



# HERTFORDSHIRE

## An Economic Overview



SEPTEMBER 2001

### General Characteristics of Hertfordshire

Hertfordshire is adjacent to Greater London on the north side and stands astride key routes between London and the major cities of the Midlands and North. It covers an area of 634 sq miles and has an estimated population of just over 1 million, 87% of whom live in the 44 settlements of over 3,000 people. There is one city (St Albans) and a variety of market towns, industrial towns, new towns, commuter villages and rural villages. There are ten Districts / Boroughs, the four southernmost of Broxbourne, Hertsmere, Watford and Three Rivers being the most urban, with East Hertfordshire and North Hertfordshire having large rural, fairly sparsely populated areas.

### Historical Facts

**Traditional industries** were connected with agriculture - market gardening in the Lea Valley and malting and brewing widespread throughout the County. Later industries included paper making and printing along the Grand Union Canal and in Watford. Before World War II some London firms moved out to Hertfordshire, notably Allen and Hanbury's (now GlaxoSmithKline) to Ware and De Havilland (which became British Aerospace) to Hatfield.

The growth and development of the Garden Cities and New Towns provided spacious industrial sites that attracted firms like Kodak, ICI, Hawker Siddeley, Nabisco and Spirella.

**World War II** was a major stimulus to industrial development of aircraft production, engineering and electrical industries.

**The 1970's** saw the decline in some manufacturing industries, a growth in electrical engineering and computers but the greatest sustained growth was in the Services Sector. In 1970 Manufacturing accounted for 43% of the workforce and Services 51%, but by 1981 Manufacturing had declined to 33% and Services had risen to 60%.

**The 1980's** saw further job losses in Manufacturing but the creation of new jobs in high technology industries, helped by completion of the M25 and proximity to the M4 'High Tech Belt', which favoured the Southwest of the County. Generally the growth in Hertfordshire's economy was sluggish. The growing office demand was met with brand new prestigious office suites. Also during the 1980's the expansion in large retail outlets was phenomenal in towns, on the edge of towns and between towns.

**The end of the 1980's and the beginning of the 1990's** saw enormous changes in Hertfordshire's economy, going from boom to recession with a 400% growth in unemployment, from rates of 2.1% in 1989 to over 9% in 1993. Most dramatic was the decimation of the defence, aerospace and engineering sectors, which were previously the core of the County's manufacturing sector. In 1985, 115,000 people were employed in Manufacturing but by 1994 this had dropped to 73,000 and continued to fall to the end of the decade.

**The 1990's** saw output rising between 1991-1995 from £8.8bn to £10.4bn, while GDP per head in the county fell from 105% to 101% of the national average. Although the county average productivity was still high compared to other Eastern and South Eastern counties (excluding London), the fall in productivity was greater in Hertfordshire than for comparison areas. The downward trend in the relative productivity of the Hertfordshire economy reflected the growth in county productivity in Hertfordshire over the period 1991-1995, which was lower than comparison areas.

In part this was due to structural changes in the county economy in which some manufacturing sectors were replaced by service sector activities. Hertfordshire also emerged from the recession of the 1990s somewhat slower than local comparison areas. More recent estimates show that productivity growth in Hertfordshire picked up at the beginning of 1994 - and between 1994 / 1998 - and outperformed the rest of the Southeast, Eastern counties and the UK as a whole.

GVA growth in Hertfordshire is forecast at 2.9% per annum for 1998 - 2001, ahead of the UK rate of 2.3%.

The influence of London on productivity per head (and Hertfordshire's relative prosperity) is significant. GVA per head of resident population is 21% above the national average. This disparity can be explained largely by the effect of well-paid (and highly qualified) commuters into London and demonstrates the need for Hertfordshire to develop its own wealth creators in order to compete on UK and European scales.

### **Special designations in Hertfordshire**

- **Green Belt** - Within this, permission will not be given for development, except for - mineral extraction, agricultural, small-scale sport and recreation, etc. It covers 60% of the County, soon to be extended to 63%.
- **Chiltern Area of Outstanding Natural Beauty**
- **Colne Valley & Lea Valley Regional Parks**
- **Garden Cities (Letchworth, Welwyn Garden City)**
- **New Towns (Stevenage, Hatfield, Hemel Hempstead, WGC)**
- **Landscape Conservation Areas and Urban Conservation Areas**
- **Area of proposed Community Forest (Watling Chase)**
- **Aldenham Country Park**
- **National Trust Land** - at Ashridge and Shaw's Corner (Ayot St Lawrence)
- **SSSI's** - there are 43 Sites of Special Scientific Interest in the county
- **Scheduled Ancient Monuments** - statutory protected archaeological sites.

