picture with regard to employment provision is unlikely to help.

The challenges of “scale-up” have been recognised nationally, but in Hertfordshire there is a vicious circle of circumstances. Hertfordshire has the downsides of agglomeration – as a high cost location in terms of sites/premises and labour, and with significant congestion.

But Hertfordshire lacks the “up sides” frequently enjoyed by cities – e.g. a strong “sense of place” amongst businesses and well-developed business-to-business networks. As noted already, Hertfordshire struggles to hold onto its best-qualified residents given the possibilities of London commuting. For many different reasons, growing businesses in Hertfordshire appears consistently to be hard.

But it shouldn't be so. There are major opportunities linked to key sectors in which Hertfordshire already has an important presence. The creative sector in south west Hertfordshire – linked specifically to film and TV – is of national significance and this ought to be recognised more consistently locally. There are growing links to the University of Hertfordshire (in, for example, animation) and real opportunities for growth.

Equally, Hertfordshire has very significant credentials in relation to advanced engineering and aerospace. It is home to the Mars Rover and has blue-chip businesses in the field – not least Airbus and MBDA in Stevenage. There is increasing recognition of the importance of STEM skills and the corporates are playing a growing role in this context, working closely with both the University of Hertfordshire and the Further Education Colleges to put in place appropriate arrangements for apprenticeships.

Finally, it is evident that the process of growth – although a pressure – is also an opportunity. Modern Methods of Construction – focused on off-site construction techniques and informed by the expertise vested in BRE and the major construction businesses in Hertfordshire – needs to be a major focus.

<sup>15</sup>Loss of employment space in Hertfordshire – Study into extent, implications and solutions, Lambert Smith Hampton, February 2019

## Developing our response

Hertfordshire LEP's strapline is "*Perfectly Placed for Business*". Partners across Hertfordshire need to work together and with central government to ensure that the intrinsic advantages linked to our location are captured to the full. This means that we must:

- ▼ Work with local authorities – including potentially through direct investment – to ensure a better supply of grow-on space across Hertfordshire (**Theme 5: Space to grow**).
- ▼ Focus on specific issues linked to employment provision by:
  - ▼ developing employment space on Gunnels Wood Road (and nearby) to align specifically to the needs of the cell and gene therapy cluster and its wider supply chain (**Theme 3: Unlocking science-based clusters in the Golden Triangle**); and
  - ▼ providing branded "makerspace" within the "science corridor" from Hatfield to Stevenage and Letchworth Garden City (**Theme 3: Unlocking science-based clusters in the Golden Triangle**).
- ▼ Identify the synergies and complementarities between the two enterprise zones at Hemel Hempstead and in Harlow (with links to major housing growth at Hemel Garden Communities and Gilston), and work collaboratively to promote both, including to inward investors (**Theme 4: East-West growth corridors**).
- ▼ Advance a series of measures to support small businesses across Hertfordshire, including by:
  - ▼ developing an overarching enterprise strategy to help grow our micro business base (**Theme 5: Space to grow**);
  - ▼ enabling Hertfordshire Growth Hub to support micro businesses with the ambition to grow quickly (**Theme 5: Space to grow**); and
  - ▼ putting in place a loan/grant financing scheme for SMEs (**Theme 5: Space to grow**).
- ▼ Support the creative cluster in south west Hertfordshire (with Warner Bros., BBC, University of Hertfordshire and others) to develop a plan for growth (**Theme 7: Creative sectors, creative people**).
- ▼ Animate the development of the offsite construction sector, drawing on the expertise of BRE and the possibilities and potential of the enviro-tech-focused Hertfordshire IQ enterprise zone (**Theme 4: East-West growth corridors**).

## Consultation question 7

In relation to the Business Environment Foundation from the White Paper, what do you consider to be the key priority for Hertfordshire?





Hitchin, Hertfordshire



## Place

Our Local Industrial Strategy is all about Place – or, more precisely, *Places*. Hertfordshire is peri-urban and polycentric. In other words, it is on the edge of a major city but the settlements within it are either small or medium-sized and none is dominant. Every Hertfordshire town is distinctive – even if they are only a few miles apart. And individual towns vary substantially in terms of their performance – partly because of their history; partly because of their location; partly because of their sectoral make-up; partly because of their cultural assets; partly because of their urban form and partly because of their socio-economic character.

