

Perfectly Placed for Business

Hertfordshire's Strategic Economic Plan

March 2014

Foreword



Hertfordshire is **Perfectly Placed for Business**.

We have world class businesses and world class people. We have a strong and synergistic link to England's world city – London. We are at the heart of the “Golden Triangle” of UK science, and the national focus for genuinely open innovation. But we have challenges too: we are not building enough houses, our transport infrastructure is very congested and our New Towns are in urgent need of investment and renewal.

Our Strategic Economic Plan (SEP) has been developed in response. It is well evidenced and the rationale for its individual components is compelling. Because of this, we are keen to forge a Local Growth Deal based on it.

We have come a long way in a short time to make Hertfordshire ready for transformational change.

In terms of how we will achieve this, we are committed to advancing:

- **Three Growth Areas**, which include our New Towns, to act as the focus for investment. Within these, investment in transport infrastructure will be transformational in stimulating economic growth. Some of this can be delivered at a local level but some requires other central government investment
- **Two “game changers”** concentrating on delivering more housing and investing in infrastructure
- **One set of results** which will be achieved with support from the Local Growth Fund and through our wider Local Growth Deal. This will include, by 2030:
 - 16,600 additional homes
 - 38,600 additional jobs
 - £3bn additional uplift to GVA
 - Leverage of £590m private sector funding by projects identified in our SEP

Our “offer” therefore is structured around:

- *a commitment to use our own resources to advance, with our local authorities, “game changers” in relation to housing (through accelerated delivery) and infrastructure (through a culture change in the identification, development and delivery of transport projects to support economic growth; and also through a funding solution that borrows against future growth)*
- *a new model in New Town regeneration, premised on proactive delivery models and linked to significant housing growth, with a suite of “shovel ready” projects for early delivery*
- *an “open innovation” solution that will deliver high value*

economic growth linked fundamentally to our science-based assets.

To make this possible, we are “asking” for:

- *£38.6m from 2015/16 LGF, of which:*
 - *£12.0m is for Croxley Rail Link in 2015/16 with a requirement for a further £8.5m in 2016/17 (Note that these figures are **in addition to** the existing commitment to Croxley Rail Link; the additional resource is needed to realise additional regeneration benefits for the M1/M25 Growth Area)*
 - *£9.8m is committed to other transport schemes (excluding Croxley Rail Link)*
 - *£5.25m is for skills projects*
 - *£1.25m is revenue funding and £2m is capital funding to support our Business Growth Programme*
 - *£8.3m is committed to a number of other ventures to support Perfectly Placed for Business*
- *a commitment from government to support the creation of our Evergreen Infrastructure Fund, and then to invest in it*
- *rapid progress in relation to A1(m) Junction 6-8 improvements*
- *use of Regional Growth Fund or other sources of revenue funding to support our businesses.*

I look forward to our negotiations with Ministers over the weeks ahead



John Gourd

Chairman

Hertfordshire Local Enterprise Partnership

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Our strategy

Perfectly Placed for Business, our **Strategic Economic Plan (SEP)**, sets out a long term blueprint for smart economic growth in Hertfordshire.

It describes a journey to which Hertfordshire Local Enterprise Partnership – working with private and public sector partners and stakeholders – is fully committed. As a result of it, by 2030, we will have delivered **one result**, summarised in terms of:

- 16,600 additional homes
- 38,600 additional jobs
- £3bn net additional uplift in GVA (measured at constant prices).

Hertfordshire has enormous potential: it is an attractive location for business given its proximity to London and its high quality of life. Its strategic location at the heart of UK science means that it can be a catalyst for innovation and it can drive forward knowledge-based economic growth.

At the same time, these assets and opportunities bring with them no

guarantees. They need investment so that the potential within them is realised.

Hertfordshire is an outstanding place. But without investment, it will slip unnoticed into mediocrity, and our full potential contribution to UK Plc will be lost.

Within our SEP, our Implementation Plan therefore describes the next and most immediate steps on this journey, building on the progress that Hertfordshire LEP has made over the last 18 months. It also sets out our “offer” to and “ask” of government in relation to the 2015/16 Local Growth Fund (LGF), and more broadly. Alongside proposals in relation to business support and skills, it is focused around:

- **Two “game changers”** which will tackle, at scale and head-on, our principal constraints to growth: housing and infrastructure
- **Three Growth Areas** (defined around our transport corridors and including our New Towns), all of which are geared up for significant growth.

Perfectly Placed for Business is underpinned by a substantial evidence base and detailed project-level implementation plans and business cases, all of which are available separately.

Figure 1: Perfectly Placed for Business: Our Strategic Economic Plan



Our priorities

In responding to national imperatives for growth and delivering *Perfectly Placed for Business*, we have four Priorities. In partnership with government, we want to invest in these to generate nationally significant impacts in relation to jobs, economic output (GVA) and housing.

I: Global excellence in science and technology

Hertfordshire is home to world class science. It also has outstanding credentials in film, digital animation, media and creativity. This combination provides an exceptional foundation for high value and accelerated economic growth.

Bioscience, life science, pharmaceuticals

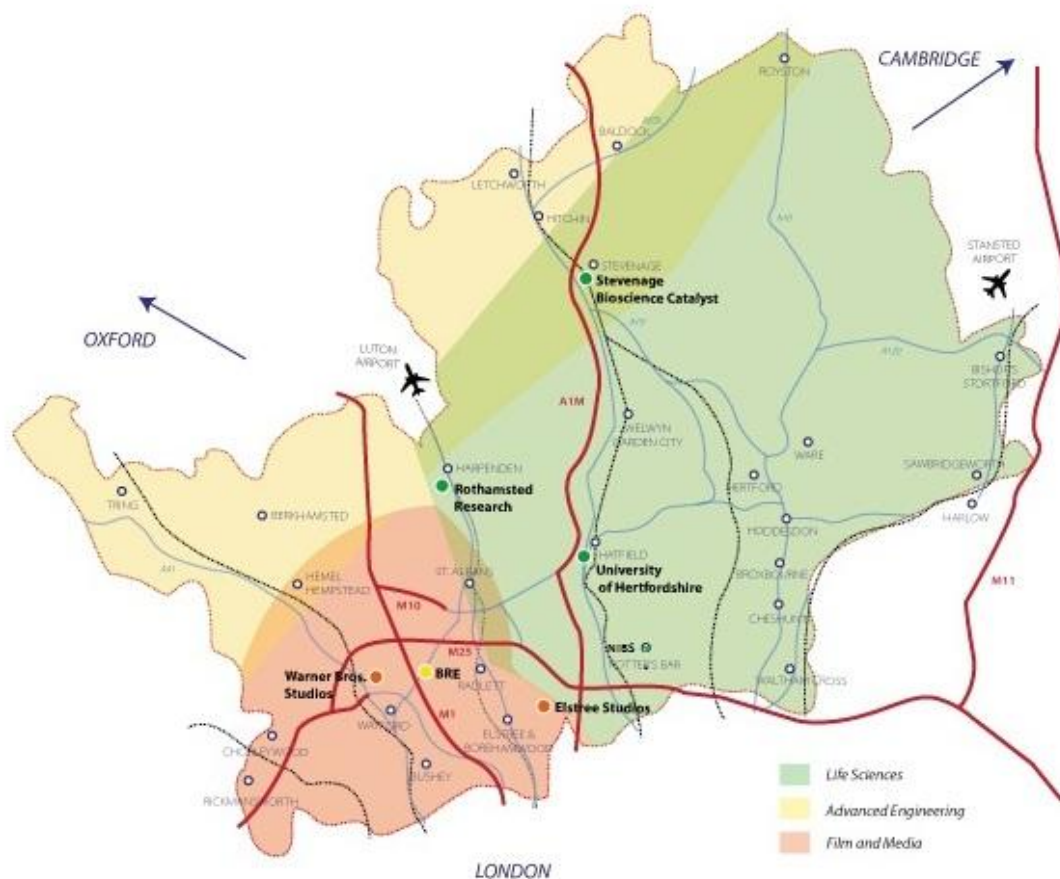
Hertfordshire has a unique concentration of expertise in pharmaceuticals and bioscience (in which a recent report by the Enterprise Research Centre (2014)


found that it had almost five times more employment than the national average) – but also broader science and engineering specialisms. It is second to none in translational research.

With major sites at Stevenage and Ware, GlaxoSmithKline (GSK) has invested heavily: it has chosen to concentrate much of its overall research capability in the county and large numbers of research scientists are engaged in world class science linked to drug discovery. The pharmaceutical R&D laboratories of Merck Sharp and Dohme (MSD) are in Hoddesdon in the south of the county, and these too have seen substantial recent investment. So already, Hertfordshire is a global hub of pharmaceuticals-related R&D.

But – as a result of our past efforts – our assets go further and deeper. **Over the last decade, we have seen the development of a world class infrastructure for open innovation. It is this on which we want to build.**

At its core is the Stevenage Bioscience Catalyst. This venture was initiated by GSK and the Wellcome Trust with government support. It is physically





located in the midst of GSK's Medicines Research Centre site in Stevenage and it provides an environment in which new and small bioscience companies can benefit from corporate networks, expertise and scientific facilities. Hence it is – effectively – de-risking the formation and growth of new bioscience businesses. Its first phase has been very successful. With University College London, University of Cambridge, GE Healthcare and Johnson and Johnson joining the ever-lengthening list of tenants, the conditions for moving to the second and third phases of its expansion plan have been given added impetus by the decision of MRC Technology to locate its Centre for Therapeutics Discovery in Stevenage by the end of 2015.

In parallel, BioPark – in Welwyn Garden City – has become a hub for small biopharmaceutical, contract research and medical technology businesses. It occupies the site of the former Roche laboratory and it offers R&D space on flexible terms. It is run by Exemplas on behalf of the University of Hertfordshire, and it therefore has strong links to higher education; these are invaluable for small, new and growing knowledge-based firms.

Our infrastructure for open innovation is therefore already strong. Our intention is to invest in it further so that the growth of high value businesses can be accelerated, with significant impacts measured in both GVA and employment.

We are confident we can succeed. This is partly because – through Stevenage Bioscience Catalyst, BioPark and the like – we have a demonstrable track record of making it happen.

But it is also because Hertfordshire is in precisely the “right place”:

- Immediately to our south is London which is seeing substantial investment in bioscience-focused R&D. But – as a basis for wider commercialisation – it is congested and very expensive

- To the north is Cambridge. It too is seeing significant investment, notably through the relocation of Astra Zeneca, itself a response to the depth of bioscience expertise in Cambridge: the Laboratory for Molecular Biology, the Babraham Research Campus, the Genome Campus, and so on.

The growth of bioscience in London and Cambridge is not a threat to Hertfordshire. Quite the opposite: the physical presence of both University College London and the University of Cambridge at Stevenage Bioscience Catalyst provides ample evidence of Hertfordshire's role and potential at the core of the UK's Golden Triangle.

Film, digital animation and creativity

Alongside bioscience, we have world class assets in film, digital animation and creativity.

Warner Brothers (at Leavesden) and Elstree Film Studios are globally significant locations in relation to film and TV; they are seven miles apart in south west Hertfordshire. Both have seen substantial investment in recent years and together, they form the core of a cluster which is growing rapidly in its scale and impact.

As part of it – and located nearby – we now have two University Technical Colleges at Elstree (specialising in entertainment, film, television, theatre, visual arts and digital communication industries) and Watford (focusing on digital communication).

Further, the University of Hertfordshire is recognised as among the top 20 universities in the world to study animation. It runs four undergraduate programmes in digital animation: 2D animation, 3D animation, 3D games art and visual effects.

Through major companies and a strong supporting infrastructure – expressed

especially in terms of skills – we therefore have a unique concentration of world class assets, and a strong foundation for knowledge-based economic growth. We intend to use this fully.