### **Hertfordshire Businesses**

Latest available data on VAT registrations (for 2000) shows that there are **36,305** registered companies in the County. The largest groups of registered firms are:-

- Real Estate (13,615)
- Wholesale (7,215)
- Construction (4,145)

In 1999, **4,325 new businesses** were registered.

## Workforce by Industrial Sector (1999 Annual Business Inquiry)

Industries	Number of Employees in each Sector	% Employees in each Sector
Agriculture & Energy	4,300	1%
Manufacturing	59,000	12%
Construction	25,500	5%
Distribution, Hotels, etc	118,000	25%
Transport & Communications	33,900	7%
Banking, Finance	122,500	26%
Other Services	19,700	4%
Public Admin, Education, Health	92,100	19%
All Industries	474,900	100%

## Major Employers in Hertfordshire

Pharmaceuticals	Type of Industry	SIC	Sites	Towns
GlaxoSmithKline (GSK)	Pharmaceuticals	24.40	4	Stevenage Ware Welwyn Garden City
Roche Products Ltd	Pharmaceuticals	24.42	1	Welwyn Garden City

## Manufacturing

Astrium (formerly known as Matra Marconi Space UK Ltd)	Space Engineering	73.10	1	Stevenage
Alenia Marconi Systems Ltd (formerly GEC Marconi)	Computer & Security Systems	74.20	1	Borehamwood
I C L	Computer Systems	52.48	2	Stevenage Borehamwood
Interface Europe Ltd	Interior/Floorcoverings Products	28.12	1	Berkhamsted
Kodak Ltd	Photographic Materials Headquarters	33.40 30.01	2	Hemel Hempstead
Matra BAe Dynamics	Aerospace	35.30	1	Stevenage
McMullen & Sons Ltd	Brewers	15.96	Countywide	HQ Hertford
Textron Fastening Systems	Engineering Assembly & Fastener Systems	28.74	1	Welwyn Garden City
Xerox Ltd	Document Systems Sales & Services	73.10 52.48	1	Welwyn Garden City

## Construction

McNicholas Construction Co Ltd	Civil Engineers, etc	45.21	1	Elstree
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## Telecommunications

Hutchinson Telecommunications UK Ltd	Paging Systems & Mobile Phones	64.20	1	Hertford
One2One	Mobile Telephone Service	64.20	1	Borehamwood

## Retail

Costco UK Ltd	Membership Retail Club	52.10	1	Watford
J Sainsbury Plc	Food Retailers	51.30 52.11	Countywide	Buntingford London Colney
John Lewis Plc (inc Waitrose Ltd)	Department Stores/Food Retailers/Warehouse	52.12 51.00	Countywide	Welwyn Garden City Watford / Stevenage
Marks & Spencer Plc	Department Store	52.12	Countywide	Cheshunt London Colney
Tesco Stores Ltd	Food Retailers	52.11 51.30 74.15	Countywide	Cheshunt Welham Green Welwyn Garden City

## Services

Cooper Cleaning Services	Contract Cleaners	74.70	1	Hertford
Dacorum Borough Council	Local Government	75.11	1	Hemel Hempstead
Europcar	Car Hire	71.10	1	Hemel Hempstead
Hertfordshire County Council	Local Government	75.11	Countywide	County Hall, Hertford
Initial Cleaning Services	Contract Cleaning	74.70	1	Stevenage

## Insurance

National Mutual	Pensions - Head Office	66.02	1	Hitchin
Norwich Union	Life Assurance	66.01	1	Stevenage

## Profiles of Main Towns

**Stevenage:** Population estimate (1999), 79,180.

- Designated as a New Town in 1947 to cater for London's population overspill, since 1974 a local authority borough.
- Main industries include GlaxoSmithKline, Stevenage Borough Council, Du Pont (UK) Ltd, H M Land Registry, John Lewis Plc, Stevenage Sorting & Delivery Office, Norwich Union and the Sun Bank. Business parks and industrial estates include Gunnels Wood Road Industrial Estate, Meadway Technology Park and Pin Green Industrial Estate.
- Stevenage Leisure Park opened in 1996 on the former Kings Park Employment site, with a bowling alley, night clubs, multiplex cinema and restaurants.
- Stevenage is home to GlaxoSmithKline's largest European R&D campus, which employs over 1,500 Research Scientists.

**Watford:** Population estimate (1999), 81,520.

- An old town with its traditional industries of brewing and printing has been replaced by newer industries. Created a local authority borough in 1974, the built-up area now extends beyond the borough boundary and most of the newer industries and industrial estates lie partly or entirely outside the boundary.
- Harlequin Centre – a large under cover shopping centre (750,000sq ft), with Trewins (John Lewis) as the major store. A major leisure centre, Woodside Leisure Park, was opened in January 1996.
- Main industries include Camelot Group Plc, Ladbroke Group Plc, Marks & Spencer Plc, Mirror Colour Print Watford Ltd, Asda Stores, Mothercare (UK) Ltd (HQ), Rhone-Poulenc Chemicals Ltd and Trewins Department Store. Business parks and industrial estates include Watford Business Park and the Croxley Business Park.
- Clarendon Road is home to major financial and business service employers.

