

Hertfordshire Enterprise and Innovation Strategy 2021-2025

JULY 2021



Preface

Over the last decade – and guided firmly by its board – Hertfordshire LEP has developed a strong, coherent and consistent strategic narrative for Hertfordshire.

Previously, Hertfordshire was perceived as an apparently prosperous and ‘leafy English shire county’. There was, with hindsight, a hint of complacency and some detachment from the realities of economic, social, technological and environmental change.

Through successive strategic statements – including an early Growth Strategy (in 2011/12), a Strategic Economic Plan (in 2014, and then updated in 2017); and a draft Local Industrial Strategy (2019) – Hertfordshire LEP has sought to change the discourse. It has highlighted the real opportunities available to businesses and communities across Hertfordshire, but also both the risks and the responsibilities that come with them. At the same time, it has ‘shone a light’ on what isn’t working within Hertfordshire. It has highlighted some continuing tensions and contradictions that really do need to be addressed.

As we – like the rest of the UK – come to terms with the implications of the pandemic and the realities of life outside the EU, the LEP is developing a suite of strategic statements that will guide it through to the 2030s.

These capture the learning of the last decade. They also anticipate a future that is likely to be guided by stronger imperatives linked to economic well-being in a rounded sense. Over

the next decade, technological change will continue apace but environmental considerations will be prominent as will commitments to inclusivity. To be clear, economic growth will still be essential, but it will find new expressions in a global political economy characterised by new alliances, expectations and possibilities.

For Hertfordshire LEP, this will mean closer working relationships with partners, particularly with Hertfordshire Growth Board – whilst still recognising the crucial importance of a business-led partnership in defining, debating and delivering an agenda for economic growth. It will also mean closer working relationships with neighbouring areas, recognising that businesses have scant regard for administrative boundaries and much will be gained from working across functional economic areas (in terms, for example, of supporting key clusters).

The suite of strategic statements will be a live resource and it will evolve over time. It will include:

- **foundational strategies** which will focus on the breadth of enterprise and innovation across 60,000 businesses, and the criticality of employment and skills across almost 1.2 million people
- **strategies which accelerate the growth of key clusters and sectors:** these are distinctive in their character and offer particular opportunities for high value and ‘additional’ growth which will equip Hertfordshire to compete internationally as well as nationally

- **strategies for responsible growth** in Hertfordshire including in relation to clean growth, inclusive growth, and growth which embraces the possibilities of digital technology in an informed and responsible manner.

All of these strategies will be developed in partnership. In delivery, some will be led by the LEP. Others will primarily be the responsibility of other partners, notably Hertfordshire Growth Board. In all cases, they are crucial to the future of Hertfordshire's economy and the LEP will help to drive them forward.

This document, our Enterprise and Innovation Strategy, sets out one of this suite of strategies.

Foreword



When we started this review of the Enterprise and Innovation Strategy, we did so in the knowledge that the pandemic would have a deep and profound impact on how people and communities would need to adapt to new and different ways of working. Prior to COVID-19, there was emerging evidence that the Hertfordshire economy was faltering as growth rates slowed and the gap between business births and deaths narrowed. That the local economy hasn't fallen off a cliff is testimony to the resilience of the local business community and its preparedness to adapt to changing circumstances.

Hertfordshire Local Enterprise Partnership swiftly pivoted its operations by developing an Economic Recovery Plan, COVID-19 business support package and secured key strategic investments to help Hertfordshire 'Build Back Better'. This strategy reflects and addresses these emerging challenges and the need to strengthen and simplify the business support offer. The importance of digitisation and technology in driving business change and growth is also reflected in our strategy.

Net-zero and low carbon will increasingly become economic imperatives. The development of local innovation ecosystems is a key policy objective and in order to make up for lost economic capacity over the past 12

months, we need to intensify start-up provision and continue to focus on the scale-up of our innovative, high-growth SMEs.

As an entrepreneur and business leader, I know inspirational leadership goes hand in hand with business success. If SME owner-managers are to become effective leaders of transformational change we need to invest in skills development. By building in future resilience into the very DNA of our SMEs through targeted resources, we can achieve our goal of higher levels of commercial success and prosperity.

Nitin Dahad
Chair, Hertfordshire LEP Enterprise and Innovation Board; SME Champion

1. Overview

Enterprise and innovation are primary drivers of a strong economy, and they underpin the growth of the best performing regional and national economies. Hertfordshire is an innovative county. Both local private and public sectors are actively involved in developing innovative products or services. The higher and further education sectors support this by providing innovative environments for the next generation of entrepreneurs and innovators.

Hertfordshire's enterprise has strong representation from some of the UK's highest growth sectors, including aerospace, creative and digital, life sciences, manufacturing and financial services. New opportunities such as Cell and Gene Therapies, Modern Methods of Construction and Agri-Tech are also being pursued by stakeholders. Whilst innovation across the county is identifiable across both large and small companies, larger companies operating within global structures have identified Hertfordshire as the natural place for their location and successful operation more readily. There is a need to encourage more small and medium enterprises (SMEs) to innovate, not just in research and development, but to adapt systems, processes and operations to raise their competitiveness.

The Enterprise and Innovation Strategy sets out the actions that will help our economy as we address short term issues that relate to the impact of the pandemic and, once conditions improve, how the Hertfordshire economy will recover and become stronger.

The coronavirus pandemic has had a major impact on the global economy, the extent of which is not yet fully known, and will serve as a factor in economic performance for some time to come. We need to ensure that Hertfordshire has a clear strategy to support private sector enterprise and innovation and help facilitate the economic recovery once it is underway. It is critical that the support available is high quality,

coordinated and easily accessible by our business community.

As more clarity emerges regarding the longer term impact on the national, and local economy of both COVID-19 and leaving the EU, some of the assumptions and trends shaping this strategy will need to be validated and any necessary adjustment made. This has been built into the 'Measurement' section of the strategy.

Defining Enterprise and Innovation

The term Enterprise has several meanings. It can refer to a profit-led business or to entrepreneurs introducing new services or products to the economy. For the purpose of this strategy, Enterprise also covers the breadth of size from pre start-up businesses through to multi-national companies which operate across Hertfordshire.

Innovation can be defined as the successful generation and exploitation of new ideas. It is about transforming creative thinking into new products, new and improved processes and technologies to support new ways of doing business. It enables firms to stay ahead of competitors and grow in terms of both employment and turnover when compared with firms that do not innovate.

There is a frequent misconception that innovation means scientists and research and development (R&D). Innovation is more than simply R&D. It includes changes to products

and processes, introduction of new business models, organisational changes and entering new markets. Research by NESTA (Innovation Index) suggests that less than 20% of investment in innovation by UK firms is in R&D. Where firms invest in skills, leadership, design, branding, training or marketing they are investing in innovation.

Hertfordshire is home to a number of strong institutions that understand and support both enterprise and innovation. The University of Hertfordshire Business School, Ashridge

Executive Education, BRE Group, Rothamsted Research, Royal Veterinary College and Stevenage Bioscience Catalyst all provide support to business. Working in partnership with these and other organisations, the LEP and these institutes have enterprise and innovation at the heart of their strategies and have clear ambition to support Hertfordshire's business community.

2. Enterprise in Hertfordshire

The Hertfordshire economy contains an impressive range of companies and a significant potential for further growth. The local company base reveals global enterprises are actively using Hertfordshire's economic assets, such as skills, location and quality of life to drive their growth. These larger corporations are typically in the aerospace, life sciences or financial services sectors and in the main, they are networked across the globe with their headquarters based in Hertfordshire serving as regional operational centres. However the economy is overwhelmingly made up of micro, small and medium enterprises.

The Enterprise and Innovation Strategy sets out to support companies of all sizes and ages across the county. Hertfordshire has 61 active businesses for every 1,000 working-age residents - well above the England average of 47. The business base is broadly typical of the UK economy, with over 90% of businesses classed as 'micro' employing 0-9 employees, with 7.2% listed as 'small' (10-49 employees), 1.4% as 'medium sized' (50-249 employees) and 0.4% as large businesses employing over 250. Within the county 5 year business survivability rates are good (45%) compared to the rest of the UK (42%). Despite this positive

position it may indicate that there may be enough dynamism and churn, which rather than being a negative factor can be a sign of a vibrant economy. Figure 1 below sets out the Business Demography of the County during 2019. The table reveals the lack of growth among the non-micro SME community. This is amplified by the limited growth being achieved by SMEs employing more than 10 employees. This challenge continues to be a feature of our economy and has previously been described as "The Missing Middle". As a result the need to support our SMEs to scale up their operations remains a key priority.