2: Harnessing our relationships with London (and elsewhere)

Hertfordshire has a distinctive economic geography. In addition to the orbital M25, it is traversed by three major radial corridors. Each of these is defined by strategic road and rail routes. Moving from west to east, they are:

- **M1 / West Coast Mainline** which extends from London through Watford and Hemel Hempstead (and then onto Luton, Milton Keynes and beyond)
- **A1(m) / East Coast Mainline / King's Cross to Cambridge railway line** which runs from London through Hatfield, Welwyn Garden City, Stevenage and Hitchin; and then onto Peterborough on one spur and (via Letchworth Garden City and Royston) onto Cambridge on the other

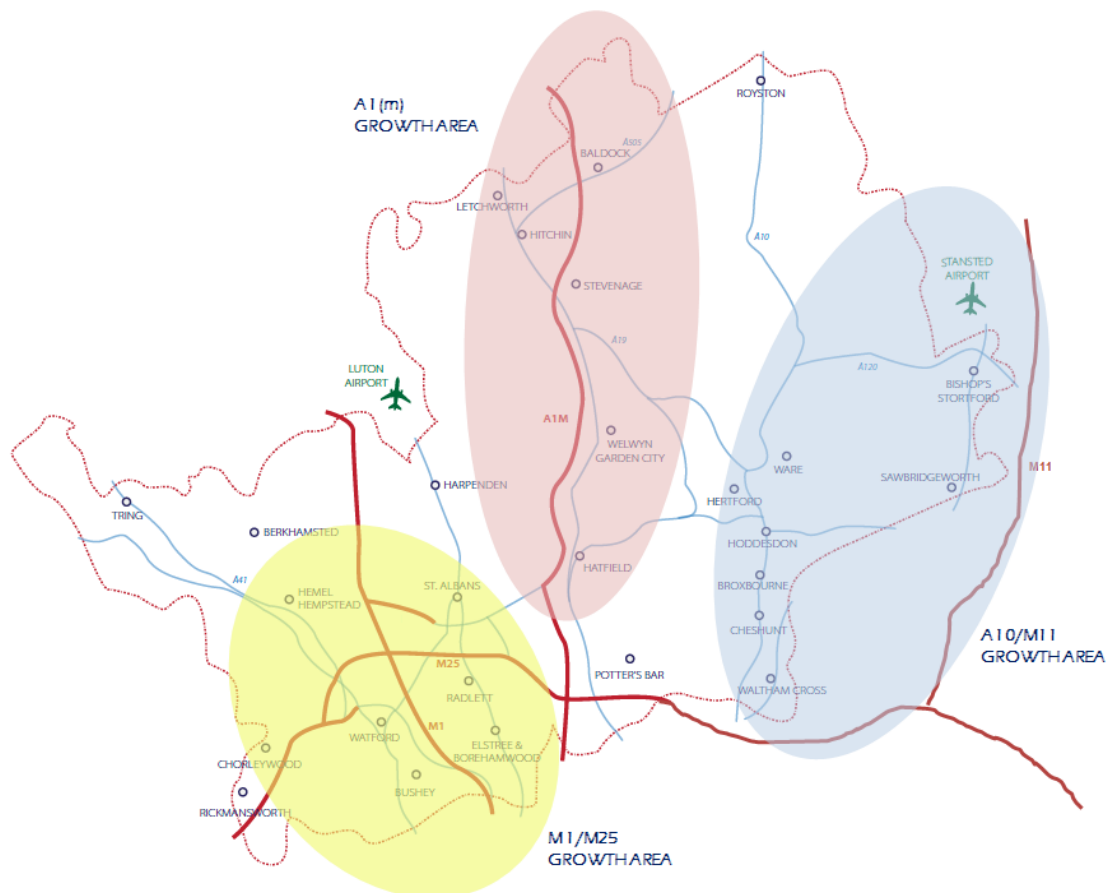
- **M11 / A10 / Liverpool Street to Cambridge railway line** which extends from London through Broxbourne and Cheshunt to Bishop's Stortford (and Harlow, in Essex) and onto Cambridge.


In each case, the rail corridor is increasingly important alongside the principal strategic road connections. And in combination, they are providing crucially important economic corridors defined around their connectivity. We are seeing increasing commuting and business-to-business activity along these corridors.

This is a growth dynamic that we are determined to harness.

It of course brings with it some downside risks. Hertfordshire cannot become simply a home for low value activities priced out of London. It also places an ever greater reliance on a transport infrastructure that is already congested and badly in need of investment; it is telling, for example, that Hertfordshire can claim 2% of the national population; 1.3% of the land; and nearly 3% of all national vehicle miles.

But the upside risks are considerable too. In harnessing these corridors





appropriately – and the agglomeration effects that are being created within them – we believe that we will significantly accelerate the pace of economic growth county-wide.

3: Re-invigorating our places

Reinventing our New Towns

Hertfordshire has no dominant city (or city-region) at its functional core. Instead, our spatial economy is characterised by a dense network of urban areas. The largest – with a population of 132,000 – is Watford, but there are nine others with a population of more than 35,000 nearby.

We have four “first wave” New Towns within Hertfordshire (Hatfield, Hemel Hempstead, Stevenage, Welwyn Garden City) plus a fifth – Harlow New Town – on our border with Essex. In addition, South Oxhey is a London overspill town.

Together the Hertfordshire New Towns have a combined population of over 270,000 – meaning that around a quarter of Hertfordshire’s population lives in a New Town. Our New Towns also accommodate 1,000 hectares of employment land, much of which is in need of renewal to accommodate future economic growth. **In combination, these New Towns have the scale of a medium-sized city;** and they are bigger than Cambridge, Oxford and Ipswich (all of which have benefitted from City Deals when Hertfordshire’s urban areas have been deemed ineligible).

As New Towns, though – perhaps with the exception of Welwyn Garden City – all of their infrastructure is decaying simultaneously. It needs re-investment: town centres are jaded, the retail offer is poor and the socio-economic make-up of our New Towns differs starkly from elsewhere in Hertfordshire.

Re-investment in our New Towns needs an active development process and – despite the proximity of London – this is

almost entirely absent (in large part because of planning issues (see below)).

It also needs new and more creative thinking – with higher density solutions, recognising the particular opportunities linked to railway hubs within our growth corridors. Our New Towns are superbly well located in these terms. **Well connected, our New Towns need to become vibrant, lively, urban hubs underpinned by new models of both living and working** (in which “third spaces” (between home and work) play an ever-growing role).


Across England, the New Towns that have fared best in recent years – and delivered significant housing growth – have invariably been the larger ones, particularly Milton Keynes and Peterborough. **Collectively, our New Towns are bigger than either of these.** We are determined to find ways of making their scale and collective critical mass count. However their growth processes have been stymied and they have never had the delivery machinery to respond.

Yet the New Towns want to grow. To secure the re-investment that they desperately need, they must grow. And for Hertfordshire to prosper, it is imperative that a new phase of re-investment, regeneration and growth is unleashed.

We recognise that the challenges faced by our New Towns are not unique – although the local concentration of New Town “issues” is distinctive to Hertfordshire. Through our “Urban Futures” venture – and through the choices we are making with regard to the use of our own resources – we see ourselves as a national trail-blazer in this context.

Re-building a coalition for growth

Over 50% of our green field land is designated Green Belt; development is therefore complicated. Our overall spatial vision is in the hands of ten different



district councils. The granularity of our local government structure means that major growth opportunities are often complicated in terms of boundary issues.

These challenges have been significantly aggravated by constant changes to the planning system – by successive governments – over the last 20 years. The upshot is that:

- only four of our ten Local Planning Authorities (Watford, Three Rivers, Dacorum and Hertsmere) currently have adopted Core Strategies
- major development schemes – particularly those which cross boundaries – have so far proved difficult to advance.

Aside from the New Towns, Hertfordshire’s development economics does, however, generally stack up. Private sector developers have therefore funded the infrastructure needed to open up the available development sites.

But there are two substantial issues that an active development process cannot disguise.

One relates to the speed with which the planning system is bringing forward major schemes. Many of our major schemes have been on the horizon for decades. Over the last 18 months, there has been some local progress – led by Hertfordshire LEP and the local authorities. But even with a fair wind, these schemes will still take years to come forward. We must accelerate them.

The second surrounds the chronic congestion facing much of the county. With viable – if small – development opportunities, incremental growth has occurred. But it has been dispersed and “under the radar”. It has not triggered commensurate levels of transport investment to relieve ever-growing congestion: infrastructure investment is both a catalyst and necessary precursor to growth. Hertfordshire has not “*had a Northstowe*” to put major transport

investment (in that case, Cambridgeshire Guided Busway and A14 improvements) on the national agenda. We must put this right in order to move forward.

4: Foundations for growth

Our fourth priority is cross-cutting in nature. Hertfordshire performs well on all key metrics of economic well-being – skills, employment rates, activity rates, business start-up rates, etc. – at a county level. But within this, there are localised pockets of chronic disadvantage and really quite poor performance.

These are concentrated within our New Towns, but not exclusively so. County-wide – including in our extensive rural areas – there are small businesses that struggle to access the support they need to grow, and individuals who could enter and/or progress within the workforce if their skills were developed. Our fourth priority is concerned with addressing these cross-cutting opportunities and concerns.

Links between our priorities

Our priorities differ from each other. But they are linked.

Despite our assets, we will not succeed in becoming a global hub for open innovation unless our skilled and highly sought-after workers:

- can find somewhere locally that they – and their families – want to live
- can move around the county.

So **we need more housing. We need our towns to perform** as vibrant and connected settlements and communities; some of our historic settlements fit this bill, but our New Towns generally do not. This is a wasted opportunity. **We also need our infrastructure to function.** We are determined to put all of these challenges right. Our implementation priorities have been defined in response.

3-2-1... How we are going to do things differently

The narrative surrounding our priorities may come as “news”. Or it may not: the “Hertfordshire opportunity” is hardly a secret, and it is certainly recognised by businesses (if not always by government).

But what is different is the steps we are going to take in relation to implementation.

Three Growth Areas

We are going to drive forward delivery principally through **three Growth Areas** – defined around the transport corridors set out above.

These are, *de facto*, functional economic areas – albeit with permeable boundaries.

Our principal **science and technology-based assets** are physically clustered within them:

- bioscience/pharma is strongly concentrated in the A1(m) Growth Area and the links to both Cambridge and London are seriously important
- film/TV/digital is physically focused in south west Hertfordshire in the M1/M25 Growth Area; and links to London (and also into Buckinghamshire) are crucial.

The footprint of **our New Towns** is seen in our Growth Areas, and their economic rationale is clearest when set in their specific local contexts:

- Hemel Hempstead is within the M1/M25 Growth Area, as is the London overspill settlement of South Oxhey
- Stevenage, Hatfield and Welwyn Garden City are all within the A1(m) Growth Area.

And of course, **transport investment priorities** are best defined in relation to transport corridors. With the Growth Area lens we can consider both strategic infrastructure (rail and road) and more local priorities defined largely in relation to our dense network of towns and the connectivity within and between them.

The LEP area-wide vantage point remains critical. It is only at this scale that many of our priorities in relation to business support and skills “make sense”. And there needs to be a county-wide perspective on many infrastructural issues.

Nevertheless, our intention is to drive forward **Perfectly Placed for Business** primarily through our three Growth Areas.

Two game-changers

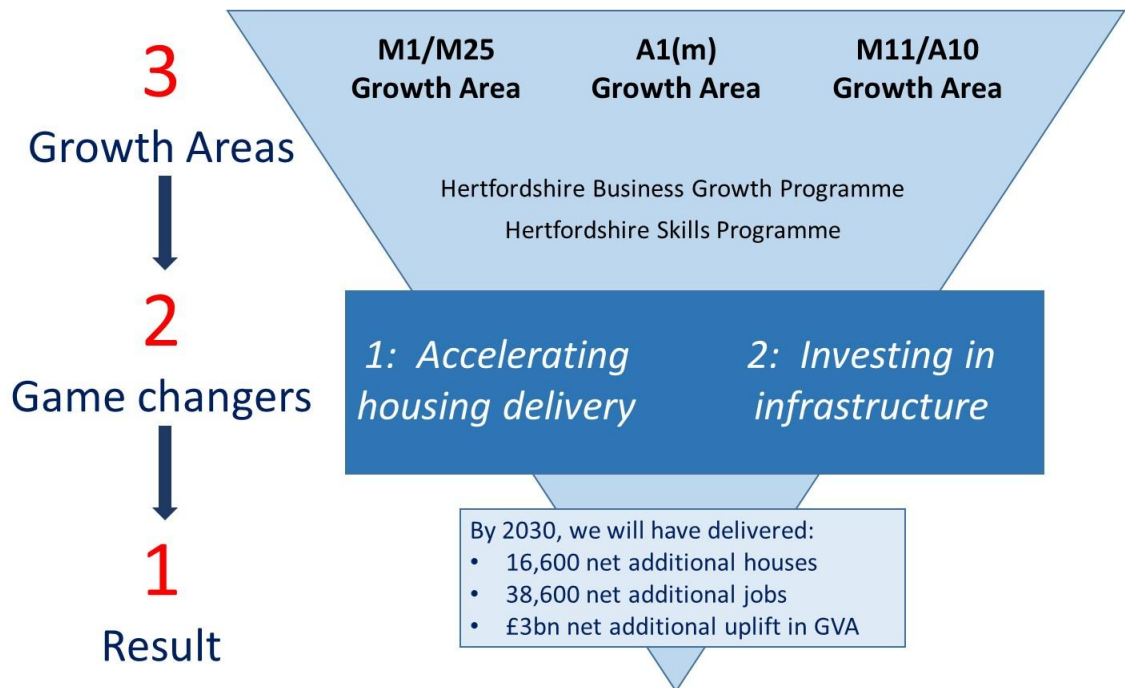
We will advance two “game-changers” which will tackle head-on the principal delivery challenges which are facing Hertfordshire. These relate, simply, to the **delivery of housing** and **investment in infrastructure**. Both need a different approach and a step-change in delivery outcomes.