- Just north of Watford, the **Hertfordshire Key Employment Site**, Leavesden Park, is a 116 ha development site close to the A41 (T) and M25 was formerly a Rolls Royce Helicopter and Engine factory and airfield. Since 1994, the site has been successfully used as a film location for major blockbusters such as ‘GoldenEye’, ‘Star Wars - The Phantom Menace’ and ‘Harry Potter’. In 1999 planning consent was given for 38, 500sq m of office space, 314 homes adjacent to the site and a new spine road. In 2000, MEPC submitted a further application for outline planning consent for 121, 500sq m media and business park (96,000sq m: offices, 8,000: amenities and 17,000sq m for a film studio). The major issue is the traffic generated by the proposed new media and Business Park can not be supported by the current transport infrastructure. The County Council are working closely with the developers, the District Council and the Highways Agency to reach a satisfactory solution. The development proposals can be viewed online at [www.leavesdenpark.com](http://www.leavesdenpark.com).

**Hemel Hempstead:** Population estimate (1999), 83,630.

- The town is located in the Southeast corner of Dacorum Borough, is a post war New Town and lies within the Gade and Bulbourne Valleys.
- The Marlowes Shopping Centre was opened in 1990 and Leisureworld opened in 1995 with a bowling alley, swimming pool, nightclub and multiplex cinema.
- Main industries include Bull Information Systems Ltd, Kodak, 3Com Europe Ltd, Muraspec Ltd, Golden West Foods, John Laing International Ltd, Lucas Aerospace, HSBC and Northgate Information Solutions Ltd. The main employment area is around Maylands Avenue to the north east of the town close to Junction 8 of the M1, with other employment areas concentrated to the south on the London Road (A4251).
- Spencer Park, Three Cherry Trees Lane, a 37 ha development site close the A41 (T), is a **Hertfordshire Key Employment Site**, and one of two sites designated for *Specialised Technological Activities (STA)*<sup>†</sup>. The development framework, which includes a major housing element, is being established through the Dacorum Local Plan and in consultation with the landowners. The main hurdle to development is securing satisfactory road access as part of the Northeast Hemel Relief Road. The site is included in English Partnership’s Strategic Sites Database. The County Council is looking to work closely with the District Council to promote the site for STA and to support the resolution of the transport difficulties.

**St Albans:** Population estimate (1999), 78,360.

- The City of St Albans, built on the site of the Roman town of Verulamium and featuring the fine Abbey and Cathedral of St Alban, is the county’s most important visitor destination. Tourism is a central plank of the town’s economy, accounting for an income of £65.3 million and supporting 1,563 full time equivalent jobs, according to latest figures. The city is also a significant market town and retail centre and features a good concentration of small specialist retailers, as well as High Street multiples along St Peter’s Street and in The Maltings Shopping Centre. The town’s second shopping centre, Christopher Place, is due to undergo redevelopment within the next year, which will further enhance the retail offer. The town’s restaurant sector is expanding and contributes to a vibrant evening economy. The financial services sector is prominent within the local economy and the surrounding area is favoured by distributive industries.
- Main industries include Building Research Establishment, Oscar Faber Plc, St Albans City & District Council, KPMG (Chartered Accountants), Post Office Counters Ltd (regional office) and J Sainsbury Plc. The main Business Parks are Alban Park on the Hatfield Road and Porters Wood.

**Welwyn Garden City:** Population estimate (1999), 44,150.

- One of the first ‘Garden Cities’ established by Ebenezer Howard in the early 1920’s and designated a New Town in the late 1940’s, Welwyn Garden City has been identified as an historic town and receives thousands of overseas visitors every year. The Howard Centre, opened in 1991, provides the main focus for retailing in the town centre alongside the ‘Welwyn Department Store’ now occupied by John Lewis.

- Main industries include Textron Fastening Systems (engineers), Cereal Partners (UK), Xerox Ltd, Roche Products Ltd, GlaxoSmithKline Pharmaceuticals, Vega Group Plc, Microgen UK Ltd and Thresher Head Office.
- The main industrial estates and business parks are found at Shire Park, City Park, Bessemer Road and Burrowfields.