Business Demography 2019

L.A District	(a) Active Businesses	(b) Non Micro Active Enterprises (10+ employees)	(c) Active Micro enterprises	(d) Births	(e) Deaths	(f) Birth rate	(g) Death rate	(h) High Growth (10+ employees)	(i) % 10+ employees which are High Growth	(j) 10+ employees as % of Active Enterprises	(k) Survival of newly born enterprises (2014)	(l) % surviving from births in 2014	(m) 10+ employees Growth	(n) 10+ employees Growth Rate (%)	(o) Micro enterprises Growth Rate (%)
Broxbourne	4,985	365	4,620	620	565	12%	11%	10	3%	7%	270	45%	5	0.1%	4.4%
Dacorum	9,025	690	8,335	990	915	11%	10%	25	4%	8%	480	48%	15	0.2%	-1.8%
East Hertfordshire*	11,015	795	10,220	960	1,800	9%	16%	35	4%	7%	470	45%	-130	-1.0%	-17.0%
Hertsmere	8,980	660	8,320	1,185	1,030	13%	11%	25	4%	7%	475	45%	-5	-0.1%	4.1%
North Hertfordshire	7,120	630	6,490	745	695	10%	10%	25	4%	9%	350	44%	5	0.1%	2.3%
St Albans	10,665	780	9,885	1,630	1,105	15%	10%	45	6%	7%	550	45%	35	0.3%	6.3%
Stevenage	3,575	320	3,255	545	435	15%	12%	15	5%	9%	230	46%	15	0.4%	5.5%
Three Rivers	6,160	410	5,750	700	625	11%	10%	15	4%	7%	315	44%	-30	-0.5%	2.9%
Watford	6,110	530	5,580	1,105	690	18%	11%	20	4%	9%	325	45%	-10	-0.2%	7.4%
Welwyn Hatfield	6,135	505	5,630	795	685	13%	11%	15	3%	8%	305	42%	-15	-0.3%	5.4%
Hertfordshire County	73,770	5,685	68,085	9,275	8,545	13%	12%	230	4%	8%	3,770	45%	-115	-0.2%	0.0%
EAST REGION	296,945	26,110	270,835	36,040	32,670	12%	11%	1,115	4%	9%	14,515	45%	-50	0.0%	2.0%
ENGLAND	2,639,250	243,980	2,395,270	349,675	299,935	13%	11%	11,070	5%	9%	132,975	42%	1545	0.1%	2.8%
UNITED KINGDOM	2,990,320	283,135	2,707,185	390,230	335,940	13%	11%	12,600	4%	9%	148,870	42%	1515	0.1%	2.8%

* East Herts identified as a district where multiple businesses registered at a single post code is distorting local statistics

Figure 1: Business Demography 2019 - Hertfordshire

The implications of this composition is that the county is entrepreneurial, but currently only a limit number of companies grow to their potential. This can be due to a number of factors ranging from access to finance, inadequate supply and cost of commercial space and the availability of skills. With the pandemic creating a major economic shock, we will need to focus on building business resilience and promoting growth through the Strategy.

There are a broad range of services and networks across Hertfordshire that support business to identify and drive enterprise and innovation. The overall view of stakeholders is that at present while the support network is broad, there is a greater need for coordination and enhanced communications into local businesses. The development of this strategy has revealed that stakeholders do wish to support the journey towards making Hertfordshire a leading location and are prepared to support Hertfordshire LEP take forward the necessary actions to make this possible. The Strategy sets out actions that will support businesses of all sizes and in all sectors.

Hertfordshire has an established history of building and exploiting complementary

strengths in industry and academia, supported by strategic partnerships. However, productivity in Hertfordshire has grown very slowly over the last decade and it has declined relative to the UK average.

Hertfordshire has a dynamic knowledge economy, driven by corporate research and development and a growing number of innovative, investment-backed businesses. However despite these strengths productivity levels remain a concern.

The life sciences sector is a considerable strength with the Stevenage Advanced Therapies Campus identified by government as a Life Sciences Opportunity Zone, reflecting both the significance of GlaxoSmithKline, and the success of the Cell and Gene Therapy Catapult Manufacturing Centre, which is an important catalyst for business growth and innovation. It provides support to commercialise the manufacture of advanced therapies for clinical trials and the collaborative development of manufacturing processes. It also prepares companies for the growth phase and product development. Building on these strengths will help increase Hertfordshire's economic performance and productivity levels.

Case Study 1

Advanced Therapies Cluster



Context

Following a decision in 2015 by the Cell and Gene Therapy Catapult to locate its Therapies Manufacturing Centre in Stevenage, the LEP has worked closely with the Manufacturing Centre and Stevenage Bioscience Catalyst to provide a supportive environment for the development of an Advanced Therapies cluster at the Stevenage Bioscience Catalyst/GSK campus. Responding to the needs of the innovative SMEs located in Stevenage, the LEP provided access to £8m of capital funds which has enabled the Catapult and Catalyst to:

- construct additional accommodation to meet the immediate space requirements of fast growing SMEs based at the Stevenage Bioscience Catalyst
- invest in quality control, environmental management systems and additional warehousing to address potential blockages in the manufacturing process of advanced therapies for clinical trial and sale
- start the fit out of a Cell and Gene Therapies Integration Laboratory at nearby Sycamore House to support the training and development of staff engaged in the manufacture of new therapies. The lab is due to complete in September 2021 and uses artificial intelligence and virtual reality to help companies train staff in manufacturing techniques essential for bringing therapies to market

Outcome

- since 2017, the Cell and Gene companies within the Stevenage cluster have attracted over half a billion pounds in private equity fund raisings to accelerate the commercialisation of advanced therapies. Levels of private investment in the last three years are comparable to investments in each of the Cambridge and Oxford biosciences clusters
- the advanced therapies campus is at full capacity and demand for additional R&D and manufacturing space in and around Stevenage remains high
- attracted several London University spin-outs including Freeline Therapeutics, Autolus and Apollo Therapeutics
- attracted high value mobile foreign direct investment including: ThermoFisher Scientific, TCR², Aglaris, Rentschler ATMP, Kadans Science Partner
- secured national recognition by the Department for International Trade as a UK centre of excellence in cell and gene therapies
- secured recognition by the Office for Life Sciences as a Life Sciences Opportunity Zone

The creative industries sector has delivered high growth within the county, particularly in relation to film and TV. Established studios, such as Warner Bros. at Leavesden and BBC

Studios at Elstree are attracting new investment; and the breadth and depth of expertise in south west Hertfordshire is growing further with the investment at the

proposed Sky Studios in Borehamwood. With our film and TV strengths allied with those of Buckinghamshire and London there is an internationally significant cluster of companies.

Hertfordshire's engineering, research and manufacturing capability is built on a long history of innovation, with a number of established centres of excellence including:

- Science & Technology Research Institute (STRI)
- Centre for Astrophysics Research (CAR)
- Centre for Atmospheric and Instrumentation Research (CAIR)
- Element Hitchin
- Institute for Acoustics
- Institution of Engineering and Technology
- Tun Abdul Razzak Centre

The advanced engineering sector also includes top global companies such as Airbus, MBDA, Johnson Matthey, Sartorius and Smiths Detection, as well as a multitude of niche engineering companies involved in a range of markets.

Hertfordshire has a significant construction and civil engineering sector with major research competence at BRE in Garston and major businesses including Willmott Dixon in Letchworth Garden City, Vinci in Watford, Skanska in Rickmansworth and VolkerFitzpatrick in Hoddesdon.

The county also has a strong technology and telecoms sector, with IT companies particularly strong in computational R&D and digital media, including specialisms in security and cybercrime. Hertfordshire hosts the headquarters of market leaders such as EE, Imagination Technologies and Bank Machines Ltd. Hertfordshire is also home to the headquarters of electronic product manufacturers including Kodak, Kenwood, Harman International, Epson UK, Aeroflex Test Solutions and Global Invacom.

Due to Hertfordshire's central location, a number of sector strengths exist in neighbouring countries and Greater London, some of which have expanded into Hertfordshire. In this sense Hertfordshire plays a key role in being able to accommodate companies and offering valuable locational advantages. Therefore while Hertfordshire is not necessarily home to the largest number of companies in a sector, the county does play a key role in supporting a wide number of businesses, not least scale-ups, in a number of ways.

In its reports on scale up, the Scale-Up Institute identifies three significant factors that drive scale up growth – access to equity finance, access to skills and sectoral clustering. We recognise that innovation is not the sole preserve of public sector grant funders, but relies overwhelmingly on the contribution that private finance makes to the development of a vibrant entrepreneurial landscape. The public sector's investment in supporting business growth and innovation, through agencies such as Innovate UK is important, but works best when it sits alongside private funding from entrepreneurs, business angels/seed funds and venture capital.

In Hertfordshire, we have seen the impact that a flooding in of venture capital has had on the clustering of cell and gene therapy companies in Stevenage in the last four years. The following chart shows how the levels of biotech investments in Stevenage are on par with the levels of investment raised in the high profile life science clusters in Cambridge and Oxford. This has led to three early stage Stevenage based companies (Freeline Therapeutics, Autolus and Achilles Therapeutics) listing on Nasdaq in the last three years. The combination of public investment in Stevenage Bioscience Catalyst and the Cell and Gene Therapy Catapult Manufacturing Centre has created a unique environment attractive to both businesses and investors. It is these investment funds that will drive future growth as these businesses begin to commercialise their intellectual property.