In addition, it is important to remember that much of Hertfordshire is rural and a defining feature of the area's quality of life. On a strict definition, over 10% of the population lives in rural areas – although rural areas account for a much larger share of the land area. The largest rural areas are in East Hertfordshire, North Hertfordshire, Hertsmere and Dacorum<sup>16</sup>, and here, access to services can be a real challenge – notwithstanding the proximity of London. In Hertfordshire's rural areas, reliance on cars is close to total and the affordability of housing can be particularly challenging.

Across the piece, Hertfordshire is dealing with the consequences of a population which is growing quickly. In most areas it is also ageing and there are major pressures on local services as a result.

Looking ahead, younger populations will tend to be found in the emerging new settlements, notably Gilston in the east of Hertfordshire and Hemel Garden Communities in the west. It will be crucial that the emerging communities are designed from the outset to be economically vibrant. They must also be digitally exemplary, and equipped to devise as yet unknown and unknowable solutions for sustainable mid-21st century living and working.

At the same time, it will be crucial that the New Towns and Garden Cities of the 20th Century are revitalised. They have substantial assets, but they need to evolve – and their economies ought to be allowed to shape this process in a way that will benefit local people over the long term.

Specific solutions will vary, but in all cases, infrastructural investment will be important. In most, there will also be a need to reinvent town centres, recognising the profound changes sweeping through the retail sector and the need to redefine the nature and purpose of high streets. Increasingly Hertfordshire's town centres need to be places where people are prepared to live, work and spend their leisure time; developing cultural and creative capital is likely to be key.

<sup>16</sup>Rural Hertfordshire – Economic issues and characteristics, Glenn Athey for Hertfordshire LEP, 2015

## Developing our response

The agenda relating to *Places* in Hertfordshire is enormous, but it is crucial in terms of the county's economic future. We therefore intend to:

- ▼ Advance the development of Harlow Gilston and Hemel Garden Communities as exemplary, enterprising, creative and digitally enabled communities (**Theme 1: Digital foundations, frontiers and futures; and Theme 2: Old New Towns, new New Towns**).
- ▼ Continue to deliver the vision for Stevenage Central – and link this to employment provision on Gunnels Wood Road (**Theme 2: Old New Towns, new New Towns**).
- ▼ Deliver new economic visions for Letchworth Garden City with a strong focus on enterprise and creativity; and for Hatfield town centre (Hatfield 2030), (**Theme 2: Old New Towns, new New Towns**).
- ▼ Develop an intelligent and ambitious vision for Park Plaza to redefine ambitions for south east Hertfordshire (**Theme 6: Beyond boundaries – a new relationship with London**).
- ▼ Advance plans for Watford Junction Interchange to enable this £1.6 billion regeneration site to become a 21st century gateway into the town and to exploit fully Hertfordshire's connectivity with growth opportunities in London and the Midlands (**Theme 6: Beyond boundaries – a new relationship with London**).
- ▼ Support the development of town-level creative/cultural strategies, in part as a route to re-energising high streets (particularly in the New Towns, but also more generally) (**Theme 7: Creative sectors, creative people**).

## Consultation question 8

In relation to the Place Foundation from the White Paper, what do you consider to be the key priority for Hertfordshire?



## Next steps

Our Local Industrial Strategy is framed by seven strategic themes for Hertfordshire. These are important for the county’s medium-long term growth ambitions. They will be taken forward in a number of ways – of which the LIS is just one.

In distilling our LIS, we have sought to focus on the opportunities and threats that resonate most closely with central government, and in articulating possible responses, we have been steered by government policy as set out in the Industrial Strategy White Paper. Our final LIS will be jointly branded with central government. It is important therefore that it addresses Hertfordshire’s challenges and seizes its

opportunities in a way that contributes clearly to national agendas. We are confident this is the case and in developing our LIS further, we look forward to a period of “co-design” with central government over the weeks ahead.

First though we will welcome feedback to this consultation draft from businesses, partners and stakeholders from across Hertfordshire.

### Consultation question 9

Government has made it clear that there is (as yet) no new resource with which to deliver LISs. How might your organisation contribute to delivering the priorities set out in this document?



# Hertfordshire

Local Enterprise Partnership

**PERFECTLY PLACED FOR BUSINESS**