**Letchworth:** Population estimate (1999), 33,930.

- The world's first Garden City, designed by Ebenezer Howard in 1904 and offering green open spaces and a quality of living and working environment, benefiting from the easy accessibility to London-Luton Airport and excellent road (A505; A1 (M)) and rail communications. The town has recently seen an upsurge of activity in its arts and craft industries with a proliferation of artisan shops in the town centre. The recent multi-million pound refurbishment of the Spirella Building has created high-tech and luxurious office accommodation within this listed building.
- Main industries include Altro Ltd (industrial flooring), Geo W King (engineering), Unichem Plc (pharmaceuticals) and Irvin Great Britain Ltd (textiles). The main industrial estates and business parks include Letchworth Business Park (off the A505 towards Baldock), Pixmore Industrial Estate (Pixmore Avenue), Jubilee Trade Centre (Jubilee Road) and estates off Icknield Way, Blackhorse Road and Works Road.

**Lea Valley Towns of Broxbourne Borough,** Population estimates (1999). **Broxbourne;** 13,860, **Hoddesdon;** 19,160, **Cheshunt;** 34,930 and **Waltham Cross;** 9,850.

- These old towns have coalesced to form an almost continuously built-up area along the Lea Valley. Market gardening and the glasshouse industry used to be important here. The Brookfield Centre has recently expanded into a large retail area with Marks & Spencer and Tesco Stores as anchor retail outlets.
- Main industries include Merck Sharp & Dohme Ltd, Hales Waste Control Ltd, ITT Jabsco Ltd, Tesco Stores Ltd, J Sainsbury Plc, Marks & Spencer and Burdon & Miles. The main industrial estates and business parks are Delamare Road, Cheshunt, Pindar Road and Charlton Mead Lane, Hoddesdon and along Britannia Road, Waltham Cross and Lea Road, Waltham Abbey.
- The **Hertfordshire Key Employment Site** of Essex Road is a 15 ha site located within the North East Hoddesdon Industrial Area and adjacent to the Lea Valley Regional Park. The potential for development at this site is severely restricted by poor access. Significant highway improvements are needed, including a road bridge over the mainline railway. Without these infrastructure improvements, the site is unlikely to be brought forward for development. The County Council and Broxbourne Borough Council are seeking to appoint a Consultancy to negotiate with the landowners and Railtrack a funding mechanism to provide the infrastructure improvements. The County Council will support Broxbourne Borough Council in co-ordinating and monitoring the negotiations.
- The **Key Employment Site** at Park Plaza, Waltham Cross is a 26 ha site located at the junction of the A10 and M25. The site, in two sections, has six different landowners and is the second Key Employment Site designated in the Structure Plan for STA<sup>†</sup>. The main issues with this site are securing acceptable access to the A10, an appropriate package of passenger transport measures and a comprehensive STA development. In the early part of 2001, significant progress was made and planning agreements have now been signed on both sections of the site. The County Council will now work with Broxbourne Borough Council to monitor the development and seek to promote the site for STA.

**Borehamwood:** Population estimate (1999), 34,160.

- Main industries include One-2-One, Bio Products Laboratory, Alstom Signalling Ltd, Grunwick Processing Laboratories Ltd, J Sainsbury Plc, BBC Elstree, Elstree Studios, Millenium Studios, McNicholas Construction Co Ltd, Pinnacle Insurance, NatWest Bank and Pizza Hut. The main industrial estates and business parks are located along Elstree Way and Stirling Way.

- The **Key Employment Site** of Centennial Park, Elstree, is a 27 ha site adjoining the A41 (T) and close to junction 4 of the M1. This former London Transport Bus maintenance depot is the most developed Key Employment site. Planning permission has been given for 69,675sq m of employment uses and infrastructure works in three phases. Phases one and two have been completed and are largely occupied; phase three has begun and is partly occupied. The site is being marketed by the landowners, Slough Estates and is included in English Partnership's Strategic Sites Database. The County Council will monitor progress of the development.

**Hitchin:** Population estimate (1999), 34,000.

- A traditional market town with a medieval town centre, benefiting from the easy accessibility to London-Luton Airport and excellent road (A505; A1 (M)) and rail communications.
- Main industries include National Mutual Life Assurance, RAC Insurance Direct, Viking Johnson (manufacturers of pipelines), United Carriers Ltd (transport and haulage), William Ransom & Son Plc (chemicals / pharmaceuticals) and Asmec Electronics Ltd (electrical equipment). The main industrial estates and business parks are located at Wilbury Way / Cadwell Lane, Bury Mead Road, Cooks Way and Station Approach.

**Bishop's Stortford:** Population estimate (1999), 33,210.

- An old market town of great character with good shopping which is easily accessible from the M11. The town has grown considerably because of its proximity to London-Stansted Airport, particularly indirect airport related development. The town's importance as a distribution centre has also developed and this is now one of the main industrial activities.
- Main employers are East Hertfordshire District Council, Essex and Herts NHS Trust, Dairy Crest, Advance Power Systems and Inflite Engineering Ltd. Main employment sites are Raynham Road and Stort Valley Industrial Estate.