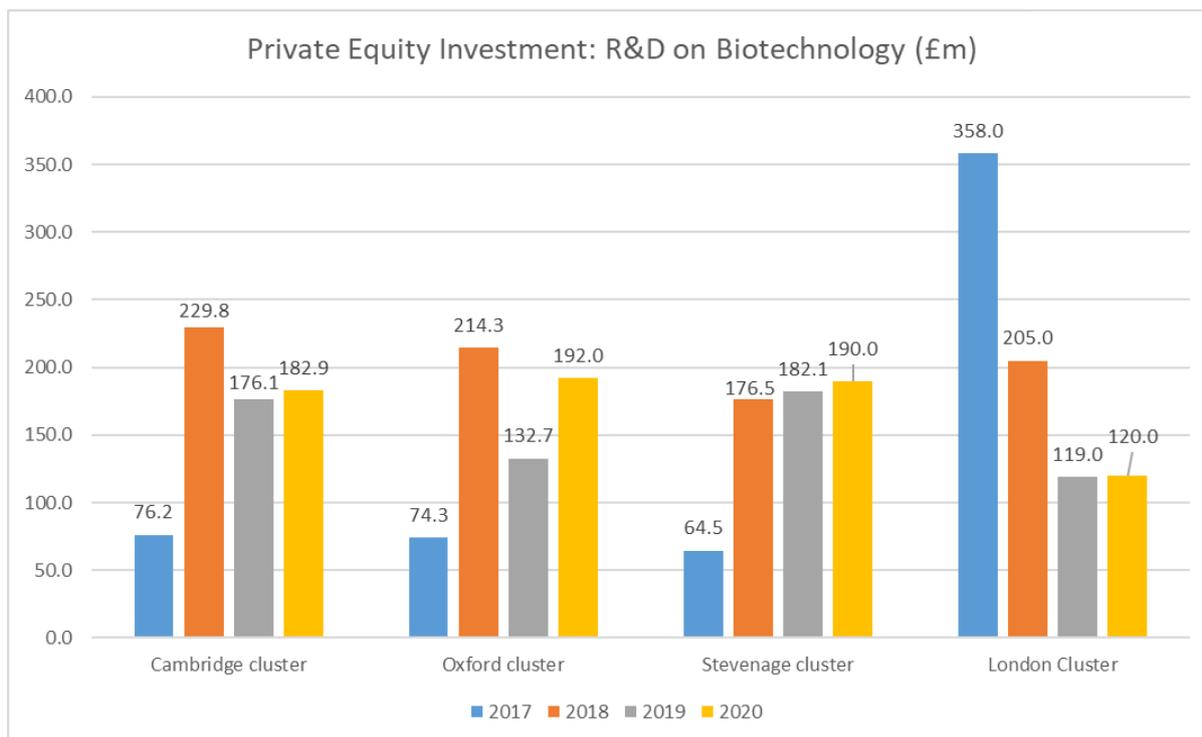


Figure 2: Private Equity Investment*. Source: Beauhurst.com

A further comparator of economic vitality is the volume of innovation funds that are attracted into an area. When compared to neighbouring LEP areas, Hertfordshire is amongst the higher performers. This is equally reflected by performance in other funding streams,

including the Collaborative R&D programme (£8,343,060 has been secured to support scientific collaboration between large corporates and small firms). Figure 3 details the levels of Innovate UK funds that have been invested by LEP area since 2010.

	Hertfordshire	SEMLEP	Bucks LEP	Berkshire	GCGP
Number of companies	64,080	76,935	31,280	45,715	49,005
Number receiving grants	213	327	115	220	814
% of companies	0.33	0.42	0.36	0.48	1.66
Number of projects	489	756	201	454	2,245
Value of projects	£60m	£226m	£17.4m	£49m	440.5m
Average funds per project	£122,699	£298,941	£86,567	£107,929	£196,213
Year to date – projects	11	11	2	9	17
Year to date – value	£901,000	£1.1m	£58,000	£364,000	£654,000

* Snapshot of biotech investment data taken from the Beauhurst.com platform on 2 March 2021

Figure 4 sets out the levels of Innovate UK funding that have been secured at district level over the past decade.

District	Number of projects	Project Value	Average funds per project	% of businesses
Stevenage	35	£92.6m	£731,428	0.99
Welwyn Hatfield	40	£21.1m	£527,500	0.78
North Hertfordshire	43	£9.6m	£223,255	0.64
St Albans	51	£19.4m	£380,392	0.6
Three Rivers	26	£11.7m	£450,000	0.51
Dacorum	35	£5.1m	£145,714	0.43
Hertsmere	33	£5.9m	£178,787	0.42
Broxbourne	14	£1.9m	£135,714	0.3
Watford	26	£2.5m	£96,153	0.24
East Hertfordshire	18	£1.4m	£77,777	0.21

Figure 4: Level of Innovate UK funding by district (2010-2020)

Additional public funded innovation projects have been secured to support private sector innovation. This is set out below in Figure 5.

Programme	Sum of Grant Offered (£)	Number of Grants
Collaborative R&D	£8,343,060	14
EU-Funded	250,617.00	1
Feasibility Studies	1,378,471.00	13
GRD Development of Prototype	499,989.00	2
GRD Proof of Concept	366,419.00	5
GRD Proof of Market	25,000.00	1
Vouchers	15,000.00	3
Total	10,878,556.00	39

Figure 5: Additional public funded innovation projects, Innovate UK

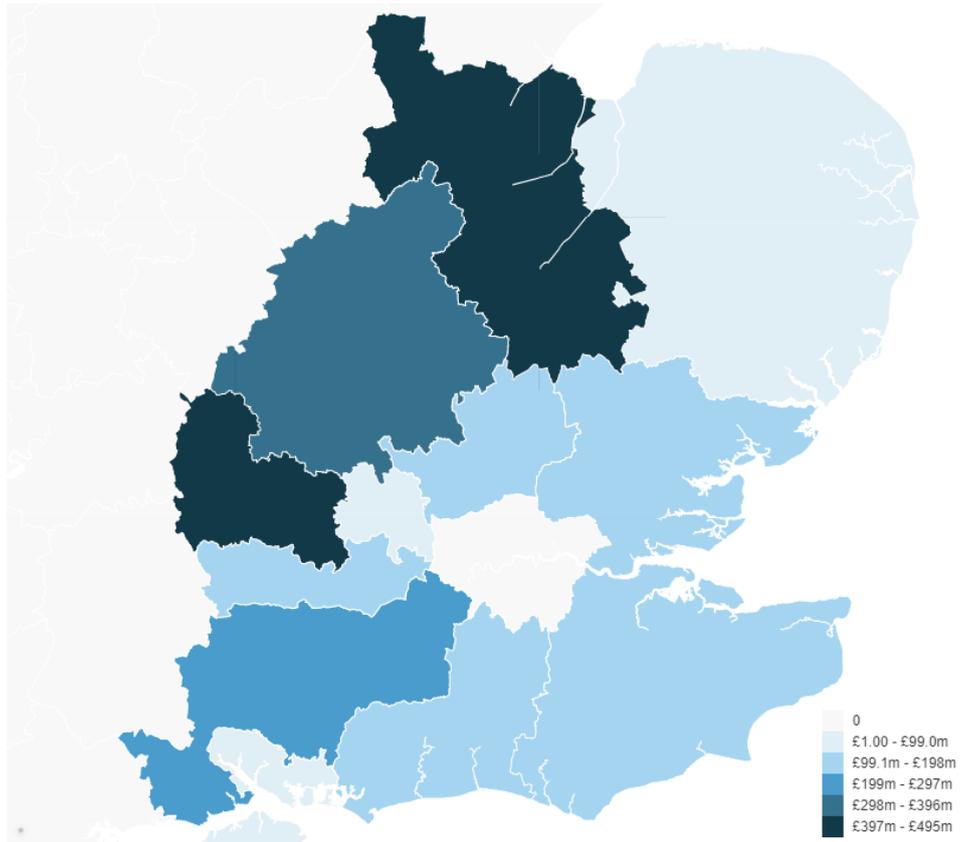


Figure 6: heat map showing density of innovation grants awarded by LEP area since 2010 (Hertfordshire in the centre)