One result

We will achieve one result: a realisation of Hertfordshire’s economic potential with clear benefits for the wider UK economy. In quantified terms, this will include, by 2030:

- *16,600 additional homes*
- *38,600 additional jobs*
- *£3bn net additional uplift in GVA (measured at constant prices).*

Figure 2: 3-2-1: Delivering *Perfectly Placed for Business*





Hertfordshire game changers: 1 – Accelerating housing delivery

Much of our county is within the Metropolitan Green Belt. More generally, we are very conscious of the need to respect our outstanding environmental assets.

Within this context, Hertfordshire has delivered more housing than is typically assumed. Over the period from 2002/03-2012/13, we added almost 40,000 dwellings to the housing stock.

But we need more. House prices are high and we simply do not have enough provision to deal with existing demands.

Our existing target is 3,717 dwellings per annum (dpa) over the SEP period (2015-2021). However:

- projections from CLG suggest that our dwelling stock needs to increase faster than this to keep pace with projected household and population growth.
- whilst linked to the economic downturn, the fact remains that we failed to achieve our existing target in each of the last five years for which we have data.

In short, whilst our existing targets are ambitious relative to what we have delivered over recent years, both our targets and our achieved rates of delivery are below what we need.

Housing delivery in Hertfordshire is complicated, and we will need to work closely with our district councils (and Hertfordshire County Council) to make progress. Most of our major schemes have boundary issues. Given these complexities, continual changes to the planning system have been profoundly unhelpful and they have caused endless delays over much of the last 20 years.

But we need to move on.

In response we will:

- actively support the Hertfordshire Infrastructure and Planning Partnership (HIPP) in its commitment to work towards a shared county-wide spatial plan/vision
- work with our district councils (and Hertfordshire County Council) to agree a housing target that is closer to the one we need – in the order of 4,500-5,000 dpa
- support delivery vehicles to accelerate town centre regeneration with a significant housing element, focusing on our New Towns and starting in Stevenage
- convene a Growth Area Forum in each of our Growth Areas to accelerate the progress of significant schemes. Together these schemes should deliver upwards of 19,000 houses
- prioritise transport and other infrastructure investment which unlocks housing sites
- support our local RSLs which are keen to develop more social housing but need more approvals through the planning system
- support the National Housing Federation's "Yes to Homes" campaign in Hertfordshire.

Hertfordshire game changers: 2 – Investing in infrastructure

Hertfordshire needs significant investment in infrastructure: our transport infrastructure (both road and rail) is chronically congested. This is a major constraint to growth currently.

Most immediately, Croxley Rail Link is our highest priority. We know that Croxley Rail Link is not only a great infrastructure project but also a transformational regeneration project. It will stimulate investment in a range of complex brownfield sites across Watford.

More generally, we are confident that with appropriate investment in infrastructure, we can deliver accelerated growth in housing and jobs, and hence GVA. To this end, we are changing the way transport schemes are prioritised in Hertfordshire – moving to a focus on transport infrastructure to support and unlock growth; and developing Growth and Transport Plans for growth locations within Growth Areas.

In addition:

- we want to retain a share of the total tax dividends that flow from the additional economic growth that we expect to generate. This will be used to fund the borrowing through which we will deliver infrastructure enhancements
- we intend to create an Evergreen Infrastructure Fund through which funds will be gathered and recycled. This will require local authorities to contribute by diverting a proportion of retained receipts from business rates receipts and from the development process (s106 and Community Infrastructure Levy)

These mechanisms will be delivered at some scale. Our expectation is that they will operate for each of our Growth Areas (because there will then be a relationship between the location of investment and the location of growth). This may mean that different parts of the county move forward at different rates – but we see this as healthy rather than problematic.

The exact structure of our proposed Infrastructure Fund – and the governance arrangements in which it is vested – is yet to be fully agreed. Hertfordshire LEP will commit to driving forward this design process during the early part of 2014/15.

We will however be looking to government to be a co-investor in the Fund, recognising that there will be a need for upfront infrastructure investment and that there will be some lag before the enhanced tax dividends flow through. This is a key part of our “ask” which we will want to agree as part of our Local Growth Deal.



Our implementation priorities for 2015/16

Our highest priority is the delivery of **Croxley Rail Link**: the service must be operational from 2017.

Beyond that, our implementation priorities for 2015/16 will:

- focus on three Growth Areas which we have defined spatially around our principal road and rail corridors:
 - **M1/M25**
 - **A1(m)**
 - **M11/A10**
- advance two county-wide initiatives:
 - **Hertfordshire Business Growth Programme**
 - **Hertfordshire Skills Programme**

As a result, we will:

- deliver clear short term impacts
- make headway with our **two “Hertfordshire Game Changers”** – linked to the accelerated delivery of housing and infrastructure investment – and provide the foundations for long term growth.

M1/M25 Growth Area

In 2015/16, we will put in place the foundations for accelerated growth.

To achieve this....

Our offer:

- We will continue to work with Watford Borough Council to achieve maximum economic impacts linked to planned investment in the Croxley Rail Link and at Watford Junction; and to advance major schemes, particularly Watford Health Campus
- We will convene a Growth Area Forum and work with the relevant local authorities to accelerate progress linked to potential major schemes
- We will advance plans for a science park facility at Rothamsted Research, linking in with Hertfordshire's wider ambitions in respect of open innovation
- We will continue to promote and develop film/TV in south west Hertfordshire as part of a wider cluster with a footprint that includes London and Buckinghamshire

Our ask:

- We need £12.0m for Croxley Rail Link from 2015/16 LGF with a requirement for a further £8.5m in 2016/17 (Note that these figures are *in addition to* the existing commitment to Croxley Rail Link; the additional resource is needed to realise additional regeneration benefits for the M1/M25 Growth Area)
- We need incremental investment of £3.8m to advance a series of transport measures in the M1/M25 Growth Area from 2015/16 LGF (excluding Croxley Rail)
- We need £1m from 2015/16 LGF to support a series of bioscience related projects (Rothamsted and Butterfly World)
- We need £250k from 2015/16 LGF to support our housing joint venture and delivery vehicle, and the M1/M25 Growth Area Forum

Our opportunity for growth

The M1/M25 Growth Area spans five of our local authority districts in south and west Hertfordshire: Dacorum, Hertsmere, St Albans, Three Rivers and Watford.

This area is a hub for film and creative media with Warner Brothers at Leavesden, the BBC studios at Elstree and the separate Elstree Studios; and as evidence of the ever-strengthening cluster, we can point to the emergence of dedicated University Technical Colleges. It also has substantial assets for open innovation linked to Rothamsted Research, BRE and the wider possibilities

for environmental technologies in the Green Triangle.

Watford is the largest town and – through Croxley Rail Link and other major interventions – there is the prospect of significant economic growth.

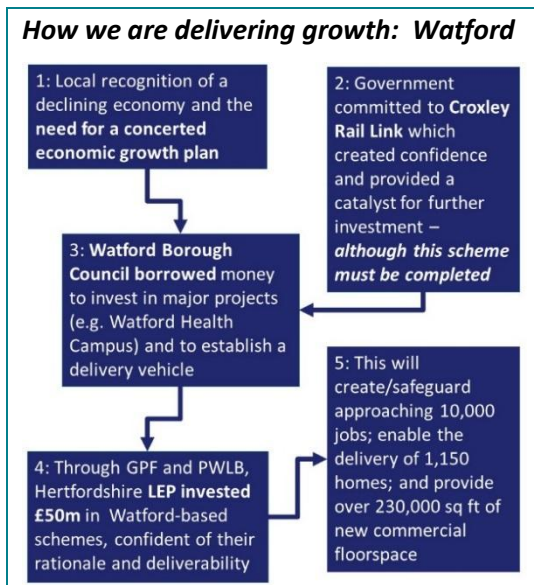
There are also major – largely untapped – opportunities in and around Hemel Hempstead. On the eastern side, Heart of Maylands and Maylands Gateway are priorities.

Hemel Hempstead is one of Hertfordshire's New Towns that must be allowed to grow, if it is to achieve critical mass. Elsewhere within the M1/M25 Growth Area, there are opportunities to

bring forward some medium sized housing sites. Two important examples are at South Oxhey and Elstree.

The momentum we have already generated...

Within this Growth Area, **Watford's** recent growth trajectory has been impressive.



In the mid 2000s – and in response to evidence of employment decline – the Borough Council adopted an explicitly pro-growth strategy. This was given some impetus by government’s commitment to the Croxley Rail Link and also plans for Watford Junction – two major transport schemes. The council used its own resources and borrowing powers to fund a dedicated delivery vehicle. Significant progress has been made since in the delivery of major schemes such as Watford Health Campus. More is planned through – for example – Watford Business Park. And private sector investment is following. The process of reinvestment in Watford is on-going but it is a major success story.

Hemel Hempstead is now following a similar path: a town centre masterplan is in place and a substantial regeneration scheme is making headway. Investment

in Hemel Hempstead is an implementation priority.

In addition, this area has seen – and is seeing – substantial (mainly) private sector investment, all of which is generating real momentum and purpose. Illustratively, this includes:

- £120m investment by Warner Brothers in Leavesden Studios and Harry Potter Studio Tour; and further ongoing investment in Leavesden Park (office development)
- £2m investment through Hertfordshire LEP’s Growing Places Fund in expanding Elstree Studios
- £13.8m investment in the Oaklands College Discovery Centre (teaching/sports facility) in St Albans
- Amazon’s investment in a major new distribution centre (in Dacorum) providing over 1,000 new jobs
- £10.84m investment by BBSRC in the redevelopment of Rothamsted Innovation Centre
- £100m investment in the Charter Place redevelopment in Watford
- Future investment in a major rail freight terminal at Radlett (where the Secretary of State has indicated that he is minded to approve the planned development).

Our 2015/16 Implementation Priorities

Our most urgent implementation priority surrounds **Croxley Rail**; this scheme is pre-committed through LGF and it is essential that it is delivered on schedule. We are seeking further funding from LGF due to the additional regeneration benefits that the scheme will bring and its critical impact on Watford’s future economic growth. Advance work has started on the ground and confidence is growing with investors now appreciating the difference that this link will make to

business, residential and retail locations throughout the town.

We will implement a **package of transport measures linked to the major M1/M25 growth opportunities**. The first tranche is concerned with congestion reduction and travel choice enhancement: specific schemes include A414 Breakspear Way signalisation (on Maylands) and urban realm enhancements in Watford. The second is longer in timescale and relates to Hemel Hempstead railway station and A41 resilience. The third is concerned with the use of studies and other evidence to inform a longer term Growth Area-wide approach.

We will work with **Rothamsted Research** to advance its plans for a science park facility, recognising the role that this could play vis-à-vis Hertfordshire's wider offer in terms of open innovation. Most immediately, this will focus on the **refurbishment of the Daniel Hall Building (Innovation Centre)**. Linked to this is **St Albans Biosphere: Butterfly World**. This will deliver impacts quickly and it chimes

with wider thinking surrounding the Green Triangle.

We will set up a **M1/M25 Growth Area Forum** and work with relevant local authorities and other stakeholders (particularly the Homes and Communities Agency), to make progress in relation to plans for major schemes.

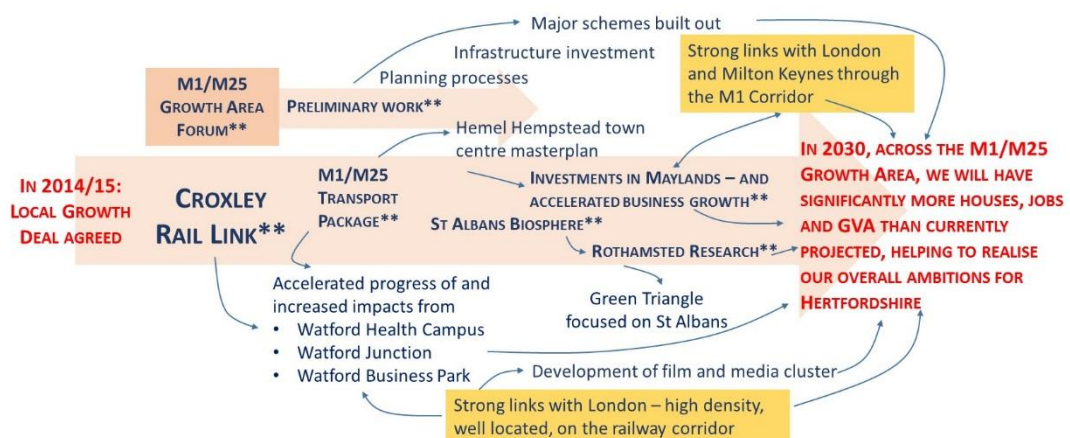
Our ask of government

In advancing these different strands, Hertfordshire LEP's own resources (through recycled Growing Places Fund and EUSIF) will be flexed to the full. Our additional ask of government is therefore relatively modest.

In addition to the resources which have been pre-committed to Croxley Rail Link, we are seeking an additional £20.5m from LGF (in 2015/16 and 2016/17) to meet rising betterment costs.

Beyond this, we need further funding from the LGF to support identified priorities. These are listed below.