**Hatfield:** Population estimate (1999), 31,630.

- Hatfield is a post World War II New Town that developed as a result of the need to house workers at the British Aerospace aircraft manufacturing plant. When the plant closed in 1992, Hatfield suffered some economic decline. However, a considerable amount of inward investment has taken place in Hatfield from the University of Hertfordshire and from large industrial and commercial companies. The former site of British Aerospace Commercial Aircraft and Dynamics Division and incorporating an airfield, is a **Key Employment Site, Hatfield Aerodrome**. This is the largest of the Key Employment Sites situated just off the A1 (M). Part of the site has been developed as Hatfield Business Park (mainly warehousing) and Bishop Square (offices). There have been four further planning applications received to date. The main application from developers Arlington has outline planning consent for, 191,000sq m of employment land uses (offices, industrial and warehousing), 950 houses, a University Campus (including a learning resource centre, accommodation for 1,600 students and sports facilities), a mixed leisure and small scale retail District Centre, two hotels and a heritage aviation centre. Three other housing developers have submitted applications for a total of 667 houses. The County Council is involved in monitoring the progress of development with Welwyn Hatfield Council.
- Main industries include Three Valleys Water Plc, Tesco Distribution Ltd, Asda Stores, Mitsubishi Electric (UK) Ltd and Securicor.

**Harpenden:** Population estimate (1999), 28,890.

- A mainly residential town in an important geographical position with the Thames link railway direct to London, close to the M1 and with easy access to St Albans and London-Luton Airport. Main industries include Rothamsted Experimental Station (one of the largest agricultural stations in the world), Interface Creative Marketing Solutions, BUPA Hospital, Cherry Electrical Products Ltd, Jarvis Contracting Ltd, Technicon and the supermarkets of J Sainsbury Plc and Waitrose Ltd. Several medium to small sized

employers are located on the industrial areas of Batford Mill, Coldharbour Lane, Southdown Road and Lea Industrial Estate.

**Hertford:** Population estimate (1999), 24,420.

- The ancient and historic County town of Hertfordshire, Hertford is a popular tourist destination with its Castle and grounds and many fine old buildings in the town centre. The town has a range of specialist independent retailers, a thriving evening economy and is the administrative centre of the County.
- Main employers include Hertfordshire County Council, East Hertfordshire District Council, McMullen and Sons, Hutchinson Telecomm UK Ltd, Cooper Cleaning Group, AFM Consulting, Highground Contracting Ltd and Royal & Sun Alliance. Main employment sites are Mead Lane and Foxholes Industrial Estates and the McMullen Brewery Site.

*†Specialised Technological Activities (STA's) are difficult to define because they cut across sectors rather than a specific definition within a particular classification of activity. Research by SQW, commissioned by Hertfordshire County Council, suggest a range of criteria covering: a focus on R&D work; having a certain proportion of qualified scientists and engineers and established linkages with a research facility.*

## **Transport Infrastructure**

### **Road and Rail Links**

**Roads:** Three motorways cross the County - M1, A1(M) & M25 - with the M11 just outside the county. There is a comprehensive A class road network. (altogether 3,818 km of roads in the county). Everyday 140,000 people commute out (nearly 100,000 to London) and 85,500 come in (28% from London, 26% from Bedfordshire).

**Rail:** Part of the national intercity system with trains stopping at Watford Junction and Stevenage. Also part of the Southeast commuter network with good suburban services into London, through London Thameslink services and connections with the London Underground network. Over 11 million rail journeys are made per year in Hertfordshire (over 60,000 daily commuter journeys to London).

### **Recent Infrastructure Improvements and Proposals**

- Croxley Rail Link
- A10 Wadesmill Bypass
- A 505 Baldock Bypass

Although none are within the county, three international airports are within easy reach of most places in the county, eg from St Albans:

- |                   |                             |
|-------------------|-----------------------------|
| • London-Stansted | 30 minutes by road via M25  |
| • London-Heathrow | 45 minutes by road via M25  |
| • London-Gatwick  | 100 minutes by road via M25 |

London-Stansted Airport is in Essex, just to the east of Bishop's Stortford, and London-Luton Airport is just over the border to the Northwest of the county, in Bedfordshire.

## **Higher Education Facilities**

**University of Hertfordshire** - major national centre of higher education from Higher Diploma and Conference Courses through 1st degree schemes to post-doctoral research. Student numbers are projected to grow to 20,000 by 1999. The campuses across Hertfordshire are:

- Hatfield: Engineering, Health & Human Sciences, Information Sciences, Natural Sciences and combined & continuing studies.
- Hatfield (Comet Way): Art & Design
- Hertford: the Business School
- St Albans: Law
- Watford: Humanities & Education.