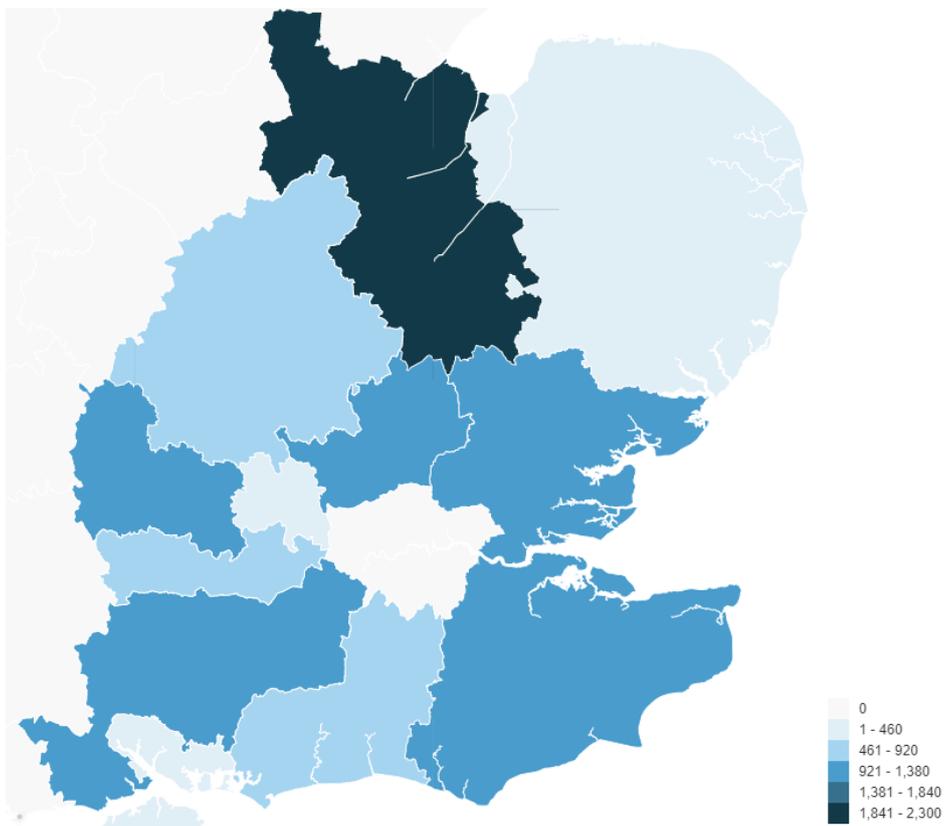


Figure 7: heat map showing value of IUK innovation grants by LEP area since 2010

Equally, the level of patents registered provides an indication of the level of innovation. In this domain Hertfordshire performs well.

Hertfordshire's private businesses are highly adept at bringing their products to market and maximising their impact (51% have high or very high product market strategies). The number of patents may also be understated as Hertfordshire employers with other premises in London would typically register patents there instead of locally.

A key driver of innovation is human capital. Hertfordshire's working-age population is more highly qualified than average, with 42.5% educated to degree level or above, compared with 38% nationally. Hertfordshire residents are

more likely to work in the most highly skilled jobs - 57.4% compared with 54.1% nationally. With this starting point, Hertfordshire is well placed to begin its recovery from the pandemic and has comparatively more human resources available than its neighbours.

The Enterprise and Innovation Strategy seeks to advance a range of actions that support businesses at all stage and sizes to assist their longer term growth and ensure that Hertfordshire improves its economic performance levels. Our approach is to ensure that every business has to access high quality support that improves their operation and position, resulting in improvement to both their competitiveness and profitability.

3. The purpose of Hertfordshire's Enterprise and Innovation Strategy

This strategy sets out to develop a roadmap that provides focus for a programme of activity for Hertfordshire LEP and its stakeholders to drive enterprise and innovation within the county. The strategy complements the draft Local Industrial Strategy and Hertfordshire's Recovery Plan 2020, and provides further detail to the Enterprise and Recovery Package.

The strategy is designed to support recovery following the pandemic and quicken the return to economic growth by implementing measures which focus on the underpinning elements and processes required for enterprise and innovation applicable across all sectors,

business size and technologies. The convergence of technology and know-how, and the diversity of businesses within Hertfordshire will allow for enhanced levels of innovation through cross-fertilisation and result in new opportunities across a number of key sectors.

Case Study 2 – Hatfield Business Park Autonomous Vehicles trial (Living Lab)

Context

The LEP has provided over £748k to match private and public investment in a unique collaboration between Ocado Group, BT, the University of Hertfordshire and the County Council to transform Hatfield Business Park into a model 'smart place' with the introduction of an open and experimental 5G digital ecosystem.

Hatfield Business Park provides an excellent environment in which to develop innovations to serve commercial, public and private residents on a significant scale, with the park spanning 3.5 million square feet of business space and the potential for 13,000 jobs.

The Living Lab will deliver experimental and novel services to residents, local employees and students across the Business Park and Hatfield Garden Village. They will benefit from being actively engaged in the creation and development of innovative mobility services and solutions via a dedicated digital engagement platform.

Outcome

The project will result in the development of a digital twin of the business park. The application and use of driverless cars, drones, robots, smart infrastructure and smart services will generate novel solutions to the everyday issue of moving goods, services and people from A to B.

The project is expected to complete in 2020/21 and may lead to the further development of these trialled services elsewhere in Hertfordshire.

The strategy links closely to county and district local authority growth and place making strategies and seeks to build on a number of issues that have been identified as local priorities, including: delivering clean growth, supporting digital growth, providing access and support to all of our The

The strategy links closely to county and district local authority growth and place-making strategies and seeks to build on a number of issues that have been identified as local priorities, including: delivering clean growth, supporting digital growth, providing access and support to all of our communities, growing and

diversifying economic sectors, supporting higher and further education colleges, the take up of training within SMEs, protecting the quality of the natural environment, re-establishing high levels of employment and exploring the potential that incentives could play in supporting the upskilling of the existing workforce.

This strategy aligns with other strategies for responsible growth in Hertfordshire including in relation to clean growth, inclusive growth, and growth which embraces the possibilities of digital technology in an informed and responsible manner.

4. Existing support for Enterprise

Hertfordshire Growth Hub was launched in 2014 and is delivered by a consortium led by Exemplas, with the University of Hertfordshire and Hertfordshire Chamber of Commerce. Its mission is to create a thriving small business community across Hertfordshire through the provision of locally tailored support and advice which connects businesses with the right experts. To date, the Growth Hub has supported over 7,000 businesses across the county. An independent evaluation found that generally the support was valued and that it was helping businesses to grow.

In addition to the Growth Hub there are a number of specialist support agencies in Hertfordshire such as Wenta, the University of Hertfordshire, Exemplas, Stanta, Hertfordshire Chamber of Commerce, Hertfordshire Community Foundation and Business Improvement Districts. Support is also provided to businesses through Hertfordshire County Council Trading Standards and Environmental Standards, Institute of Chartered Accountants in England and Wales, Federation of Small Businesses, Visit Herts and local Chambers. While this presents a broad offer to the business community, there is a clear view from stakeholders that it has also led to some confusion about the various roles the different organisations play in supporting businesses. Simplifying the gateway and access will make navigating the range of services easier for businesses and potentially increase interaction and demand for support.

Over recent months, Hertfordshire LEP and the Growth Hub have played a central role in relation to a £3.28m COVID-19 business support package which was created to deal with the immediate economic effects of the pandemic.

Business support schemes currently available include:

- Hertfordshire Business Expansion Grant Scheme: grants of £10k - £100k to incentivise SME investment in capital equipment (ERDF and LEP funded, managed by the LEP and Hertfordshire County Council, with support from Hertfordshire Growth Hub and Finance South East).
- Volunteer Business Support Scheme: advice and support from a network of business mentors for firms adversely affected by COVID-19 (a LEP funded Hertfordshire Growth Hub service, managed by the University of Hertfordshire).