M1/M25 Growth Area: Driving forward our Strategic Economic Plan (**key elements of our 2015/16 Local Growth Deal)



M1/M25 Growth Area: Investment priorities

Projects to be supported through 2015/16 LGF

- **Croxley Rail Link (£12m from 2015/16 LGF) – High profile and transformational scheme,**

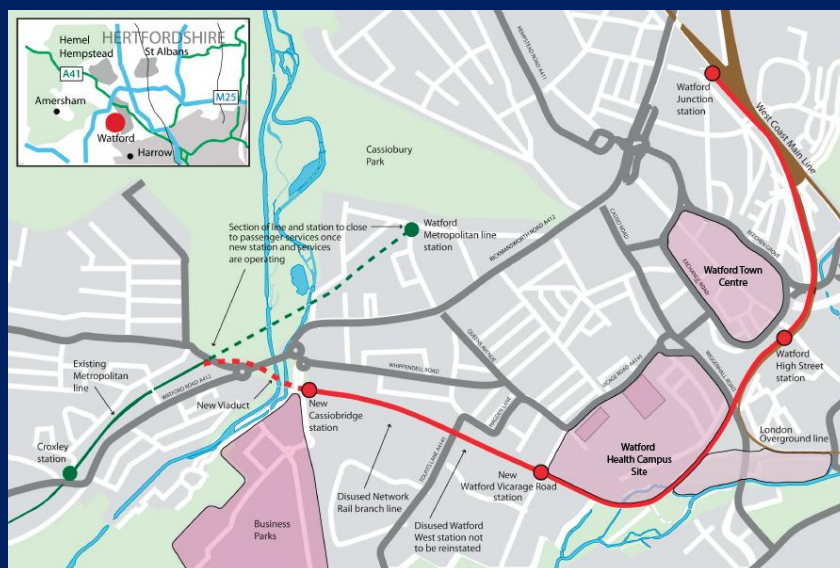
<i>focused on a new underground line and stations, with substantial economic impacts in Watford and beyond</i>
<ul style="list-style-type: none"> • St Albans Biosphere: Butterfly World (£500k from 2015/16 LGF; plus £1.5m in 2016/17) – Major visitor attraction with 10,000 tropical butterflies and scientific links to Rothamsted Research • Rothamsted Research – Daniel Hall Building Refurbishment (£500k from 2015/16 LGF) – Refurbishment of an innovation/incubator facility at the heart of the Rothamsted campus • M1/M25 Growth corridor – West Coast Main Line transport package (£3.8m from 2015/16 LGF; plus £6.2m in later years) – Package of transport schemes including A414 Breakspear Way Junction Improvements, Hemel Hempstead station forecourt enhancements, and Watford Business Park Pedestrian and Cycle Access Enhancements • Hemel Hempstead Urban Futures and M1/M25 Growth Area Forum (£250k from 2015/16 LGF; plus £2m in later years) – A delivery solution focusing particularly on Hemel Hempstead to provide effective co-ordination and leadership and put in place partnership arrangements capable of developing a common purpose
Projects due to start in later years of the SEP period – with likely calls on later years of LGF (indicative list only)
<ul style="list-style-type: none"> • M1/M25 Growth Area – Evergreen Infrastructure Fund (£6m) – Rotating fund for investment in the M1/M25 Growth Area • CLEER (Collaborative Lean Energy Efficient Refurbishment) (£2m LGF) – Project focused on the sustainability of buildings, led by BRE • North London Stadium, Rowley Lane, Borehamwood (£5.5m LGF) – Stadium, training facilities, community facilities and 200 bed hotel • Maylands Gateway – Business Growth Zone (£0.8m LGF) – Project to encourage inward investment into Maylands Gateway • Heart of Maylands land assembly (£2m LGF) – Finance project to accelerate land assembly in Heart of Maylands • Unlocking the Growth potential across the Maylands Gateway (£2.6m LGF) – Range of infrastructure improvements, including a number of new roads to make sites ready for development • South Oxhey Regeneration Initiative (£2m LGF) – Project focused on the early delivery of housing at South Oxhey • Elstree Way Corridor (£3m LGF) – Project providing enabling infrastructure for a significant housing development • Watford Junction (£2m estimate LGF) – Regeneration Scheme capable of delivering 1500 homes and up to 2,350 new jobs
Key projects of relevance to this Growth Area which are included in other Programmes
<ul style="list-style-type: none"> • From our Hertfordshire Business Growth Programme: <ul style="list-style-type: none"> ○ Oaklands College Mansion House • From our Hertfordshire Skills Programme: <ul style="list-style-type: none"> ○ West Herts College Hemel Hempstead Campus ○ Maylands Rapid Prototyping Centre

Our highest priority for 2015/16: Croxley Rail Link

Croxley Rail Link is a proposed diversion and extension of the Watford Branch of the Metropolitan Line to Watford Junction via Watford High Street. Currently the Metropolitan Line ends in a residential area which is a 15 minute walk from the town centre and 20 minutes from Watford Junction. The new line will provide direct tube access to Watford's core business area (Clarendon Road) and Watford Town Centre. New stations will be provided at Ascot Road (Cassio) (to serve nearby Croxley and Watford Business Parks) and Watford Vicarage Road (to serve Watford General Hospital, Watford Football club and the proposed Watford Health Campus). Watford Junction will increase its interchange function providing fast and slow services to London Euston and the Midlands, West Coast Mainline services, London Overground as well as Metropolitan Line services with the potential to link with the Chiltern line.

Work has been underway to prepare for the delivery phase of the scheme prior to seeking a full and final funding approval from DfT later in 2014. The scheme has an indicative allocation of £76m which has been incorporated into the LGF. If approved, delivery would commence in 2015/16 with the line opening in 2017. Croxley Rail Link is one of the Government's Top 40 Priority infrastructure schemes.

Hertfordshire LEP has supported Croxley Rail Link by successfully applying for £26m of PWLB funding. It has also supported adjoining initiatives through Growing Places Fund at Watford Business Park (£1.5m) and Watford Health Campus (£6m).



Economic benefits

The last business case identified the following economic benefits:

- **Better strategic connections** – Croxley Rail Link will provide a direct metro service between City of London, Central London and west and Central London
- **Enhanced local accessibility** – Time (which is currently spent walking between Watford Town centre and other developments to the south west of the town) will be saved
- **Expanding effective labour markets and encouraging sustainable commuting** – Access to skills and labour is a key factor in business decisions to locate in an area

- **Reducing congestion** – CRL will reduce congestion by improving public transport links, encouraging modal shift and, over time, encouraging more sustainable patterns of development

Since the submission of the Business Case, further economic benefits have become apparent as (a) there has been increasing confidence that the scheme will progress and this in turn has boosted investor interest and (b) the scheme has increasingly been seen as an enabler of the implementation of Watford's Core Strategy. Specifically:

- **Watford Business Park** – work has started to examine the feasibility of a redevelopment and link with Croxley Business Park to provide 1,000-2,000 additional jobs with potential GDV of £100m
- **Ascot Road/Western Gateway** – a Morrisons supermarket opened in 2013 representing a £25-£30m investment and providing around 300 jobs. There is major commercial interest in the remainder of the site with potential to provide 3,000 jobs but this is dependent on CRL proceeding
- **Watford Health Campus** – this is a unique development on a 65 hectare brownfield site. Current plans indicate provision for 750 houses. The accessibility of the overall site will be severely restricted without CRL
- **Watford Town Centre** – this includes a major indoor shopping facility and will be extended by a £100m investment in extending the leisure offer. CRL at Watford High Street Station will be close to the shopping centre
- **Watford Junction** – Longer term plans exist for the redevelopment of land with potential to provide 1,500-1,800 homes and 500,000 sq ft of commercial floorspace.

The physical elements

The **key elements** required to deliver the Croxley Rail Link include:

- a viaduct and embankment linking the current Metropolitan Line to the disused rail alignment between Croxley and Watford High Street;
- reinstatement of double track on the disused Croxley alignment, including a new junction with the Watford Junction to London Euston DC route at Watford High Street;
- work to bring the bridges, cuttings and embankments on the disused Croxley alignment into operational use;
- new stations at Ascot Road ("Cassiobridge") and adjacent to the Watford General Hospital ("Watford Vicarage Road") with ticket gates;

The case for investment

The business case is being reviewed to reflect the more developed and holistic project, which will also help identify the optimised funding package.

As noted above, the prospect of the scheme has itself been a catalyst for significant investment in Watford – from both the public and private sectors. When it comes on stream, the economic potential of Watford will be transformed: the value and attractiveness of adjacent land will, for example, increase greatly.

Croxley Rail Link is the highest priority for investment within our Strategic Economic Plan.

Whilst the funding package is currently being developed with stakeholders including DfT, our assumption is that the cost of delivering the enhanced transport benefits will be funded via the public sector rail industry and through LGF (£12m in 2015/16 and £8.5m in 2016/17) to secure enhanced economic benefits.

A1(m) Growth Area

In 2015/16, we will put in place the foundations for accelerated growth.

To achieve this...

Our offer:

- We will use our own resources to finance a Joint Venture with Stevenage Borough Council and HCA to accelerate town centre land assembly and the delivery of town centre housing and jobs
- We will create a Growth Area Forum to advance major housing schemes in the A1(m) Growth Area
- We will accelerate the delivery of Phase II of the Stevenage Bioscience Catalyst, as a key part of our wider efforts to develop the bioscience/pharmaceuticals sector further, and to promote Hertfordshire as an outstanding national focus for open innovation

Our ask:

- We need incremental investment of £1.3m to advance a series of minor transport measures and progress a holistic approach to transport issues in the A1(m) corridor
- We need £3m in 2015/16 to part-fund Stevenage Bioscience Catalyst Phase 2
- We need £2m in 2015/16 to launch the Stevenage Joint Venture to accelerate housing delivery, and to support the A1(m) Growth Area Forum
- We need government to prioritise improvements to the A1(m) between Junctions 6 and 8 as part of the national Route Based Strategy programme

Our opportunity for growth

The A1(m) Growth Area includes the districts of Welwyn Hatfield, Stevenage and North Hertfordshire; it follows the route of the railway line from King's Cross towards Cambridge; and it is defined in relation to the A1(m).

It epitomises Hertfordshire. It has enormous assets and potential, and this is reflected in significant private sector investment. It is located at the geographical core of the UK's pharmaceutical and bioscience sector (GSK, Stevenage Bioscience Catalyst, BioPark, Eisai, etc.) and it also has significant credentials in advanced engineering (where it can boast the likes of MBDA, Airbus and Johnson Matthey). It has great connectivity: all of the major towns are on the King's Cross to

Cambridge railway line. It is also home to the University of Hertfordshire which is strongly business-facing and is investing significantly in the heart of the area.

But some of its towns are struggling. Stevenage and Hatfield both have poor town centres with large numbers of empty shops, vacant offices, a very poor quality urban realm and a socio-economic profile that jars with that elsewhere in the county. In both cases, major employment sites are disconnected from the town centres.

The momentum we have already generated...

Over recent years, we have:

- **reinvented a number of major employment sites in the A1(m)**

Growth Area, most especially Hatfield Business Park (which was re-purposed following major restructuring in the early 1990s)

- **seen substantial investment – most of it physically in Hatfield – from the University of Hertfordshire.** This includes the University's ongoing capital investment plan (to 2021/22) which makes provision for investments of close to £200m in the county (including a new science building)
- **invested in the first phase of the Stevenage Bioscience Catalyst** within the site of GSK, thereby creating a world class infrastructure for open innovation.

This means that our implementation priorities for the A1(m) Growth Area come with significant underlying momentum.

Our 2015/16 implementation priorities

In the short term, we will use LGF resources to advance a **package of minor transport measures linked to the A1(m) Growth Area.** This includes

- A1(m) Sustainable Transport Measures to improve access to or along the rail, bus, cycling and walking networks for travelling between and within the towns
- Development of a Stevenage Growth and Transport Plan
- Local congestion study linked to A1(m) corridor

We will **establish a Joint Venture with Stevenage Borough Council to accelerate town centre land assembly and build capacity to drive forward local regeneration and growth.** This is a key element of our thinking with regard to New Towns. Working with the local authority, we will implement a new town centre vision linked to both housing and economic growth. In time, its work will

extend to neighbourhoods outside of the town centre.

In parallel, we will **establish a Growth Area Forum to bring together interested parties linked to major housing/mixed use schemes within the A1(m) Growth Area.**

If implemented, a West of A1(m) scheme could result in major housing growth (of some 5,000 additional dwellings). In 2015/16 we will want to complete some technical feasibility work as the first stage in contributing to the potential delivery of this substantial scheme.

We will advance **Phase II of the Stevenage Bioscience Catalyst** in order to secure the further growth of small, bioscience-related businesses, in Hertfordshire, and realise our ambitions with regard to open innovation.