The University is an incorporated institution and it carries out a range of commercial activities offering its services to industry through a number of wholly-owned limited companies, some of which like UH Ventures Ltd, Cimtech Ltd, LERU and Polyfield Services are at Business Link in St Albans. The University intends to rationalise some of its functions at Watford and Hertford onto the new campus on the Hatfield Aerodrome Key Site by the end of 2003.

## **The Hertfordshire Colleges**

Provide GCSE, 'A' levels through City & Guilds, BTEC qualifications to degree and other advanced courses. A wide range of subjects are covered. The Colleges are:

- Hertford Regional College at Ware and Turnford
- North Hertfordshire College at Stevenage and Hitchin
- West Herts College at Hemel Hempstead and Watford
- Oaklands College at St Albans, Welwyn Garden City and Borehamwood
- Ashridge Management College - Berkhamsted, provides a wide range of courses and related services for all levels of management.
- West Herts Management Centre - near Kings Langley, concentrates on short intensive courses.

## **HERTFORDSHIRE'S BRIGHT GREEN INDUSTRIAL STRATEGY AND PARTNERSHIP FOR PROSPERITY**

The structural changes affecting the economy in the early 1990's meant that Hertfordshire faced a new and major challenge of economic regeneration, whilst seeking to retain the quality of life and of the environment in the County. Hertfordshire has responded to this challenge by developing a countywide economic development strategy and by building partnerships around the strategy.

### **Partnerships for Prosperity**

Initially the partnership, established at a County Conference in October 1991 held by the major socio-economic partners in the County, responded to the impact of recession and the rundown in the defence industry by developing a threefold policy to:

- raise education and training standards
- develop key employment sites
- promote inward investment

It was recognised early on that Hertfordshire needed an economic strategy that attempted to resolve potential conflicts between economic growth and the protection of the environment.

Economic research has confirmed that powerful restructuring forces will continue to dominate all industrial sectors. The result will be the continuing outplacement of support and specialist activities by large companies, the relocation of low value added work away from Hertfordshire, and the development of smaller workforces undertaking "command and control" functions. The resulting segmentation of the labour market will create demand for a more highly educated, better trained and more flexible workforce (with an estimated 80% of workers in knowledge-based industries), but present difficulties for those who maybe disadvantaged in the labour market.

The environment and quality of life in Hertfordshire will play a key role in economic development as a high quality of life is a key attractor of the workforce needed in the knowledge economy and consequently of existing and new investors.

In business terms, the County will not be able to compete on cost grounds alone, but can compete through the deliberate and systematic application of technological advances to new products or new ways of delivering goods and services more effectively. The most appropriate way to do this is through the emphasis on activities such as research and development, high technology production and the production of high quality specialist products.

To maximise the County's strengths and opportunities, Hertfordshire has, therefore, adopted an award winning '**Bright Green**' **Industrial Strategy**, for developing a knowledge-based economy in a sustainable environment. The key components of this strategy were defined in a research report for the County as the 'KISS' approach, with four component parts: Knowledge, Innovation, Skills and Services.

The **Knowledge** element suggests that constant innovation will be the key to future industrial success. Hertfordshire has a strong Research & Development background that is important for future economic prosperity.

**Innovation** means more than product innovation - it also relates to effective identification of consumer demand and the organisation of the whole production chain. This raises important issues for the effective collaboration of private and public sectors.

The **Skills** component indicates that the acquisition of a particular skill, which will serve for a lifetime, is no longer enough. The dividing line between training and education needs to be re-examined and reskilling, lifelong learning and learning for pleasure will all need emphasis in future plans.

The **Service** component means that most employment in the future will be in the Services Sector, with the emphasis on Knowledge and Information activities whilst recognising personal “lifestyle” services will also contribute.

- ◆ The Bright Green Strategy provided the framework for both Hertfordshire County Council’s own Economic Development Strategy and Programme and for a joint **Hertfordshire Prosperity Forum’s** Economic Development Strategy (first edition in 1997).