Additional schemes include:

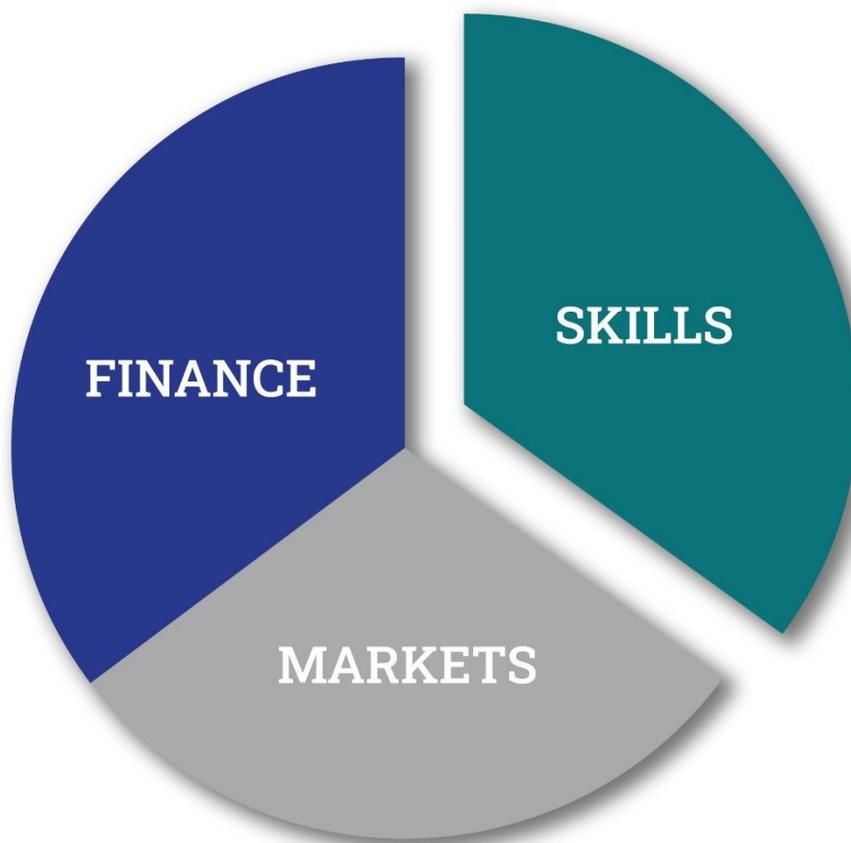
- Hertfordshire LEP SME Growth Loan Scheme: loans of £200k – £500k available to established SMEs in Hertfordshire requiring finance to implement expansion activities that will deliver substantial growth (LEP funded).

- Low Carbon Innovation Fund 2: a £22m+ tri-LEP investment initiative led by the University of East Anglia and Norfolk County Council, to support SMEs that are making a positive impact on greenhouse gas reduction through the development of innovative technologies, products or services (ERDF funded).
- Department for International Trade, Trade and Inward Investment Services.

Many companies in Hertfordshire have benefitted from two further national loan schemes: the Coronavirus Business Interruption Loan Scheme (CBILS) and the Bounce Back Loan Scheme (BBLs).

In addition Local Authorities are administering national support including the Local Restriction Grants and additional discretionary grants which add to the complex environment for businesses to navigate. This picture demonstrates the need to simplify access and make navigating the range of services easier for businesses, which would potentially increase interaction and demand for support.

The three critical areas of support are access to skills (and development of skills), access to finance and access to markets, all referenced in this strategy, and all contributing to productivity improvements.



5. The role of the public sector

The public sector plays a key role in supporting and driving enterprise and innovation.

Partners including those from local authorities and the health and education sectors are actively working across Hertfordshire to enhance the conditions for enterprise and innovation and improve development of these three success factors. This is through business and skills support, granting planning consent, using local companies in procurement and supply chains and in helping businesses to regulate. Both local authorities and health organisations are major purchasers of services that provide new supply chain opportunities across the Hertfordshire economy.

The government has announced the introduction of the Levelling Up fund and the Community Renewal Fund. The Levelling Up fund is a £4.8 billion fund which will be invested in local projects, such as regeneration and place-making, town centre renewal and transport. It is aimed at ensuring the government provides the same support to communities across the UK. Each local authority has been placed within three tiers, with Tier 1 areas having the greatest need. Within Hertfordshire there are 4 local authorities placed within Tier 2. This may present opportunities to support the delivery of the Enterprise and Innovation Strategy.

Similarly the Community Renewal Fund is a £220m fund being implemented as a pilot to the UK Shared Prosperity Fund which is due to launch in 2022. The government has confirmed that the fund will operate as a pilot which will empower places to explore how best to tackle local challenges– whether through building skills, supporting local businesses, supporting communities and places, or providing employment support. The fund will be a competitive process with no pre-set eligibility. The government has confirmed that there are

100 priority places based on an index of economic resilience and no Hertfordshire district is within the priority listing.

Universities and research establishments play a clear role in supporting enterprise within business. They assist businesses to drive new products, processes and service innovation, finding solutions that allow them to cut costs, increase sales, access new markets and create and retain high-quality jobs. These knowledge based establishments also engage in a wide range of knowledge exchange activities, such as long term collaborative research programmes, consultancy, and bespoke training. The involvement of universities in business innovation therefore has a number of important advantages:

- By conducting long-term, speculative research, academic researchers can create and spot ‘upstream’ innovation opportunities that other players, such as customers and suppliers, might not.
- When ‘downstream’ (close to market) innovation opportunities have already been identified, businesses in an open innovation system are not necessarily able to procure all the expertise they need to bring the product or service to market. Sometimes it requires peer-reviewed knowledge, highly specific skills or experimental approaches that may only be available in universities.

The University of Hertfordshire provides a range of services which support the business community. The University is increasingly establishing itself as a key institution in supporting enterprise and innovation within the county by stimulating the growth of small businesses which helps to drive economic

development, turnover and employment in Hertfordshire, ultimately leading to greater long-term prosperity in the region.

The Better Business for All (BBfA) scheme has brought together businesses and regulators in local partnerships to identify the issues facing local businesses. BBfA was initially developed in 2011-2012 and is endorsed by the Office for Product Safety and Standards. The Growth Hub has been working closely with local authority colleagues to enhance the connection between companies seeking regulatory support to business support programmes. This work ensures that businesses can receive a range of support through a single source.

Ensuring that our local support programmes complement and do not duplicate national and regional services will be vital. We will seek to develop entrepreneurial leadership skills, and promote digital take up, alongside Help to Grow (Government schemes). Consideration will be given to enhancing DIT programmes to meet local needs

The Enterprise and Innovation Strategy provides a focus to ensure that Hertfordshire develops a stronger business support ecosystem that brings together all the benefits of a strong private sector offer alongside a proactive, co-ordinated and comprehensive public sector support offer which will benefit local businesses whether they are start-up companies, scale up or established businesses.

The Strategy will help ensure that Hertfordshire has a more coordinated offer for developing and nurturing more and higher level entrepreneurial skills, attitudes, behaviours within our existing and future workforce. Working with key stakeholders such as higher education and further education, schools alongside Young Enterprise, the Princes Trust and Hertfordshire Chamber of Commerce will help develop a stronger programme of activity than currently operates across the county.

6. Hertfordshire on the national and international stage

Ensuring that Hertfordshire has strong visibility within the national and local enterprise agenda is a key requirement if more funding and output is to be gained to support economic activity. It is imperative that Hertfordshire 'punches above its weight' in order to access opportunities.

The county has significant profile at both national and international level due to the presence of clusters around advanced engineering and manufacturing in Stevenage/North Hertfordshire, cell & gene therapies and broader life sciences along the A1 corridor and film and media in Watford and South West Hertfordshire. In order to maximise these profiles, further work is required with regards to engagement with national public sector funding and policy making establishments. We will work closely with Research England and Innovate UK to help drive research and development and new innovation. Key innovation opportunities include:

- Developing initiatives which encourage and promote participation of SMEs in Innovate UK activity. This may mean focusing on areas of emerging strength and aiming to increase the number of SMEs investing in R&D, developing new

products and processes and accessing R&D support across the area.

- Identifying priority sector areas in which the LEP and local partners wish to promote their strengths and influence future thinking.
- Enhanced, targeted support for those businesses considering applying for R&D funding.
- Improve knowledge sharing via the Growth Hub or other networks such as Herts IQ or the recently piloted Peer to Peer networks or a variance of them.
- Building upon our key assets (e.g. the Cell and Gene Therapy Catapult as a DIT High Potential Opportunities Zone) to encourage further innovative activities and inward investment across the county.

7. Overview of Hertfordshire's emerging strategic themes

From consultation with stakeholders, a number of key strategic themes have been identified as being important to driving enterprise and innovation across Hertfordshire.

The themes are aimed at supporting the small business community principally, but will support the ambitions of Hertfordshire's larger businesses who will have different requirements from support that the LEP and stakeholders can offer. The key strategic themes are:

- Enhance the gateway to enterprise support; currently business support is fragmented and lacks coherence
- Supporting enterprise across all of Hertfordshire's communities; entrepreneurship across the county is variable particularly among hard to reach groups
- Ensuring space is available for enterprise and innovation; enterprise space is of variable quality and not necessarily where it is needed
- Drive catalytic sectors; that can have the largest positive impact upon our economy
- Skills to support Enterprise and Innovation; a focus is needed to fill existing and future skills gaps from within Hertfordshire

Through the delivery of the Enterprise and Innovation Strategy important steps will be taken to improving the conditions which enable businesses to thrive and prosper. Each of the strategic themes is explored below. Each theme will be developed in light of current

climate change concerns and will recognise both sustainability and equality agendas.

i) Enhancing the gateway to business support

Stakeholders have recognised that the current visibility of business support in Hertfordshire can be difficult to navigate and leads to confusion within the business community. The gateway needs to support enterprises across all stages of their growth cycle, sectors, and locations. With the scale of the pandemic impacting on businesses across all sectors there is a need to ensure that those that are seeking support can find it quickly as we navigate the remainder of the restrictions and enter a recovery phase. With the pandemic forcing new ways of working, focus will need to remain on ensuring that support is comprehensively available via a range of mediums to reflect the many changes that business have made to their operating models, which in many cases may not revert in the longer term.