We will **work with the University of Hertfordshire to advance its investment plans linked to a new science-based facility in Hatfield.**

Our ask of government

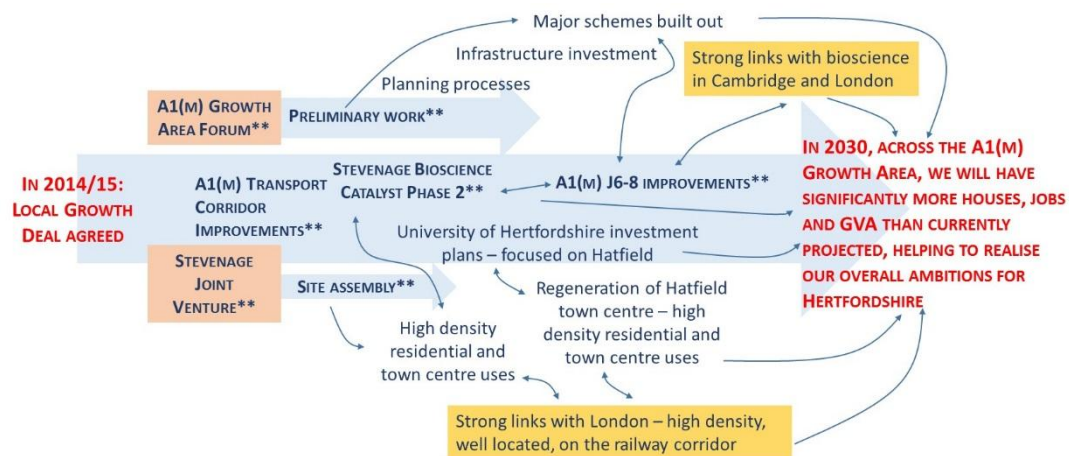
In advancing these different strands, Hertfordshire LEP's own resources (through recycled Growing Places Fund and EUSIF) will be flexed to the full. Our additional ask of government is therefore relatively modest.

We need £6.3m of funding from the LGF to support identified projects in 2015/16. Within this, we need funding of £3m in 2015/16 from LGF to support Stevenage Bioscience Catalyst Phase 2.

In addition, government must look again at the need for investment in the A1(m) (between junctions 6 and 8). This part of the A1(m) has two lanes only (when adjacent sections in both directions have three). The consequences in terms of congestion are acute and this is a major deterrent to business investment. A1(m) investment would transform opportunities for Stevenage, Welwyn Garden City and Hatfield – three New

Towns / Garden Cities in which significant housing and employment growth needs to take place.

A1(m) Growth Area: Driving forward our Strategic Economic Plan (**key elements of our 2015/16 Local Growth Deal)



A1(m) Growth Area: Investment priorities

Projects to be supported through 2015/16 LGF


- **Stevenage Bioscience Catalyst Phase 2** (£3m from 2015/16 LGF; plus £10.5m in later years) – *Project to accelerate the second phase of this facility which is driving innovation at the heart of UK bioscience*
- **Stevenage Urban Futures (housing joint venture and delivery vehicle) and A1(m) Growth Area Forum** (£2m from 2015/16 LGF; and £10m in later years) – *Project to accelerate the regeneration of Stevenage town centre, including provision for some acquisitions and site assembly, and also to advance major schemes across the A1(m) Growth Area*
- **A1(m) – transport package** (£1.3m from 2015/16 LGF; and £2.5m in later years) – *Series of transport schemes including A1 Sustainable Transport Package, A602 local congestion, and Buslink 2016*

Projects due to start in later years of the SEP period – with likely calls on later years of LGF (indicative list only)

- **A1(m) Growth Area – Evergreen Infrastructure Fund (£6m)** – *Rotating fund for investment in the A1(m) Growth Area*
- **Station Gateway Project, Stevenage** (£800k from LGF) – *Project to provide access to the town centre from the station via an uncovered link bridge*
- **Gunnels Wood Business Growth Zone** (£800k from LGF) – *Project to attract high tech industry, including research and development, to Gunnels Wood (on the edge of Stevenage)*
- **Stevenage Town Centre regeneration** (£2.7m from LGF) – *Redevelopment of the area around the Town Square (which is recognised as the only remaining example of an intact New Town town centre) to create commercial opportunities and a new public space*

Key projects of relevance to this Growth Area which are included in other Programmes

- From our Hertfordshire Business Growth Programme:
 - **Biosector mentoring programme**

- 
- From our Hertfordshire Skills Programme:
 - **Welwyn Garden City Campus renovation and refurbishment**
 - **Engineering project – Regenerating Letchworth**



Our “wider ask”: Investing in the A1(m) Corridor

The A1(m) suffers from severe congestion. It has some of the busiest stretches of the London to Leeds route – only the M11 near Harlow is busier. A comprehensive and holistic approach is being taken to the complex transport challenges along the A1(m) Corridor. As part of the strategic road network, the A1(m) is the responsibility of the Highways Agency but this represents only one part of the transport network.

Hertfordshire County Council, Hertfordshire LEP and the Highways Agency have worked closely to understand and evidence both the existing problems and issues and also those that would be caused by future planned developments. This evidence has fed into the Route Based Strategy being developed by the Highways Agency for the London-Leeds route. Currently, the most congested section is between junction 9 (Letchworth) and junction 5 (Welwyn Garden City) and this is the focus in the short term. This has been identified as a key priority for the LEP and the Local Transport Board. The Highways Agency is now revisiting work on a Smart Motorway proposal which it estimates could be designed and developed in 36 months – making it a deliverable scheme within the early part of the 2015-2021 spending period.

The evidence collated by the Hertfordshire A1 consortium also identifies delays caused to journeys when entering or leaving the A1(m). Our second priority is therefore to address congestion/capacity at the junctions and local road network. We are supporting further evidence gathering work in 2014/15 being led by Hertfordshire County Council on the current problems/issues and future problems due to planned growth. This work will take a similar approach to Route Based Strategies in that it will then prioritise areas for interventions and these will start to be designed from 2015 onwards.

The A1(m) Corridor is home to a significant proportion of Hertfordshire’s life sciences sector, as set out elsewhere in the SEP. There are over 1,000 hectares of existing employment land in Letchworth, Hitchin, Stevenage and Welwyn Hatfield. The proposal to bring forward the next phase of the Stevenage Bioscience Catalyst, which is immediately adjacent to junction 7, will have a further impact on an already congested network.

Every junction is close to existing or possible housing sites with the potential to accommodate up to 13,000 additional new homes by 2030. It was not very long ago that the HA was asking local authorities not to allocate more than 1,000 new homes due to capacity constraints on the A1(m). We do not want the capacity on the A1(m) to be a constraint on growth. The district councils in both Stevenage and North Hertfordshire have identified that capacity improvements will be needed before significant housing developments can proceed.

Providing alternative and sustainable means of travel is an important component of our approach. From 2015/16, a package of sustainable transport measures is proposed due to the high proportion of local journeys between the north Hertfordshire towns of Letchworth, Hitchin and Baldock and key employment sites in Stevenage, Welwyn Garden City and Hatfield. This is being complemented by an LSTF bid by Hertfordshire County Council for sustainable transport measures requiring revenue funding. The approach is to improve door-to-door connectivity between homes and work to make alternatives to using the car more realistic and competitive.

M11/A10 Growth Area

In 2015/16, we will put in place the foundations for accelerated growth.

To achieve this....

Our offer:

- We will continue to support the private sector-led development process which is apparent across East Hertfordshire
- We will work with East Hertfordshire District Council and other partners and stakeholders to advance plans for major schemes in the M11/A10 Growth Area
- We will continue to maximise the economic benefits linked to the planned growth of Stansted Airport

Our ask:

- We need incremental investment of £4.7m in 2015/16 to advance a series of transport measures in the M11/A10 Growth Area
- We need £1.8m to part-fund an Enterprise Centre at Broxbourne
- We need £200k to initiate the work of the Growth Area Forum for the M11/A10 Growth Area

Our opportunity for growth

The M11/A10 Growth Area includes the districts of Broxbourne and East Hertfordshire; and it is part of the London-Stansted-Cambridge growth corridor identified and championed by the London-Stansted-Cambridge Consortium. It will see important opportunities for economic growth over the next decade. Our intention is to flex these fully, and to achieve significant leverage from the substantial private sector investment which is being made.

To the north east of the M11/A10 Growth Area is Stansted Airport. Irrespective of the findings of the Davies Commission, this will grow. To the south, Broxbourne is very much part of a growth process focused on Lea Valley and fuelled, in part, by the legacy from London 2012.

Like the rest of Hertfordshire, local congestion is however a major issue in the M11/A10 Growth Area (including on east-west axes). A number of schemes need to

be implemented to sustain the underlying growth dynamic.

There are also skills issues to address, particularly in Broxbourne, where the skills of local residents are out of kilter with local development ambitions. In short, there is a need to raise aspirations as a core element of the M11/A10 Growth Area's development process.

The momentum we have already generated...

In planning for growth, the relevant local authorities have adopted a positive stance.

With a constrained land supply, Broxbourne Borough Council has been prepared to release land from Green Belt; it is supporting major schemes at Park Plaza and Greater Brookfield.

Over recent years, East Hertfordshire has seen the highest levels of housing delivery anywhere in Hertfordshire, and more is planned:

- Bishop's Stortford town centre has seen housing growth and well over £100m of private sector investment
- Bishop's Stortford North now has planning permission for 2,200 dwellings. There are access issues linked to the site, but the developers are expected to fund these in full. Hence this major scheme will proceed without subsidy.

In addition, in developing its draft Local Plan, East Hertfordshire District Council has indicated that there is potential for the development of between 5,000 and 10,000 new homes. However this is on land that would need to be released from Green Belt.

The planning framework is therefore broadly positive. In addition, this Growth Area has benefited from substantial private sector investment over recent years. For example:

- News International has invested over £350m in Broxbourne and it currently employs over 300 people locally; potentially this could increase
- GSK has invested some £28.5m in its manufacturing site at Ware
- There are proposals for a £105m private sector reinvestment project in Bishop's Stortford town centre
- Hertford Regional College has completed a £60m redevelopment of its Turnford Campus; and there is the possibility of £10.5m investment in digital and creative arts at the Ware Campus.

Finally, the momentum provided by the London-Stansed-Cambridge Consortium

- of which Hertfordshire LEP is a member
- is proving considerable.

Our 2015/16 Implementation Priorities

From our M11/A10 Package, we will complete an early phase of **station access improvements** (including Broxbourne, Bishop's Stortford, Hertford East and Rye House stations) and also develop **Growth and Transport Plans for growth locations**. We will also put in place plans to deliver the **A120 by-pass** at Little Hadham and **A602 Stevenage to Ware** improvements. Both of these schemes will ease congestion.

We will support plans for a **Broxbourne Enterprise Centre** – a scheme which should help to position Broxbourne in relation to the growth of small businesses.

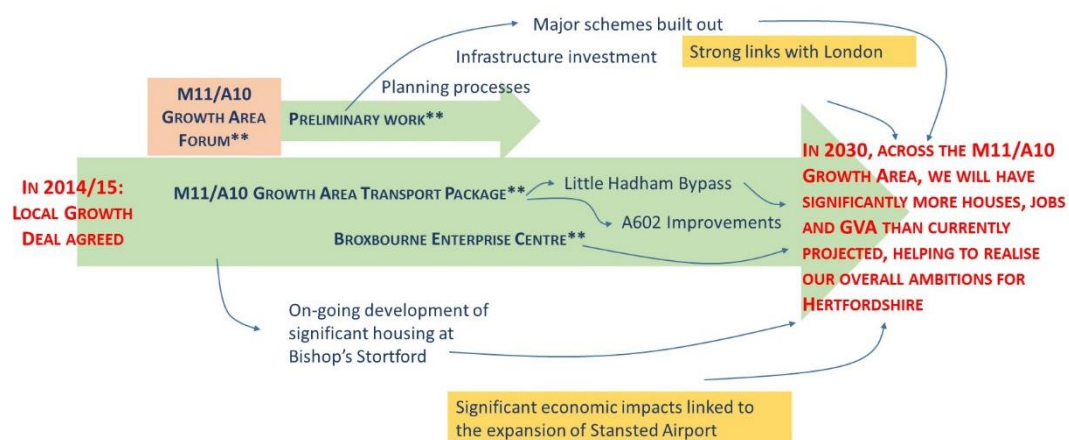
We will work with East Hertfordshire District Council, Broxbourne Council and other stakeholders to **advance plans for major schemes** within the M11/A10 Growth Area such as Brookfield and Park Plaza.

Our ask of government

In advancing these different strands, Hertfordshire LEP's own resources (through recycled Growing Places Fund and EUSIF) will be flexed to the full. Our additional ask of government is therefore relatively modest.

We need £4.7m of funding from the LGF to support the identified transport schemes in 2015/16.