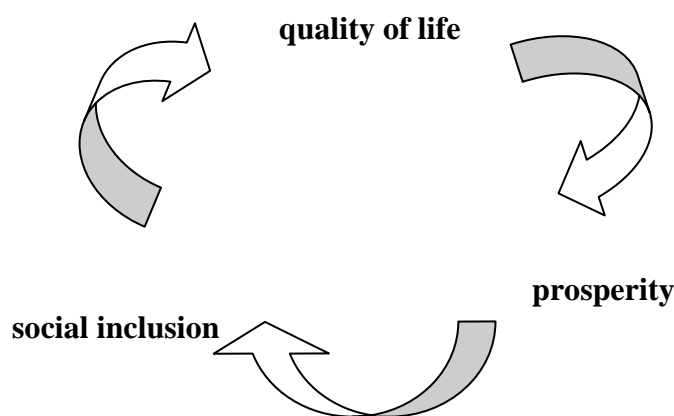
**The Hertfordshire Prosperity Forum (a strategic alliance)** was established at the **Second Partnership for Prosperity Conference** held in early 1995.

The Conference endorsed the strategic approach of **a knowledge economy in a sustainable environment** and agreed the production of the countywide economic strategy. The role of the Forum is to champion Hertfordshire’s cause in socio and economic development, to direct the review of the strategy and provide a strategic forum for debate and guide research and special projects.

Members of the Forum, at Chief Executive level, include; Local Authorities, Hertfordshire Learning and Skills Council, Business Link Hertfordshire (Small Business Service), University of Hertfordshire, FE Colleges, Hertfordshire Careers Service, Hertfordshire Health Authority, Hertfordshire Police, Hertfordshire Probation Service, Hertfordshire Chamber of Commerce and Industry, CBI, Institute of Directors, TUC, Community Development Agency for Hertfordshire, Watford Racial Equality Council and Groundwork Hertfordshire.

“**Bright Green**” recognised that the future of prosperity of Hertfordshire is dependent upon “furthering the economy whilst preserving the quality of life.” Maintaining the attractiveness of Hertfordshire as a place to live and work is a key factor in attracting inward investment and ensuring a robust local economy. A **balance** must be maintained in Herts Prosperity if to fulfil its long term potential.

With our partners in the county and East of England our task can be illustrated as:



**The Third Hertfordshire Partnership for Prosperity Conference** held in June 1999, agreed to the preparation of a revised five-year Economic Development Strategy for Hertfordshire (the original joint

partnership strategy, a three-year document was agreed in 1997). The Conference established four new objectives, which have formed the framework for the five-year strategy. These are to:

- **Create a learning environment for all**
- **Develop a business-friendly environment (and actively promote economic growth in selected activities)**
- **Strike a balance between the built and natural environment**
- **Promote social inclusion**

**The Strategy was launched at the Fourth Hertfordshire Partnership for Prosperity Conference held in October 2000.**

The Strategy takes account of the East of England Development Agency's Regional Economic Development Strategy (REDS), the county Lifelong Learning Strategy and research into the county's economy, employment prospects, governmental social inclusion and community development requirements and the County European Strategy.

The Strategy also takes into consideration organisational change. With the Hertfordshire TEC's disappearance and replacement by the Learning and Skills Council and Small Business Service and changes to the County Council's Education and Social Services Departments which will see the creation of a Children, Schools and Families Department and an Adult Department.

The above 4 objectives are translated into priorities for action with lead agencies identified.

Actions and plans fall under the following headings:

- **Creating the knowledge economy**
- **Enhancing business competitiveness**
- **Environmentally responsible business**
- **Developing an ethos of lifelong learning and skills development**
- **Developing employability, flexibility and higher level skills**
- **Integrating economic and environmental goals**
- **Integrating social inclusion and equal opportunities**
- **Strengthening Hertfordshire's partnerships**

**The Hertfordshire Prosperity Forum has been a key driver of socio-economic regeneration initiatives in the County.**

Some local successes include:

**Business Link Hertfordshire** - working through a partnership of the County Council, the TEC, the University and the Chamber of Commerce and Industry, was one of the first six areas selected by the Department of Trade and Industry for funding to open a Business Link (One Stop Shop). This resulted from a successful bid to the DTI of £875,000 in 1993. It was also supported by funding from the European **PERIFRA** programme.

Business Link performs specific roles in supporting SME's and facilitating the market for business support services. It aims for Hertfordshire to be a centre for World Class Business Performance through the provision of high quality business information and development services.

Business Link Hertfordshire opened in January 1994, at 45 Grosvenor Road, St Albans, AL1 3AW. Tel: 01727 813456. Since April 2001 the new Small Business Service for Hertfordshire has gone live and will continue to trade from Grosvenor Road.

**KONVER** - successful bids in 1994 and 1996 for over £2.5m to an EU programme in partnership with Hertfordshire TEC, Bedfordshire County Council and Bedfordshire TEC to help make the County more attractive to existing and high technology businesses. The programme was aimed at defence dependent regions suffering either military or defence related run-down. Programmes aimed to assist SME's diversify into new (non-defence) markets, technology transfer, assist former defence employees retrain and to promote tourism.