With the government's policy focus on 'levelling up the UK economy' we need to consider developing a compelling narrative that sets out how Hertfordshire wishes to be seen as a location for enterprise and innovation growth in future, and how the county can continue to make a positive net contribution to the Treasury, tackle the challenges we face, and address the question 'Why Hertfordshire'?

ii) Supporting entrepreneurs across Hertfordshire

The coronavirus pandemic has challenged all business with many seeking support and

advice with regards to the interventions offered by government and other regional and local organisations. These challenges will not lessen for businesses as we enter the recovery phase in due course. There has been a significant increase in demand for services, a position which is likely to remain into the medium term. Local stakeholders need to deliver a coordinated response to ensure that this demand can be successfully met.

Stakeholders also reflected on the reach of existing services: firstly the under-representation of BAME and women owned businesses and secondly, the geographic reach of current provision to all areas of the county. Social enterprise also plays a key role in engaging communities and meeting a clear need within our communities. The focus of proposed actions will help to reach these communities and ensure that services are provided in a manner that effectively engages hard to reach groups. We will review how we can ensure all communities are able to access our services, and assess the levels of demand from each community prior to developing bespoke programmes.

The pandemic has also increased the use of online and digital platforms. There are opportunities to create online marketplaces, collaboration, and connection between businesses. Exemplar report that there are a number of positive examples where technology has been harnessed effectively to increase commercial opportunities. With increased automation within business, there will be a need to ensure that Hertfordshire businesses are able to maximise the use of technology to drive growth and productivity.

As the recovery begins it will be important to ensure that business support helps build greater digital resilience, particularly where demand has moved online, and may remain online for the foreseeable future. This will be highly relevant to those sectors that have historically not invested in a digital service offer, i.e. the independent retail sector which, if not already doing so, may need to rapidly gain an effective digital presence. It will also be important to provide advice and support to

businesses as they potentially move to a more 'hybrid' way of working. Businesses will be seeking to understand how best to work flexibly and will be looking to apply best practice around flexible working.

With the Hertfordshire economy predominantly made up of SMEs we recognise that in order to deliver economic growth and address our productivity challenge, we need to find ways to engage and develop our SMEs. One current area that is underprovided for is support for managers and leaders in high growth and scale-up SMEs. We want to explore how we can address this gap in provision. Within the LEP area and beyond, we have significant expertise in delivering support to both entrepreneurs and intrapreneurs. Working with these partners there is potential to establish a Scale up Leadership programme, which would add to the current range of programmes available and offer a more focused and targeted programme that can support Hertfordshire's growth focused entrepreneurs and intrapreneurs.

Equally Hertfordshire currently does not have access to a broad 'angel network' of funders to assist businesses to drive growth. Having access would accelerate the support, funding and expertise available to business leaders and fill an identified equity/funding gap. With the UK's strongest angel networks operating in London and Cambridge there is a need to explore the opportunity of extending these networks into Hertfordshire, and a soft market testing exercise is planned during 2021.

Increasing exporting is an important way to achieve economic growth and improve productivity. The Department for International Trade (DIT) is rolling out an Export Academy service. This is aimed at providing support to new exporters with turnover less than £500k per annum. The service will seek to build the skills, knowledge and capability of companies aiming to move into exporting. The government is currently finalising its Export Strategy which will identify several new key markets as part of the ambition to do more in fewer target destinations, as reflected in the Free Trade Agreements achieved to date. We will work with DIT to connect Hertfordshire businesses

to the opportunities that exist to support exporting, including consideration of an Internationalisation Strategy.

iii) Ensuring space is available for enterprise

Stakeholders have expressed concern about the availability of high quality, easily accessible/exited workspace across the county. With coronavirus likely to impact the London office market, the wider commuter belt serving the capital will potentially play a new role in future in supporting businesses through smaller workspace units as a return to the previous mass commuter model seems unlikely even in the longer term.

Partners have identified that flexible co-working space is needed, particularly to meet current demand from SMEs and with potentially more start-ups being launched as a result of those being made redundant due to a pandemic driven recession. There is also evidence of short term flexible space being in high demand across the county as identified by commercial agents. With the fortune of high streets rapidly changing across the county there is a need to repurpose them and therefore we will investigate how vacant space can be used to support enterprise and not be lost to residential development. The county should also prepare to attract businesses looking to downsize or remove cost from central London locations. Early evidence suggests that between 10% to 20% of companies located in central London may be considering relocating to a base within the wider South East geography ('What next? The future of offices', Cushman and Wakefield, September 2020).

If Hertfordshire is able to quickly position its offer to this market, this could be highly fruitful.

Further evidence of demand has been presented by Bidwells Property Consultants who have identified that up to 20 million sq. ft. of new laboratory and office space will be required in the Oxford-Cambridge Arc within the next two decades to keep pace with soaring demand: twice the volume of the previous 20 years. With Hertfordshire's proximity to the arc and its aligned sector strengths this presents a clear opportunity if Hertfordshire can provide

high quality space to meet future demand. Sites such as the Hertfordshire IQ Enterprise Zone will play a key role in supporting the enviro-tech sector and other sites should consider sector specialisms in order to attract investment and develop a cluster presence over time.

iv) Driving our catalytic sectors

Hertfordshire hosts a number of the UK's most productive and innovative sectors. Their continued growth will underpin the county's future economic performance. Stakeholders believe that manufacturing growth is an opportunity for Hertfordshire given its strength in advanced manufacturing. There is belief that the exit from the EU could result in some companies bringing manufacturing facilities into the UK, albeit there will need to be focus on retaining companies across all sectors.

The county has a successful cultural and creative sector which continues to thrive, particularly in the south west districts. The sector has managed to avoid the worst impacts of the pandemic and will continue its growth, albeit at slightly lower rates. The sector remains one of the UK's highest growth prospects, and the county is well-placed to secure further growth if it can position its offer effectively and be able to house relocations in high quality facilities. The film sector is a real specialism for the county and one that requires further consideration. If positioned correctly to the wider market it could lead to significant investment that may be retreating from London due to the pandemic, or simply attracting new start-up and scale-up businesses.

In the same manner the life sciences sector offers similar growth potential. The county can build on the presence of key assets such as the Cell and Gene Therapy Catapult, Rothamsted Research and the globally visible companies already located in Hertfordshire. Further growth will be reliant on having quality laboratory space and availability of skilled staff. Where these are available the county has a strong proposition to attract new investment. Where these conditions are not available further work

will be required if investment is to be attracted and growth optimised.

The construction sector also offers potential, particularly as the economy enters a recovery phase. With increased focus on sustainability manifesting as a result of the pandemic and building upon the focus that Herts IQ brings, there is a significant opportunity for the county across new technologies and processes such as clean growth, zero carbon and smart construction.

Developing action plans for key sectors is an important objective of the LEP's Economic Recovery Plan and ensuring that the Enterprise and Innovation Strategy aligns with these action plans will ensure support and services are available to all business, in whatever stage of the business life cycle. Work on developing sector specific action plans has already started, initially for the Cell and Gene Therapy, and TV and film sectors, to act as templates for other key sectors later in 2021.

v) Skills availability to support Enterprise and Innovation

With the pandemic refocusing the economy it will be important for Hertfordshire to continue to ensure that there is a skilled workforce available to its businesses and that training and support is in place to support entrepreneurs, intrapreneurs and innovators. There is a need to ensure that enterprise concepts are understood through the education system from school age through to higher and further education. This will encourage Hertfordshire's younger residents to consider enterprise in a different way and offer broader opportunities.

This approach will assist businesses to fill existing skills gaps with aspirational and talented young people from within Hertfordshire. Providing a focus for entrepreneurial opportunities on the Hertfordshire Opportunities Portal (HOP) will also ensure that young people feel informed and inspired about the wide range of businesses, sectors and opportunities available to them across the county.

Currently there is a lack of evidence to show commitment to people development (recruitment, retention, skills development and leadership/entrepreneurial skills advancement) in Hertfordshire. A factor may be that SMEs are not always willing to train employees due to the cost, and fear of poaching by competitors. There is potential to explore how mechanisms could be used to incentivise firms to invest in training, which could include grants/training credits. It is important therefore that there is an alignment between the Enterprise and Innovation Strategy and the recently revised Hertfordshire Skills Strategy.

8. Key Strategic Themes: Action Plan

The Action Plan highlights the activities and deliverables arising from the 5 themes identified.

The themes are key areas where successful action can maximise the county's enterprise and innovation potential.