M11/A10 Growth Area: Driving forward our Strategic Economic Plan (**key elements of our 2015/16 Local Growth Deal)



M11/A10 Growth Area: Investment priorities

Projects to be supported through 2015/16 LGF
<ul style="list-style-type: none"> • M11/A10 Growth Area – transport package (£4.68m from 2015/16 LGF; plus £43.7m in later years) – <i>Package of schemes including station access improvements, and upgrades to the network to improve resilience. Later schemes, some of which are major projects for Hertfordshire, include Little Hadham Bypass, A602 improvements, A10 network resilience</i> • Broxbourne Enterprise Centre (£1.8m from 2015/16 LGF) – <i>Scheme to develop provision for new and small enterprises in Broxbourne</i> • M11/A10 Growth Area Forum (£200k from 2015/16 LGF; plus £400k in future years) – <i>Venture to advance major schemes within the M11/A10 Growth Area</i>
Projects due to start in later years of the SEP period – with likely calls on later years of LGF (indicative list only)
<ul style="list-style-type: none"> • M11/A10 Growth Area – Evergreen Infrastructure Fund (£6m) – <i>Rotating fund for investment in the M11/A10 Growth Area</i> • Bishop's Stortford – Urban Future Initiative (£200k from LGF) – <i>Long term venture to explore options in relation to Bishop's Stortford which is in the process of accommodating significant growth</i>
Key projects of relevance to this Growth Area which are included in other Programmes
<ul style="list-style-type: none"> • From our Hertfordshire Business Growth Programme: <ul style="list-style-type: none"> ○ None that are Growth Area-specific • From our Hertfordshire Skills Programme: <ul style="list-style-type: none"> ○ None that are Growth Area-specific

Our Growth Areas: how we will maximise the economic impacts linked to growth around our railway stations

Within Hertfordshire, there is potential for some redevelopment close to railway stations to deliver significant – and sustainable – economic impacts. With fast services to London, the railway routes in Hertfordshire help put many of our towns within 30 minutes of London. This connectivity is valued by businesses and is also reflected in high commuting rates into London by rail.

The redevelopment options around stations vary.

1: M1/M25 Growth Area

Watford Junction is within 20 minutes of London Euston and served by London Midland and West Coast Main Line services as well as London Overground. Plans for the redevelopment of brownfield land to the east of Watford Junction Station show there is potential for over 1,500 homes and 2,000,000 sq ft of commercial floorspace. This would also provide more direct access from the station to employment areas at Imperial and Colonial Way. Network Rail is carrying out a Capacity Study for Watford Junction and this will inform future plans. In the last 12 months, the interchange facilities at the station have been massively improved and the interior of the station has been remodelled. With the prospect of Croxley Rail Link being in service from 2018, this has started to act as a catalyst for development interest to the west of the station into Watford's business district.

Hemel Hempstead station is located away from both the town centre and over two miles from the main employment area at Maylands. At Hemel Hempstead, redevelopment potential has been identified. Our SEP includes a medium term project to (a) improve the interchange at the front of the station; and (b) enable a mixed-use development to proceed. Sustainable transport measures are proposed to provide better links between the train station, town centre and Maylands.

2: A1(m) Growth Area

We are now starting to look at the opportunities around **Stevenage station**. Stevenage is within 25 minutes of London King's Cross with direct services on the East Coast Mainline and to Cambridge. The train station is ideally placed between the town centre and the Gunnels Wood Road employment area. Whilst it will benefit from an additional platform and Thameslink trains from 2018, the station infrastructure is inadequate. Outside the station, the access to the business area and town centre is unappealing, and the surrounding area does not adequately serve rail passengers nor make the best use of the surrounding land. We are funding a study in 2014/15 to consider options for station redevelopment/regeneration as part of a package of improvements to revitalise Stevenage which we will develop into the Station Gateway project.

Significant investment at **Hatfield station** is helping to catalyse investment into Old Hatfield. Plans have been drawn up by the nearby landowner for schemes which will improve the function and appearance of this part of Hatfield.

3: M11/A10 Growth Area

In the short term, we are also supporting a range of station access improvements at **Bishop's Stortford, Broxbourne, Hertford East and Rye House**. Whilst modest in nature, we anticipate that the improved access to nearby employment areas and town centres will help to increase the attractiveness of these locations and travel by rail as well as potentially act as a catalyst for future investment.

Over the medium term we support proposals for widening the West Anglia mainline and Crossrail 2 programme, particularly in relation to Broxbourne/Cheshunt stations.

Hertfordshire Business Growth Programme

Our offer:

- We will deliver a Growth Hub which coordinates business support across a wide range of national and local service providers. Our focused approach will help companies access knowledge and expertise and drive up performance
- We will establish a novel approach to SME investment in our technology clusters by delivering an equity based co-investment fund
- We will work with the University of Hertfordshire to establish a University Enterprise Zone and Knowledge Hub, capturing the economic impact of the University's research capability and academic excellence for the benefit of the Hertfordshire – and wider UK – economy
- We will nurture our priority sectors by building networking and mentoring capacity
- We will ensure that our use of resources from the EU Structural and Investment Funds (particularly ERDF) is aligned fully with the Hertfordshire Business Growth Programme

Our ask:

- We need total investment of £3.25m (including both capital and revenue) in 2015/16 to enable the delivery of these transformational ventures:
- Of this, £0.5m is to match, on a pound for pound basis, investment from Hertfordshire LEP in a Growth Hub for Hertfordshire. We will need follow on investment but this will diminish year by year as we bring into play other resources to support the Hub
- The remaining £2.75m funding is to enable EU SIF funds to be drawn down in support of projects to embed innovation and business improvement in our SMEs

Our opportunity for growth

There are over 52,000 private sector businesses in Hertfordshire. It is these businesses – together with those that have yet to be formed – that will drive forward economic growth over the next 15 years. Through the implementation of *Perfectly Placed for Business*, we will support them, both directly, and by providing the optimal conditions for growth.

Our small and micro businesses

As a county, we are genuinely entrepreneurial. We perform strongly on all the metrics of new business formation and survival.

Our larger businesses

We have a strong complement of larger businesses, many of which have head/regional office and/or research and development functions within Hertfordshire. As well as major pharmaceuticals and advanced engineering businesses, we are home to major corporates from a wide range of sectors, including retail, construction, logistics, and financial and business services; examples include Tesco plc, Mothercare, LV, and Vinci. Many of these blue chip companies are in Hertfordshire because of our very strong links to London. They constitute a distinctive and important component of our local economy.

Our “missing middle”

But in terms of our business demography, we have a “missing middle”. Our complement of medium-sized businesses – genuinely the “gazelles” of future growth – is smaller than it should be. There is evidence also that mid-sized businesses shed employment between 2009 and 2012 when our businesses in all other size bands grew.

We will focus our new business support efforts on this “missing middle” and particularly the element of it that could become the world class science and technology-based businesses of the future. This means working with our already-strong infrastructure for enterprise and growing more of our small businesses to medium size and beyond.

The momentum we have already generated...

Our track record in supporting small businesses is linked to the **outstanding network of support for enterprise that already exists within Hertfordshire**.

Wenta, for example, is one of the UK’s leading enterprise agencies. Winner of the *Local Enterprise Agency of the Year* award in 2013, it has been working with (mainly) new and micro businesses in Hertfordshire for over 30 years. It is independent and funded largely through the operation of business centre premises which it runs successfully at several different locations across the county.

We also have very strong Chambers of Commerce at both county and local levels. These are providing on-going support and resources to large numbers of (mostly) smaller businesses. Our Chambers are another factor which explains our strong performance.

In addition, we have a tremendous asset in the form of the University of Hertfordshire. A winner of the prestigious Times Higher Education ‘*Entrepreneurial University of the Year*’ award, the

University is already interacting extensively with commercial partners and SMEs. This is leading to the delivery of strong ground-up, basic research and subsequently to the commercialisation of innovative ideas. The University has had significant success in generating patents and products that positively impact on the net worth of companies, for example through the development of market-ready products sold under licence (e.g. CAIR with Biral Ltd.).

The University is also the majority shareholder in Exemplas Holdings which is one of the UK’s foremost business support companies. Exemplas delivers a wide range of generic and specialist support services on behalf of national and local government.

Both the University and Exemplas’s support has been vital in launching a Growth Hub for Hertfordshire. **This has been achieved without public subsidy as a result of the University’s far sighted investment.** However, resource is required to extend the activities of the Hub to ensure that local support is aligned with national provision and that both are accessible through a clear gateway for high quality support services.

We want to build on this momentum – and the full range of expertise that underpins it – going forward.

Our 2015/16 Implementation Priorities

We will **ramp up the activities of the Growth Hub** to improve business support coordination; **build a Knowledge Hub** to drive business engagement with the University’s research base; launch a **structured investment fund and investor support service** to facilitate higher levels of private investment in our technology SMEs; and **develop specialised sector networking and business support services**.

i: Growth Hub

We have mapped the full range of services and funding schemes available to Hertfordshire firms and have identified an urgent need to improve the local coordination of business support. The uptake of export and innovation services is, for example, very modest in a knowledge based economy of the size of Hertfordshire.

To address this, we plan to integrate the Hertfordshire Growth Hub with the National Business Support Helpline and GOV.uk to ensure that local systems are synchronised with national resources. We fully intend the service to complement and support existing national provision (e.g. Growth Accelerator, Manufacturing Advisory Service, Technology Strategy Board, etc.) by developing joint working initiatives and programmes to help local companies find the right solutions to help them grow.

In addition, we need to address local demand for face-to-face advice and will put in place a team of five advisers. Each will be a functional specialist, providing advice, support and sign-posting relating to: access to finance; technology/innovation; sales and marketing; organisational development; finance; skills; business planning; and exporting. As a result we will:

- provide direct business support to over 5,000 SMEs;
- provide intensive business improvement support to over 560 firms;
- create or safeguard over 440 jobs;
- deliver 182 knowledge transfer projects with the University of Hertfordshire
- align EU funding streams to complement and extend the reach of innovation, growth and export services in Hertfordshire.

We will also work closely with local chambers of commerce, other business membership organisations, banks and other providers of advice and help to improve access to the full range of services available in Hertfordshire. We will support our delivery partners by running events, workshops and other promotional activities to raise awareness of the range of services on offer to our SMEs.

We will also introduce a range of financial incentives, accessible through the Growth Hub, to support growing SMEs through our EU SIF allocation. Our approach will be to align funding with national programmes which support our ambitions around the science and innovation agenda. We have no plans to duplicate or undermine existing services, unless there is a specific gap in provision for which local businesses say there is a need.


ii: Business Angel Venture Capital Investment Management scheme

We will support the accelerated growth of SMEs in our priority sectors by establishing a licensed co-investment fund underpinned by a private sector investor readiness, due diligence and post investment management support service.

The fund will operate on a “fund of funds” principle bringing in private investment from, among others, business angels, venture capitalists, and corporate venturing companies. Within three years of launch, it will leverage £22m of private sector investment, rising to £41m by 2019.

The fund is designed to become self-sustaining and independent of public support. As the scheme gains traction, the intensity of government support will diminish as private sector investment increases.

Within three years we will invest in 15 high growth companies and 30 growth SMEs. By 2019, this will rise to 45 high growth companies and 90 growth



businesses. Over the 15 year lifespan of the fund, we expect investing companies to be adding as much £5bn to Hertfordshire's GVA.

iii: Knowledge and Innovation Hub

This third element of the Hertfordshire Business Growth Programme is more distributed, reflecting its specialist nature.

We support the government's recent pilot programme to establish University Enterprise Zones (UEZ). Consequently, we will bring forward, through the local growth deal process, our own proposals for a UEZ. This will be developed around our ideas for a Knowledge and Innovation Hub for the county.

The University of Hertfordshire will oversee our Knowledge and Innovation Hub and steer its development. This will ensure alignment between its major capital investment programme – including in science facilities – and the Hertfordshire Business Growth Programme.

We are working with the University on the development of a model for a science and innovation knowledge hub that will offer, among other things, the following functions:

- **Innovation Hub** – generating intellectual property through collaborative research projects and business incubation
- **Knowledge Hub** – delivering knowledge exchange that helps existing businesses grow and adapt
- **Research Hotel** – a walk-up and contract, managed access service for specialist laboratory expertise incorporating an SME high technology incubation facility.

iv: Sector networking and specialist business support

We will also work with other bodies to put in place specialist support networks for

SMEs. We are looking at sector specific networking and business support in the areas of life sciences, film and media, and manufacturing.

We will start with the life sciences sector and grow our nascent life sciences consortium. We will work with Stevenage Bioscience Catalyst to develop sector specific business support programmes. The Stevenage Bioscience Catalyst's recent success in securing BIS challenge funding to deliver a pilot structured mentoring programme for the biosciences industry in the UK provides a great opportunity on which we can build. The first phase of this is being delivered currently and our intention is to ensure that the LEP can support its continuation beyond the life of the pilot.

Over 2014/15, we will also build on existing provision to develop further bespoke programmes. Indicatively, this will include:

- **Advanced engineering** – to be delivered through the emerging Letchworth Engineering Academy. We will integrate this with the work of the Chamber of Commerce as it starts to deliver its plans to establish a manufacturing forum offering best practice programmes to SME members
- **Film and media** – to be delivered in partnership with Thames Valley Buckinghamshire LEP. The programme will have a local focus through our commercial, academic and training assets at Leavesden and Elstree studios, the University of Hertfordshire and our University Technical Colleges in Watford and Elstree
- **Construction and environmental technologies** – to be delivered through BRE and Rothamsted, both in the M1/M1 Growth Area and linking with our wider commitment to the Green Triangle.