**ADAPT** - two further bids in 1995-1997 with Hertfordshire TEC were made to another EU programme for help to improve the competitiveness of SME's and employees. The ADAPT programme aims to contribute to the adaptation of the workforce to industrial change and to improve the working of the labour market with a view to growth, employment and the competitiveness of companies in the EU. Programmes relate to "greening" business, to adult learning programmes and to employment capacity of SME's.

ADAPT 1: £770,000

ADAPT2: £2.5m

## **SINGLE REGENERATION BUDGET**

**SRB I** - In 1994 the Bright Green Industrial Strategy and the Partnership for Prosperity provided much of the context for a successful SRB I (a joint bid by the County and the TEC) which secured £3.6m for economic regeneration initiatives, under four headings concerned with; educational attainment, business start-up, employment guidance and quality of life. The programme is delivered by Area Partnership Groups in specific parts of the County - South West Herts, St Albans, Stevenage, Welwyn Hatfield, North Hertfordshire, Dacorum and A10 Corridor.

**SRB II** - A highly targeted bid for £2m was made in 1995 by the Hertfordshire Probation Service (with partner support) for a crime prevention programme - Enterprise Alliance.

## **SRB III**

Under SRB III two programmes were approved:

- i) A Regeneration Strategy for Watford and South Oxhey which attracted £6.1m SRB and a related £4.4m Capital Challenge programme (the lead partner is Watford Borough Council). The bid has five strands with measures on: transportation, infrastructure and jobs, education and training, sports and leisure and quality of life.
- ii) Youth Life Chances - A five-theme programme to enable disadvantaged young people to realise their true potential. The themes are: Counselling, Advice and Guidance; Training and Development; Employment Support, and Quality of Life. The SRB contribution is £1.1m towards a countywide programme.

## **SRB IV**

A successful Round 4 bid by the Borehamwood Community Partnership (lead partner Hertsmere Borough Council) for £2.73m to target regeneration activity into 4 Wards in Borehamwood. Programme aims to improve local services and their delivery and to break the cycle of deprivation in the target area.

## **SRB V**

A successful bid of £2.6m for three wards, for the Stevenage Neighbourhood Regeneration Strategy.

## **SRBVI**

Final bids were submitted to EEDA on 2<sup>nd</sup> June 2000 from:

**Broxbourne:** free standing capacity building bid for Waltham Cross.

**Welwyn Hatfield:** free standing capacity building bid concentrating on Peartree Ward in Welwyn Garden City and Central Ward in Hatfield.

**West Watford & South Oxhey:** a top-up bid, to extend the SRB3 programme.

**Probation Service:** a top up bid to extend SRB2 activity, targeted at offenders, ex-offenders and those at risk of offending, concentrating on basic skills provision.

All four bids were successful.

## **Hertfordshire Europe Strategy**

Following a "Hertfordshire into Europe Conference" in November 1995, a "Hertfordshire into Europe" Strategy and Work Plan has been produced by the partners. The Strategy sets out the arrangements for helping the people, agencies and businesses of Hertfordshire to obtain the maximum benefit from the UK membership of the European Union and to contribute to the development of the Union. This Strategy is currently under Review. Hertfordshire partners support the Eastern Region Brussels Office, which was established in 1998.

## **Inward Investment**

The County Council was a "lead player" in working towards the establishment of an East of England Investment Agency in partnership with local authorities and TEC's in Bedfordshire, Cambridgeshire, Essex, Norfolk and Suffolk, the CBI and Government Office for the Eastern Region. The Agency established in 1997, with the aim to increase the benefits of inward investment in the region.

The Agency is based at 2 Quayside, Cambridge, CB5 8AB. Tel: 01223 450450.

## **European Social Fund (Objective 3)**

Hertfordshire partners have consistently performed well in bidding for resources from this fund, which targets long term unemployment and other equality issues concerned with employment. For example in 1998 Hertfordshire was allocated over £4m, some 34% of the region's allocation.

Partners now bid for (ESF Objective 4) funds which target employability issues, eg in 1998 Hertfordshire was awarded £1.2m for workforce development and support for SME's.

## **Lottery**

The National Lottery with its "six good causes" is providing a new and competitive source of regeneration funding for Hertfordshire partners.

## **Tourism**

Hertfordshire County Council is a founding partner of the Bedfordshire, Hertfordshire and Luton Tourism Ltd established in 1996, the key local agency for promoting tourism in the sub region. BHL is a member of the East of England Tourist Board.

### **For further information please contact the following:**

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Rural Economy	-	Andrew Burt	(01992 555213)
Tourism / Culture	-	Annie Hawkins	(01992 556231)
Bedfordshire, Hertfordshire & Luton (BHL)	-	Paul Godden	(01582 413888)
Tourism Ltd.			