- **Goal 1** – Enhancing the gateway to business support
- **Goal 2** – Supporting entrepreneurs across Hertfordshire
- **Goal 3** – Ensuring space is available for enterprise
- **Goal 4** – Driving our catalytic sectors
- **Goal 5** – Skills availability for Enterprise and Innovation

Goal	Action	Partners	Impact	Timescale	Deliverables
G1 - Gateway to Business Support	<p>1.1 We will establish a Task and Finish Group to:</p> <p>a) Catalogue and review the current range of business support available within the county following policy announcements by government.</p> <p>b) Review the journey companies go through to access support.</p> <p>c) We will identify challenges and barriers and will work with stakeholders to improve access to business support services.</p>	<ul style="list-style-type: none"> • Growth Hub • Other business support providers and representative organisations • Local authority stakeholders 	<ul style="list-style-type: none"> • The development of a single gateway and brand providing a long-term approach to help SMEs quickly identify where support is available and deliver effective signposting exists between agencies. • Smooth and frictionless referrals between business support providers. • Joined up marketing and promotions. • Improved customer satisfaction ratings. • Increased levels of service take up. 	<ul style="list-style-type: none"> • We will establish the Task and Finish Group by July 2021. 	<ul style="list-style-type: none"> • Task and Finish Group – establish in July 2021, concluding in January 2022.

Goal	Action	Partners	Impact	Timescale	Deliverables
G1 - Gateway to Business Support	1.2 We will increase our reach in to all of our communities. We will use the mnAI database to ensure that we provide services to harder to reach groups of entrepreneurs (the BAME community, social enterprises, and female entrepreneurs).	<ul style="list-style-type: none"> • Growth Hub • Other business support providers • Hertfordshire Community Foundation • Social Enterprise East • Local authorities • mnAI 	<ul style="list-style-type: none"> • Increased take-up of mainstream and tailored business support among BAME and third sector organisations. 	<ul style="list-style-type: none"> • By June 2022 we will have developed a detailed online programme of business support. 	<ul style="list-style-type: none"> • A comprehensive package of business support comprising face to face advice and access via digital platforms will be available by June 2022. • We will review how current support programmes can be positioned by working with our local stakeholders and community representatives to assess how we can make access to services open to all.
G1 - Gateway to Business Support	1.3 Work with our local authorities to assess how the Better Business for All (BBfA) and business support programmes can be connected in a manner which helps businesses to grow more quickly.	<ul style="list-style-type: none"> • LEP • Growth Hub • Hertfordshire County Council • Local authority districts 	<ul style="list-style-type: none"> • Connection to the BBfA programme will lead to more companies becoming engaged with the Growth Hub and support services. 	<ul style="list-style-type: none"> • By September 2021 we will have concluded whether a BBfA connection can deliver growth opportunities. 	<ul style="list-style-type: none"> • A potential BBfA programme to help identify growth companies.
G1 - Gateway to Business Support	1.4 Develop our strong working relationship with Innovate UK to further encourage investment in innovation across Hertfordshire businesses.	<ul style="list-style-type: none"> • LEP • Growth Hub • Innovate UK 	<ul style="list-style-type: none"> • Improved visibility of Hertfordshire around Innovate UK programmes and improved assistance to the business community to access funding. 	<ul style="list-style-type: none"> • We will continue to develop our collaborative working relationships with Innovate UK during the second part of 2021, including an initial meeting to explore funding and programme support from IUK and other bodies including SBRI. 	<ul style="list-style-type: none"> • A further improved working relationship with Innovate UK will help prioritise Hertfordshire and lead to new opportunities.

Goal	Action	Partners	Impact	Timescale	Deliverables
G2 – Supporting Entrepreneurs	2.1 Carry out an audit of current provision to ensure that it is available to potential entrepreneurs including those from hard to reach groups. Where provision is not reaching all of our communities we will work with providers to meet and generate demand.	<ul style="list-style-type: none"> Growth Hub LEP Local authorities Enterprise agencies Chambers 	<ul style="list-style-type: none"> Reaching all communities will help all communities thrive within Hertfordshire. Consistent promotion and messaging across Hertfordshire (de-fragmentation) in relation to business support. 	<ul style="list-style-type: none"> We will complete the audit by end October 2021. We will work with partners to commence delivery of new services by October 2021. 	<ul style="list-style-type: none"> A completed audit detailing all business support services available within the county.
G2 – Supporting Entrepreneurs	2.2 Produce case studies that will inspire other business owners to seek support.	<ul style="list-style-type: none"> Growth Hub LEP Local authorities. Enterprise agencies Chambers 	<ul style="list-style-type: none"> The production of case studies which can be promoted through various media will encourage and inspire entrepreneurs from all of Hertfordshire's communities. 	<ul style="list-style-type: none"> We will produce 3 case studies by the end of November 2021. 	<ul style="list-style-type: none"> 25% increase in businesses from minority communities inspired to take up business support. 10% increase in number of people registering and starting a business.
G2 – Supporting Entrepreneurs	2.3 Lead local coordination and promotion of national traineeship programmes.	<ul style="list-style-type: none"> LEP Growth Hub BEIS 	<ul style="list-style-type: none"> Increased traineeships will support business growth and assist retention and succession planning. 	<ul style="list-style-type: none"> A review of options will commence in September 2021. 	<ul style="list-style-type: none"> Programme outputs to be determined once a delivery mechanism is in place.
G2 – Supporting Entrepreneurs	<p>2.4 Addressing current gaps in service provision:</p> <p>2.4.1 Explore how we can develop a Scale Up/High Growth SME leadership programme to complement the government's Help to Grow Programme.</p> <p>2.4.2 Explore how we can establish an Angel Network to help accelerate support to high growth businesses and bring new entrepreneurial expertise into Hertfordshire.</p>	<ul style="list-style-type: none"> Growth Hub LEP University Business School Other business support providers <ul style="list-style-type: none"> Anglia Capital LEP 	<ul style="list-style-type: none"> Increasing entrepreneurial skills and enhanced leadership and management development programmes will help to improve both the growth prospects and productivity of our SMEs Having access to an Angel Network would help accelerate our high growth businesses more quickly than current provision allow. 	<ul style="list-style-type: none"> Explore opportunities with Business School and other potential delivery partners commencing April 2021. Launch a soft market testing exercise by Q3 2021 with a pilot to assess the feasibility of establishing an 	<ul style="list-style-type: none"> Programme outputs to be determined once a delivery mechanism is in place. Programme outputs to be determined once the feasibility study is complete to justify launching an on-going Angels Network in Hertfordshire.

	<p>2.4.3 Support for technology and/or innovation-focused entrepreneurs to complement Help to Grow (digital).</p>	<ul style="list-style-type: none"> • Growth Hub • LEP • University • Other business support providers 	<ul style="list-style-type: none"> • Developing a package of access to finance and access to tech skills support to help SMEs increase the levels of tech adoption within the firm. 	<p>Angel Investment Network in Hertfordshire.</p> <ul style="list-style-type: none"> • Start summer 2021 end March 2022. 	<ul style="list-style-type: none"> • Increased number of firms implementing new IT based processes and systems • Improved commercial performance of participating firms • Higher levels of demand for tech skills by participating SMEs.
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Goal	Action	• Partners	• Impact	• Timescale	• Deliverables
G3 – Space for Enterprise	3.1 Review the supply and demand of high quality, accessible workspace across the county and develop an investment programme to address gaps for innovation (firstly) and enterprise support facilities.	<ul style="list-style-type: none"> • LEP • Local authorities • Growth Hub 	<ul style="list-style-type: none"> • Ensuring provision of high quality workspace will ensure that we both retain and attract companies. 	<ul style="list-style-type: none"> • By Q4 2021 we will have audited the range of workspace across the county and identified any gaps. 	<ul style="list-style-type: none"> • A complete audit of high quality workspace within the county.
G3 – Space for Enterprise	3.2 Develop a programme that links enterprise with vacant high street space and bring more jobs into our town centres through innovation (firstly) and enterprise support facilities.	<ul style="list-style-type: none"> • LEP • Local authorities • Growth Hub 	<ul style="list-style-type: none"> • Locating our entrepreneurs within our high streets will use vacant space and ensure that our town centres remain animated. 	<ul style="list-style-type: none"> • By October 2021 we will have identified with our local authority partners retail units which could be repurposed into workspaces. 	<ul style="list-style-type: none"> • Reduced vacancy rates within town centres.
G3 – Space for Enterprise	3.3 Review LEP operational capacities for the promotion, management and co-ordination of investment enquiries into the county for innovation (firstly) and enterprise support facilities.	<ul style="list-style-type: none"> • LEP • Local authorities. • Herts IQ • Visit Herts • Department for International Trade • Hertfordshire Growth Board 	<ul style="list-style-type: none"> • Enhanced approach to marketing Hertfordshire to UK and overseas investors. • Increased pipeline of investment enquiries. • Increase levels of foreign direct investment in Hertfordshire. • Increased levels of investment from businesses in LEP priority sectors. • Increasing levels of domestic and business tourism. 	<ul style="list-style-type: none"> • End September 2021. 	<ul style="list-style-type: none"> • Clear and improved management of investor development services. • Enhanced marketing collateral targeting added value investment in the county's priority sectors. • Increased numbers of inward investment successes from overseas territories. • Increase in investments (retentions) from existing inward investors.
G3 – Space for Enterprise	3.3 Explore how our research institutes and science led enterprise infrastructures and higher education can further underpin enterprise growth and commercialisation across the county through improved	<ul style="list-style-type: none"> • Stevenage Advanced Therapies Campus • Cell and Gene Therapy 	<ul style="list-style-type: none"> • Developing a programme with higher education institutions will embed research more fully into the local economy and our businesses. 	<ul style="list-style-type: none"> • By October 2021 we will have identified a programme with our research institutes to promote enterprise and provide research to 	<ul style="list-style-type: none"> • Enhanced connection between research and business leading to new products and services being brought to market. • Increased number of firms carrying out R&D intensive activities within the county.