Hertfordshire Business Growth Programme: Investment priorities

Projects to be supported through 2015/16 LGF

- **Growth Hub – Networking and Advice** (£500k revenue from 2015/16 LGF; plus £1.15m revenue in later years) – *Project to provide signposting and access to business support with a particular focus on the “missing middle”*
- **Hertfordshire Investment Ready project:** (£2m capital and £350k revenue funding from 2015/16 LGF; plus £12.7m in later years) – *Angel/VC Investment licensed co-investment Fund and investment support service*
- **Sector Networking and Specialist Business Support** (£0.4m revenue funding from 2015/16 LGF; plus £1.2m in later years) – *Project to roll-forward the Stevenage Bioscience mentoring scheme, develop cross border programmes for film, media and advanced manufacturing; and support the ambitions of the Green Triangle to consolidate the environmental technologies cluster around St Albans.*

Projects due to start in later years of the SEP period – with likely calls on later years of LGF (indicative list only)

- **Knowledge and Innovation Hub (£300k from LGF)** – *A project to utilise the assets of the University Campus to drive collaboration between the higher education research base and SMEs*
- **Advancing the Green Triangle (£300k from LGF)** – *A project to promote Hertfordshire’s green sectors*
- **Oaklands College Mansion House Incubator Centre (£1m from LGF)** – *Provision of an incubator facility in the midst of an FE Campus*

Key projects of relevance which are included in other Programmes

- From our M1/M25 Growth Area Programme:
 - **Rothamsted Research – Daniel Hall Building**
 - **CLEER (Collaborative Lean Energy Efficient Refurbishment)**
- From our A1(m) Growth Area Programme:
 - **Stevenage Bioscience Catalyst Phase 2**
- From our M11/A10 Growth Area Programme:
 - **Broxbourne Enterprise Centre**

Hertfordshire Skills Programme

Our offer:

- We will advance our “Locations for Enterprise” venture, working closely with our four Further Education Colleges
- We will ensure that our use of resources from the EU Structural and Investment Funds (particularly ESF) is aligned fully with the Hertfordshire Skills Programme
- We will deliver a whole series of skills-related outputs including a new campus in Hemel delivering: over £200m private sector investment; some 500 jobs; and a training skills programme tailored to the requirements of local employers
- We will also deliver a new engineering quarter established in Letchworth delivering training for unemployed young people and up skilling opportunities for the existing workforce from facilities such as the rapid prototyping centre

Our ask:

- We need investment of £5.25m in 2015/16 to enable the delivery of these transformational ventures

Our opportunity for growth

On national benchmarks, Hertfordshire’s working population is generally well qualified. At a county level, both economic activity and employment rates are also high.

Locally, however, the picture is much more nuanced. There are substantial variations and some areas in Hertfordshire perform poorly on any benchmark. For example:

- on average, Stevenage’s resident workers earn over £200 less each week than those that live in St Albans, while the proportion of working age residents claiming out of work benefits in Stevenage is double the St Albans figure
- in Broxbourne, Dacorum and Stevenage, the proportion of working age residents without a qualification is higher than the national average
- in Broxbourne, less than 30% of the working age population is qualified to degree level; the national average is

around 35% and in some parts of Hertfordshire, it is close to 50%.

In labour market terms, the consequences are important. The *Employer Skills Survey 2011* showed that Hertfordshire has more “hard to fill” vacancies than the national average in a wide range of occupations – from managers and professionals through to caring, leisure and other services. Moreover, where there are “hard to fill” vacancies, the vast majority – 91% – are identified as linking to skills shortages.

In addition, there are real challenges for Hertfordshire-based employers who need to compete with London salaries. There is some evidence that our employers are very reluctant to invest in workforce development for fear of immediately losing trained staff to London-based competitors.

For all of these reasons, we have developed a Hertfordshire-wide response to skills issues. This acknowledges that we have acute localised challenges, many of which are concentrated in our New Towns.

The momentum we have already generated...

As with our other programmes, we have the advantage of significant momentum on which we can build.

The **Hertfordshire Higher Education Consortium** – involving all four Further Education Colleges and the University of Hertfordshire – was established in 1994 to provide high quality vocational education pathways from Level 3 vocational qualifications through to Foundation Degrees with progression opportunities to Bachelor’s degree level. Working together through a legal Memorandum of Agreement for the past 20 years, the University and the Colleges have developed close ties which have resulted in a strong performance in supporting young people and adults to acquire high-level vocational skills. Each year well over 1,200 students at the four Colleges are on Consortium courses focusing on themes of direct relevance to *Perfectly Placed for Business*, including Business & Computing, Creative Art & Design, and Engineering. Over the past decade, well over 10,000 students have graduated from the university through this vocational route.

We have been working with the Association of Colleges in the Eastern Region (ACER) since 2013 to encourage the **uptake of Apprenticeships**.

More broadly, our skills agenda is a principal focus for the delivery of **our EU Structural and Investment Funds (EUSIF) strategy**. Some 50% of our nominal allocation from the European Social Fund (ESF) has been earmarked for “*TO10: Investing in skills, education and lifelong learning*”.

We intend to use this to:

- promote the use of Higher Level Apprenticeships (especially in manufacturing and industrial strategy priority sectors) by developing a supportive environment for new HLAs

- develop innovative approaches to training for the unemployed, including marginalised groups, to help bring them to and support them in learning and developing employability skills
- advance innovative approaches to training in a vocational context for those with low level skills in Maths, English and ICT, to support them in finding work or progressing in work; and to enable them to achieve vocational qualifications and continue to upskill

Finally, the Hertfordshire LEP **Employment and Skills Board’s Action Plan for Growth** is advancing four priorities:

- focused careers advice and guidance
- growth of apprenticeships
- bridging the Hertfordshire skills gap
- nurturing entrepreneurship.

All four of these are taken being taken forward through our implementation priorities.

Our 2015/16 Implementation Priorities

We will **work with West Hertfordshire College to advance plans for the redevelopment of its Hemel Campus**. Planning-related issues have forced a re-think in recent weeks; however we expect this scheme to come forward. It is critical in relation to Hemel Hempstead town centre.

In addition, we will advance the **Letchworth Engineering Academy**. This will regenerate existing buildings. The intention is to develop these as fab labs, and to provide an incubator and support hub.

Longer term, we would like to see a pan-Hertfordshire project which has been initiated by West Hertfordshire College (on behalf of the four FE Colleges). Its purpose is that FE College campuses

should provide **Locations for Enterprise**, encouraging young people to develop their entrepreneurship skills and move towards self-employment and/or new business formation.

Additionally, we intend to pursue ventures linked to **STEM skills**, recognising that this is a key issue for many of our knowledge intensive businesses. In this

context, there should be synergies with GSK's Science and Industry Partnership which has recently attracted significant resources.

We also want to position our **Business Growth Zones** – initially Maylands and Gunnels Wood – as a **focus for tailored workforce development measures**.

Hertfordshire Skills Programme: Investment priorities

Projects to be supported through 2015/16 LGF

- **West Hertfordshire College Hemel Hempstead campus redevelopment** (£3m from 2015/16 LGF; plus £2m in later years) – *Project to develop a town centre campus as part of an integrated approach to the regeneration of Hemel Hempstead town centre*
- **Letchworth Engineering Academy** (£2.25m from 2015/16 LGF) – *The Letchworth Heritage Foundation and local employers aim to regenerate the run down Glebe Road trading estate to create a modern engineering quarter driven through a state of the art fablab business start-up incubator and support hub.*

Projects due to start in later years of the SEP period – with likely calls on later years of LGF (indicative list only)

- **Locations for Enterprise - on campus / business parks (£6m from LGF)** – *Group of projects to create places for enterprise in the midst of FE College campuses and on business parks*
- **STEM Skills (£1.1m from LGF)** – *Working with Stevenage Bioscience Catalyst and others, this project will provide a ladder of STEM-related education for children and young people, including interns and apprentices*
- **Skills for Business Growth Zones (£1m from LGF)** – *Project to provide targeted workforce development support in key business growth locations like Maylands and Gunnels Wood*
- **Maylands Rapid Prototyping Centre (£2m from LGF)** – *Project to establish a new, state-of-the-art, facility on Maylands Business Park*
- **Welwyn Garden City Campus Redevelopment (£6m from LGF)** – *Project to invest in, refurbish and improve the existing facility*

Key projects of relevance which are included in other Programmes

- **From our M1/M25 Growth Area Programme:**
 - Maylands Business Growth Zone
- **From our A1(m) Growth Area Programme:**
 - Stevenage Bioscience Catalyst Phase 2
 - Gunnels Wood Business Growth Zone
- **From our M11/A10 Growth Area Programme:**
 - Broxbourne Enterprise Centre

Wider horizons

Whilst Hertfordshire is, obviously, the spatial focus for *Perfectly Placed for Business*, we recognise fully that our prospects and potentials link strongly to those of neighbouring LEP areas. Indeed, Priority 2 from our strategy (see Figure 1) – “to harness our relationships with London (and elsewhere)” – emphasises our interconnectedness.

In implementation, we will work closely with our neighbours.

Strategic links...

We are an active member of the **London-Stansted-Cambridge Consortium**. We will continue to drive it forward, particularly in the context of our ambitions for the M11/A10 Growth Area.

More generally, we will continue to participate actively in the Greater Thames Valley group of LEPs (GTV6). In this context, we have especially close links to **Buckinghamshire Thames Valley LEP** given its adjacency and shared specialisms in film and TV.

We will also want to work closely with:

- **South East LEP (SELEP)** on issues relating to the M11/A10 Corridor, particularly life sciences; transport investments; and the economic potential linked to Stansted Airport
- **Greater Cambridge – Greater Peterborough LEP**, especially in relation to the development of the bioscience and pharmaceuticals sector and the role of the A1(m) Corridor in relation to this
- **South East Midlands LEP (SEMLEP)**, focusing especially on opportunities linked to advanced manufacturing and engineering; the long term growth of Luton (which links to North Hertfordshire); and broader issues

pertaining to the M1/M25 Growth Area.

Finally, we need to establish a sensible working relationship with the **London Enterprise Panel**. Given its size, this is more complicated organisationally, but the boundary between Hertfordshire and London is critically important. For Hertfordshire it brings both challenges and opportunities and we will want to respond to both in dialogue with the London Enterprise Panel. There particularly needs to be a clear and consistent dialogue in relation to spatial planning in this context.

...and more immediate implementation priorities

Within this overall context, there are some immediate priorities that we are keen to pursue jointly with one or more neighbouring LEPs. These are:

- **Film/TV sector:** building on the world class assets which already exist in Hertfordshire (e.g. Warner Brothers, Elstree) and Buckinghamshire (e.g. Pinewood Studios), establish a strengthened network of business hubs, hatcheries, incubators and accelerators linked to some of the major UK Film and Television Studios – *jointly with Buckinghamshire Thames Valley LEP*
- **5G Innovation Centre (5GIC):** working with the University of Surrey to develop a 5GIC test bed across the area for businesses to test their products on a 5G platform – *jointly across the GTV6 LEPs*
- **Digital Infrastructure:** we will consolidate our investment in superfast broadband. Two of our largest schemes are being brought forward for superfast deployment in 2014. These parks will be ready for service in the coming months, nearly one year ahead of the rest of the county. We will commit resource to address residual issues affecting SMEs



in areas left untouched by the current programme. We will work across the GTV6 LEPs to ensure that the achievement of world class standards in digital infrastructure are pursued.

Making it happen: delivery and governance

In delivering our Strategic Economic Plan, we have clear lines of accountability and visibility, particularly in relation to both local government and the business community.

We are ensuring that we have structures that are capable of handling and scrutinising significant spending decisions. Equally, we are keen that our LEP Board does not “take its eye off the strategic ball” and become, *de facto*, a programme manager.

The Hertfordshire LEP Board itself provides a business-led but representative forum to take overall ownership of **Perfectly Placed for Business**. The LEP Board consists of:

Structure in relation to process elements of the Strategic Economic Plan

For our LEP Board, there are two crucial *lines of accountability* – one in relation to the local authority leaders, and a second vis-à-vis the business community.

Local authorities

The first of these is the well-established **Hertfordshire Local Authority Leaders’ Group** (representing the ten district authorities and Hertfordshire County Council). The Leaders’ Group is a strategic forum for progressing key common issues in the county.

The Leaders’ Group is also responsible for electing the three local authority members of the LEP Board that represent the wider interests of the eleven authorities.

The LEP Chair and Executive Director have attended a number of Leaders’ Group



Our intended governance structure is summarised in the graphic overleaf.

meetings over the development of the LEP vision, strategy and resulting SEP.

In addition each district and county leader and Chief Executive has a six-monthly bilateral meeting with a designated LEP Board member and Executive Director to discuss specific issues and initiatives. Moving forward we would expect this engagement to continue.