	innovation and enterprise facilities.	<p>Manufacturing Centre</p> <ul style="list-style-type: none"> • BRE • Rothamsted Research • University of Hertfordshire • Royal Veterinary College • Research Institutes • Innovate UK (Edge) 	<ul style="list-style-type: none"> • Engagement with research will ensure that our businesses improve their focus on innovation and utilise research in developing new products and services. • Through the promotion of Knowledge Transfer the local workforce will become increasingly skilled and companies will become more “innovation active”. 	high growth companies.	<ul style="list-style-type: none"> • Increased levels of external R&D funding levered into the county.
G3 – Space for Enterprise	3.4 Consider the development of an innovation centre providing a focus for innovation within the county; potentially a maker centre for fast prototyping with the aim being to help early stage entrepreneurs bring ideas for new products and services to market.	<ul style="list-style-type: none"> • Stevenage Advanced Therapies Campus • Cell and Gene Therapy Manufacturing Centre • BRE • Rothamsted Research • University of Hertfordshire • Royal Veterinary College • Research Institutes 	<ul style="list-style-type: none"> • A new innovation centre will bring greater focus and practical support to those companies seeking to innovate new products. • The centre could complement facilities planned at BRE, Rothamsted and on the Hemel Innovation Campus (Herts IQ). • Develop a programme to support our SMEs to grow via improved service and innovation focus. 	<ul style="list-style-type: none"> • We will continue to explore the project with stakeholders by early 2022. 	<ul style="list-style-type: none"> • A new centre focussed on helping firms progress through the innovation value chain will help drive innovation and economic growth. Its presence will also be a key element in tackling the productivity challenge facing Hertfordshire.

Goal	Action	• Partners	• Impact	• Timescale	• Deliverables
G4 - Driving Catalytic Sectors	4.1 Work with our global companies to identify their supply chain partners in order to try and attract those to the county (from overseas and the UK).	<ul style="list-style-type: none"> • LEP • Large companies and foreign owned firms 	<ul style="list-style-type: none"> • Working with global companies will identify new opportunities and assist in retaining major employers. 	<ul style="list-style-type: none"> • By December 2021 we will have developed a programme to engage with 25 of our largest companies and by March 2022 we will have identified how assistance can help deliver growth. 	<ul style="list-style-type: none"> • Support for companies in Hertfordshire's key growth sectors.
G4 - Driving Catalytic Sectors	4.2 Develop Sector Action Plans to understand the challenges facing companies and identify how partners may be able to unblock these.	<ul style="list-style-type: none"> • Companies in our key sectors 	<ul style="list-style-type: none"> • Unblocking opportunities within our key sectors will lead to improved growth prospects and potential supply chain opportunities for other Hertfordshire companies. 	<ul style="list-style-type: none"> • Sector plans for cell and gene therapy, and film and TV are being developed (June 2021) with others to follow later in the year. 	<ul style="list-style-type: none"> • Business support and growth initiatives are anticipated to emerge from the sector plan work.

Goal	Action	Partners	Impact	Timescale	Deliverables
G5 – Skills for Enterprise	5.1 Continue to develop the Careers & Enterprise Company (CEC) programme which engages with schools and colleges to promote enterprise.	<ul style="list-style-type: none"> Local authorities, schools and further education colleges University of Hertfordshire 	<ul style="list-style-type: none"> The CEC programme works with business leaders and seeks to inspire young people to become more entrepreneurial and enable business leaders to identify talent. 	<ul style="list-style-type: none"> Progress will be reviewed on a quarterly basis. 	<ul style="list-style-type: none"> A programme that connects education with business which inspires young people.
G5 – Skills for Enterprise	<p>5.2 Implement a package of support to encourage new business start-ups. We have identified two main strands as a priority:</p> <p>5.2.1 support for technology and/or innovation-focused entrepreneurs;</p> <p>5.2.2 support for those who are considering self-employment (instead of employment).</p>	<ul style="list-style-type: none"> Private sector representatives Wenta University of Hertfordshire 	<ul style="list-style-type: none"> A new start up programme will help new entrepreneurs begin their enterprise and reduce the number of business failures per annum. 	<ul style="list-style-type: none"> By October 2021 we will have developed a revised Business Start-up programme. 	<ul style="list-style-type: none"> A programme that connects education with business which inspires young people. A revised and comprehensive start up programme delivered as part of a national initiative (for consistent high level support) and/or through funding from the Shared Prosperity Fund (when introduced).
G5 – Skills for Enterprise	5.3 Explore options in relation to leadership and management potentially through the national Small Business Leadership Programme. We will also seek to deliver a similar programme.	<ul style="list-style-type: none"> LEP BEIS University Business School Other business support providers 	<ul style="list-style-type: none"> Improved leadership and management skills will help drive business growth and improve survival rates in the longer term. 	<ul style="list-style-type: none"> By Q3 2021 we will have assessed the optimal structure and form for the delivery of a business leadership programme. 	<ul style="list-style-type: none"> A comprehensive entrepreneurial skills and leadership and management programme designed to assist SME business leaders.

9. Measuring the impact of the Enterprise and Innovation Strategy

It is important to recognise that the actions identified by this review are not static, nor do they reflect all activities undertaken by partners in delivering economic development. The strategy covers the period 2021-2025 and will be reviewed regularly. Therefore, while the overarching strategic framework will remain stable, the actions themselves will be more fluid, subject to periodic review and tweaked to incorporate new opportunities/interventions as they emerge. We will undertake an interim review once the economy re-stabilises as the pandemic is potentially contained by the vaccination programme.

The LEP will produce an Annual Economic Monitor which will draw together a suite of 'real time' economic intelligence indicators. This strategy will be a 'living document', monitored and refreshed by the LEP's Enterprise & Innovation Board and reported to LEP Board and Hertfordshire Growth Board on an annual basis. This will ensure all partners are working

together towards a coherent set of economic objectives, prioritising resources and delivery where appropriate. The Enterprise & Innovation Board will recommend any adjustments and changes of focus for the strategy having assessed the results achieved and the corresponding impact upon the Hertfordshire economy.

10. Summary

Hertfordshire has the potential to drive higher levels of enterprise and innovation, yet the county is lagging behind others on key enterprise and innovation measures, and more can be done.

The Enterprise and Innovation Strategy sets out the actions which will help our economy as we address short term issues that relate to the impact of the coronavirus pandemic and, once conditions improve, support Hertfordshire's businesses to grow and in doing so strengthen the county's economy.

The strategy has been developed not in isolation, but taking into account the Skills, Digital and Clean Growth agendas. It is intended to be overarching and to influence and enhance local district economic development strategies, to ensure a joined up approach and to maximise leverage of increasingly pressured public sector resources.

It has been recognised as this strategy has been developed that although Hertfordshire is well served with business support initiatives, the needs of all businesses and those seeking to start businesses are not being met. There is evidence of some duplication of effort, whilst gaps in provision also exist, and some providers of support are in competition with each other, leaving some businesses less well served.

The needs of all business could be described as being the same; access to skills, finance and markets, but the specific needs behind each vary by business type and life stage.

In order to reach a more optimum solution therefore, the strategy introduces key themes which will ensure more even support across all businesses (from pre to start-up, growth/scale-up and established). These themes are;

1. Enhancing the gateway to business support
2. Supporting entrepreneurs across Hertfordshire
3. Ensuring space is available for enterprise
4. Driving our catalytic sectors
5. Skills availability to support Enterprise and Innovation

With current funded programmes reaching their end (e.g. ERDF) these themes and our corresponding action plan seeks to address immediate issues that have been identified by businesses and stakeholders as well as looking to the future, beyond the pandemic. The strategy focuses on understanding current conditions in order to prioritise future support initiatives, and identifying pilot activities where these will be able to test how business needs can best be addressed.

Most importantly, it places weight on support being provided for all sizes and types of business, irrespective of their ownership, development stage and sector or growth aspirations. It recognises the positive impact and contribution all businesses can make to Hertfordshire as a whole, our future productivity levels and to improving the economy of the county.