Businesses

The second key line of accountability is via the **Hertfordshire Business Forum**. This includes a range of business representative groups including

- Chambers of Commerce
- Federation of Small Business
- Institute of Directors
- Engineering Employers Federation
- Biz4Biz
- Enterprise Agencies
- Local Business Groups such as the Maylands Business Partnership.

Its purpose is to ensure accountability vis-à-vis Hertfordshire's wider business base. It acts as a conduit for engaging with businesses, scrutinising LEP strategy and activity and acting as a 'sounding board' on key economic issues across Hertfordshire.

As with the Local Authority Leaders' Group, it also has direct representation on the LEP Board. Two members of the Business Forum are elected by the membership on a bi-annual basis.

Programme management

A **Programme Management Committee** is being established, chaired by the Deputy Chair of the LEP and including key partners, most especially Hertfordshire County Council (as the accountable body). The role of this sub-group will be defined in relation to matters of financial scrutiny/probity and the overall progress of major projects (*de facto* the major liabilities for the LEP).

Finally, an **Executive Group** will support the LEP in the development of projects – to ensure that key projects are technically robust and deliverable. This will include key senior members of staff from the LEP and its partners.

Structure in relation to the implementation of the Strategic Economic Plan

The LEP will continue its long-established **Programme Boards** to manage the implementation of the SEP.

The Programme Boards are business-led thematic stakeholder groups covering the following areas:

- **Enterprise & Innovation**
- **Employment & Skills**
- **Strategic Infrastructure**

Each Programme Board is chaired by a LEP Board member to ensure that there is a clear link to the LEP Board and that individual Programme Boards do not operate in silos. Each Programme Board also brings in expertise from the wider businesses community.

The Programme Boards played a significant role in developing the SEP. Going forward they will ensure that the delivery of our initial intervention priorities proceeds apace (and they will scrutinise monitoring data and project reports regularly, intervening where necessary).

They will also support on-going project development processes, recognising that implementation priorities will need to be revised and refreshed on a regular basis.

More generally, the Programme Boards will exercise a "check and challenge" function in relation to individual projects/interventions, working with both Board Sponsors and members of the Project Team as appropriate. This will mean that:

- all projects either have been – or will be – **properly appraised** (using the approaches set out in HMT's Green Book) before we sign contracts; and a risk register will be developed as part of the appraisal process
- projects **report on progress** quarterly

- where projects appear to be **struggling**, we will work with the project manager to understand the causes of the issue and whether (and how) improvements can be made
- if projects are **failing**, we will terminate arrangements confident in the knowledge that we have a long list of reserve projects that could be brought forward to absorb any underspend.

In addition, **Growth Area Forums** – which will report into the Local Authority Leaders’ Group as well as the LEP Board – will oversee progress in relation to each of the Growth Areas.

Hertfordshire Infrastructure and Planning Partnership (HIPP) and Hertfordshire Local Transport Body (LTB)

Both HIPP and Hertfordshire LTB will make a substantive contribution in driving forward ***Perfectly Placed for Business***:

- the work completed already by the LTB will be carried forward in relation to priority transport schemes
- the link to HIPP will be crucial in relation to wider infrastructure and planning issues, and particularly the commitment made last year to start work on a county-wide spatial plan.

Hertfordshire County Council and Hertfordshire LEP

Over the last year, our relationship with Hertfordshire County Council has

changed. The LEP now has more independence and, over 2014/15, it will move towards a company limited by guarantee.

Accountable Body

HCC is the Accountable Body for the LEP and will continue to be for all funded activity derived from LGF. HCC and the LEP have developed a robust formal Memorandum of Understanding for the management of existing LEP funded activity such as the Growing Places Fund. This ensures that legal and financial requirements are fully met.

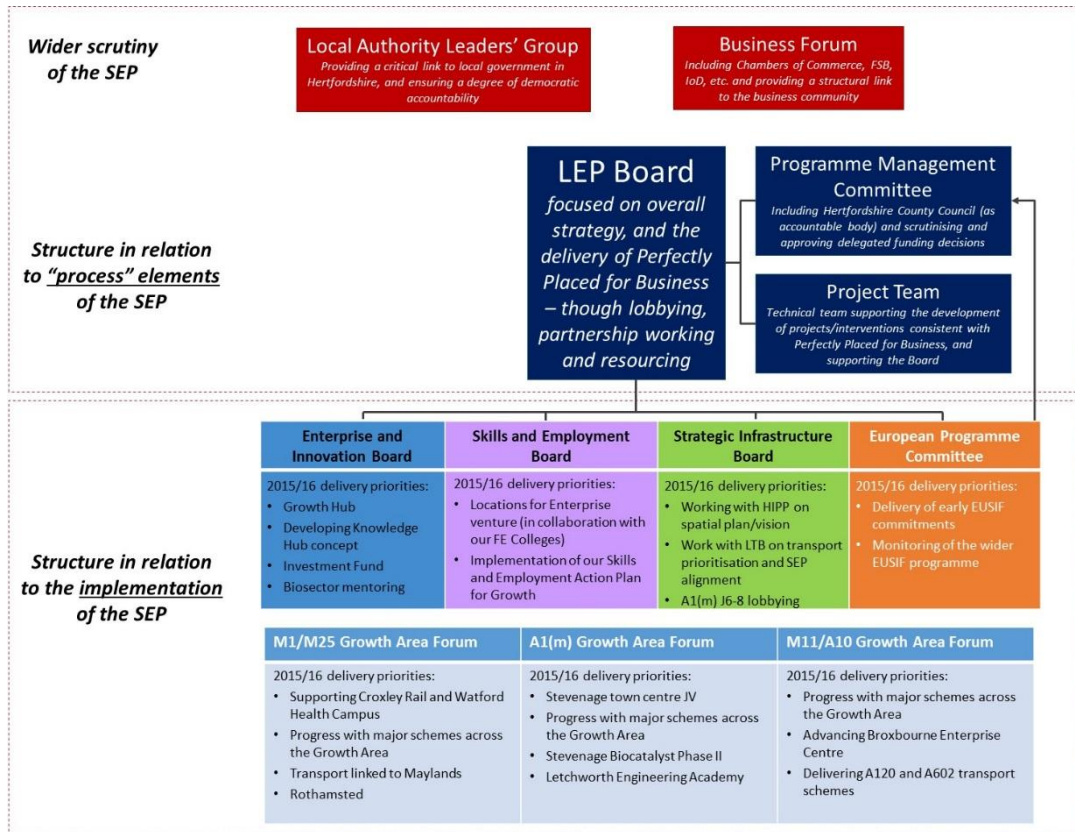
The strong foundations from this arrangement will form the basis of LGF funded activity going forward.

Investment decisions through the SEP will be founded on well-developed and robust business cases. Processes are being put in place to enable independent appraisal and advice to the LEP Board.

There are already examples of such processes in place for devolved major transport schemes through the Hertfordshire Local Transport Body assurance framework, where an independent review and sign off against a set of minimum criteria is mandatory.

This approach will be used for interventions coming forward through the SEP to ensure that the prioritised interventions comply with State Aid and other requirements, are deliverable and produce their promised outcomes in terms of job and GVA growth.

Figure 4: Governance arrangements



“Revvng up”: Our priorities for 2014/15

The Local Growth Deal that we are aiming to forge with government – which should include, but is not restricted to, a significant award from the 2015/16 Local Growth Fund – is due to commence in April 2015.

Reflecting the journey, implicit within *Perfectly Placed for Business*, on which Hertfordshire LEP and its partners have now embarked, the next 12 months are extremely important. As a LEP – and as a county – we have come a long way already. However there is a good deal more to do to ensure that that our Local Growth Deal bites from 1st April 2015, and that our intervention priorities start delivering from the outset.

Given the imperative for early delivery, over the next year, we will:

- invest *our own resources*, in partnership with others, in the design of our **Evergreen Investment Fund** and to put in place the necessary legal and governance arrangements
- invest our *Growing Places Fund* in necessary feasibility studies and other “ground clearing” exercises, notably linked to a number of physical schemes such as the Hemel

Hempstead Campus and the Stevenage Bioscience Catalyst.

- use our *EU SIF resources* to pilot business support and skills-based programmes that will be taken forward through our Local Growth Deal such as the Engineering Project in Letchworth
- quickly convene locally-focused **Joint Ventures** to advance New Town regeneration and investment, starting with Stevenage; and also a **Growth Area Forum** in each of our Growth Areas, focused on the major schemes (see below)
- start the programme of developing **Growth and Transport Plans** – in partnership with Hertfordshire County Council – for growth locations in our Growth Areas.

In addition, there are other more process-related aspects of “revving up” that we will address over the next few months. In particular, we will effect the changes in governance that were signalled in Figure 4. This means reconfiguring various of our sub-groups and ensuring that all are attuned fully to the priorities of our Local Growth Deal.

As well as negotiating our Local Growth Deal with government, 2014/15 will therefore be an important year in building fully the foundations for rapid delivery in 2015/16 and beyond.

Key delivery solutions to drive forward *Perfectly Placed for Business*

1: Joint Ventures – investment in, and regeneration of, New Towns

Within our New Towns, we will establish Joint Ventures. Our first JV will be with Stevenage, and its purpose will be to advance New Town investment and regeneration. It will:

- accelerate momentum and give a fresh impetus to local partners by adding the Board’s private sector expertise and business focus
- co-ordinate the infrastructure requirement to deliver the public realm, utilities and transport requirements
- support and encourage bids where necessary to the Public Works Loan Board

2: A Growth Area Forum for each of the Growth Areas

More generally, there is an urgent need to progress strategic housing sites in Hertfordshire to ensure that they can start to be developed in the next 5-10 years (rather than the next 10-20 years). Hertfordshire needs these strategic sites to meet housing need.

In response, we will set up a **Growth Area Forum** in each of our Growth Areas.

Working closely with relevant local authorities, the role of the Growth Area Forum will be to:

- accelerate the designation and development of defined strategic sites
- identify additional housing sites and support their delivery where there are barriers to implementation

The creation of these Growth Area Forums is a pro-active and interventionist measure led by Hertfordshire LEP to ensure there is effective liaison and co-operation between all parties responsible for the delivery of these sites. Each Growth Area Forum will:

- facilitate partnership working between the relevant local authorities and implementation agencies
- secure agreement from all partners to a programme of work to progress major schemes
- identify and overcome barriers to delivery, e.g. through advance funding of infrastructure feasibility work
- mediate between the planning authorities, developers and other agencies to keep progress on track
- support a joined up approach on the planning process (particularly where this is cross boundary)
- ensure that the infrastructure requirements for each site are well understood, feasible and deliverable and overcome obstacles to their delivery
- develop potential delivery mechanisms
- act as an intermediary with central government and other agencies to secure necessary investment or intervention.

We will form the Growth Area Forums in 2014/15 initially using our own resources.

In 2014/15, we will:

- establish working groups around the major schemes in each Growth Area, initially with the relevant local authorities and highway authorities but bringing in other parties where necessary e.g. Highways Agency, Homes and Communities Agency
- engage with land owners and developers to ensure information on proposals is up to date and addresses current legislative or local requirements for evidence
- mediate agreement on the size and scope of development to be accelerated, and the deal between adjoining authorities
- commission joint studies where necessary
- formalize working arrangements with work plans for each partnership with a clear timeline for delivery
- establish liaison arrangements with central government

More generally, Hertfordshire LEP, with its business focus, is well placed to put in place partnership arrangements capable of developing a common purpose. Such an independent entity can provide confidence that initiatives will have continuity. Moreover, part of the current problem is a lack of confidence from outside bodies in local authorities' ability to deliver and that will only change if there is a commitment to radical change, backed up by transparent and rigorous monitoring of progress.

Measuring progress

We will implement a proportionate – but rigorous – approach to both monitoring and evaluation. We intend to develop a light touch Monitoring and Evaluation Framework once the detail of our Local Growth Deal is known.

All projects will be required to submit monitoring returns and we will check progress against targets on a quarterly basis. As well as standard spend and output data, these returns will ask for a more qualitative assessment of progress and issues. We will respond to issues flagged within these both reactively (as and when they arise) and – on occasion – proactively (by visiting projects and asking questions about progress directly as part of our process evaluation).

We intend to develop a meaningful approach to evaluation. This is essentially the first time that Hertfordshire has had serious resources that are locally determined and we will want to learn from the implementation of *Perfectly placed for business*. We intend therefore to complete:

- an annual process evaluation which will examine the implementation process
- a longitudinal evaluation of those projects that we think are especially important and/or unique; although the detail will be sorted later, our thinking is that the three Growth Area programmes are especially important (not least because they need to learn from each other)
- an interim impact evaluation in summer 2016, after the first year of funding is complete, with small scale “top up” evaluations in 2017 and 2018
- a full impact evaluation in summer 2020, five years after the programme’s start; our thinking here is that this is long enough to expect there to be some evidence of impact but not too long for evidence to be lost.

Our evaluation methods will be informed by HMT’s Magenta Book. We will use a mixed methods approach throughout, but we will also take steps to consider the counterfactual. This reflects the importance of this venture for Hertfordshire and the priority we are attaching to delivering *Perfectly Placed for Business*.