

Agenda item 5

Hertfordshire Growth Board (HGB) – Refreshed priorities, Work Programme, and actions March 2023

Report Author: Patsy Dell, Hertfordshire Growth Board (Tel: 07949 887794)

1 Purpose of report

- 1.1 In late 2022, a review was undertaken of the work of the Herts Leaders Group and the Hertfordshire Growth Board in delivering effective system and place leadership for Hertfordshire.
- 1.2 Consultants were commissioned to help support this work and the development of new strategic priorities. Conclusions from the review and proposed next steps for the work programme to 2025 are set out in this paper and the consultant's report is attached at appendix A.

2 The Hertfordshire System and Growth Board

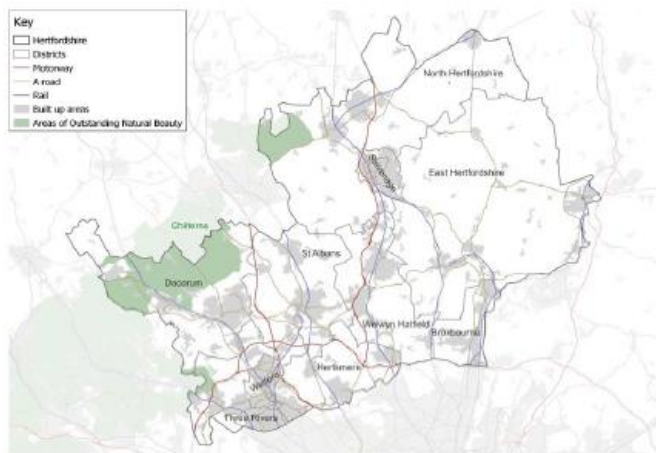
- 2.1 The Hertfordshire Growth Board was set up in 2018 in recognition of the need to work together (albeit in a number of different roles) for the greater benefit of Hertfordshire. At that time, the focus was very much on collaborating around delivering housing growth, infrastructure, and strategic planning along with the ambition to secure a growth deal with HM Government. Appendix B contains the original adopted terms of reference.
- 2.2 From there the Growth Board developed a clear set of ambitions and areas of focus, established a joint work programme and programme/project management architecture and dedicated team. Encouraged by senior officials, contact was made with Government a number of times to discuss growth deals. The Growth Board transitioned into a Statutory Joint Committee in 2021.
- 2.3 With the change in policy at National Government level to focus on Levelling Up from late 2019, the widespread recognition of a climate emergency in 2020, the impact of the global pandemic in 2020-2022, the widespread impact of the war in Ukraine and the current cost of living crisis, the focus of the board, the drivers for its work and the joint priorities and ambitions have necessarily shifted.
- 2.4 There is clear commitment in the Hertfordshire Local Government system to maintain a collective approach to priority setting and problem solving through the Herts Leaders Group and the Growth Board despite these pressures. This intention is indicative of the strength of relationships and

commitment to continue to collaborate for the greater good of Hertfordshire.

- 2.5 The consultant's report outlines the work undertaken with Herts Leaders and senior officers over recent months and the development of an intended set of priorities and focus for 2023 – 25.

3 Strategic Context for Hertfordshire

- 3.1 Hertfordshire has a strong and diverse economy with particular sector strengths in life sciences and the film and creative sector. The diagram below provides a contextual economic overview.



GDP: £46.086bn

Population: 1,198,798

Jobs: 727,000

Businesses: 62,065

Business Specialisms:
Scientific Research & Development,
Pharmaceutical Manufacture,
Building & Landscaping,
Recruitment & Civil
Engineering, Film & Creative
Industries

Sources: ONS GDP by ITL regions 2020, ONS Census 2021, ONS Jobs Density 2021, ONS Business Counts 2022, Metro Dynamics analysis of Business Register and Employment Survey 2021, Ordnance Survey 2022

- 3.2 Taken as a whole Hertfordshire's economy performs better than the national average, making a net contribution to UK Plc but with above and below UK average productivity being observed across the county. Skills levels are high in a number of areas, but the overall picture is mixed. Digital connectivity is variable across Herts.
- 3.3 A shared analysis of the most significant external factors impacting upon Hertfordshire was developed. Key external trends and their impact upon Hertfordshire are summarised in table 1:

Table 1 – PESTLE analysis

PESTLE Analysis	
P	Political - The uncertain global and national political contexts are creating long-term instability for Hertfordshire on various fronts – particularly around devolution, levelling up, funding and public trust in politics
E	Economic – the cost of living crisis and rising inflation has created a fragile environment for residents, businesses, the council and overall levels of development, especially in terms of housing construction.
S	Social – Our ageing population poses complex challenges, whilst overall our population continued to grow in a way that feels unsustainable
T	Technological – Consensus around the benefits of improved technology and the use of technology within services, but difficulty in navigating the associated risks such as digital exclusion or user reluctance
L	Legal – Capacity is a challenge in planning, as is policy uncertainty. Inefficient procurement procedures serve as a barrier to quick decision making and development.
E	Environmental – The differing narratives around environmental improvement and sustainable development create ambiguity around the 'right' course of action. Sustainable development delivery needs to consider the current housing stock situation as well as the availability of local skills to make improvements.

3.4 Hertfordshire’s strengths, challenges, and opportunities were identified as follows:

Table 2 – Strengths and Challenges

Strengths	Challenges
<ul style="list-style-type: none"> • Diverse economy with high-value industries (film, cultural, life sciences) • Net contributor to the UK economy • Geographical proximity to key infrastructure assets and locations, alongside natural beauty and desire for people to live here • High educational achievements, resulting in extremely well-educated residents • Strong relationships between local government leadership • Strong cultural and heritage assets 	<ul style="list-style-type: none"> • Growing and ageing population • Recruitment and capacity challenges, particularly in key sectors such as health and social care and the risks of this leading to a health care crisis • Polycentric (both a strength and challenge) • Too much retail space, with associated challenges for high streets • Constant renewal needed to support an aging population and fill workforce gaps

Table 3 – Opportunities

Opportunities
<ul style="list-style-type: none">• Green and sustainable housing growth (right size, location)• Transport and digital connectivity between towns• Strengthening university’s research output and better aligning FE provision with the skills demands of growing industries• Hybrid working creating opportunities for town centres• Existing growth projects and corridors linked to growth

4 Place Leadership priorities in Hertfordshire 2023 – 2025

4.1 The review discussions not only developed priority areas for growth in Hertfordshire but also identified overarching drivers, reflecting the ambition to encourage the right economic growth for people and planet. It will be important for Hertfordshire to ensure these holistic and cross cutting drivers are owned and addressed along with the identified priority areas of focus.



Hertfordshire Priority Areas of Focus

4.2 The following diagram identifies the four priority areas of focus developed through the review. They are a set, which along with the drivers should be seen as mutually reinforcing and mutually dependent in term of their potential to impact upon and deliver the kind of growth Hertfordshire is seeking. The narrative that follows outlines the impact that focus on these priorities is intended to have.



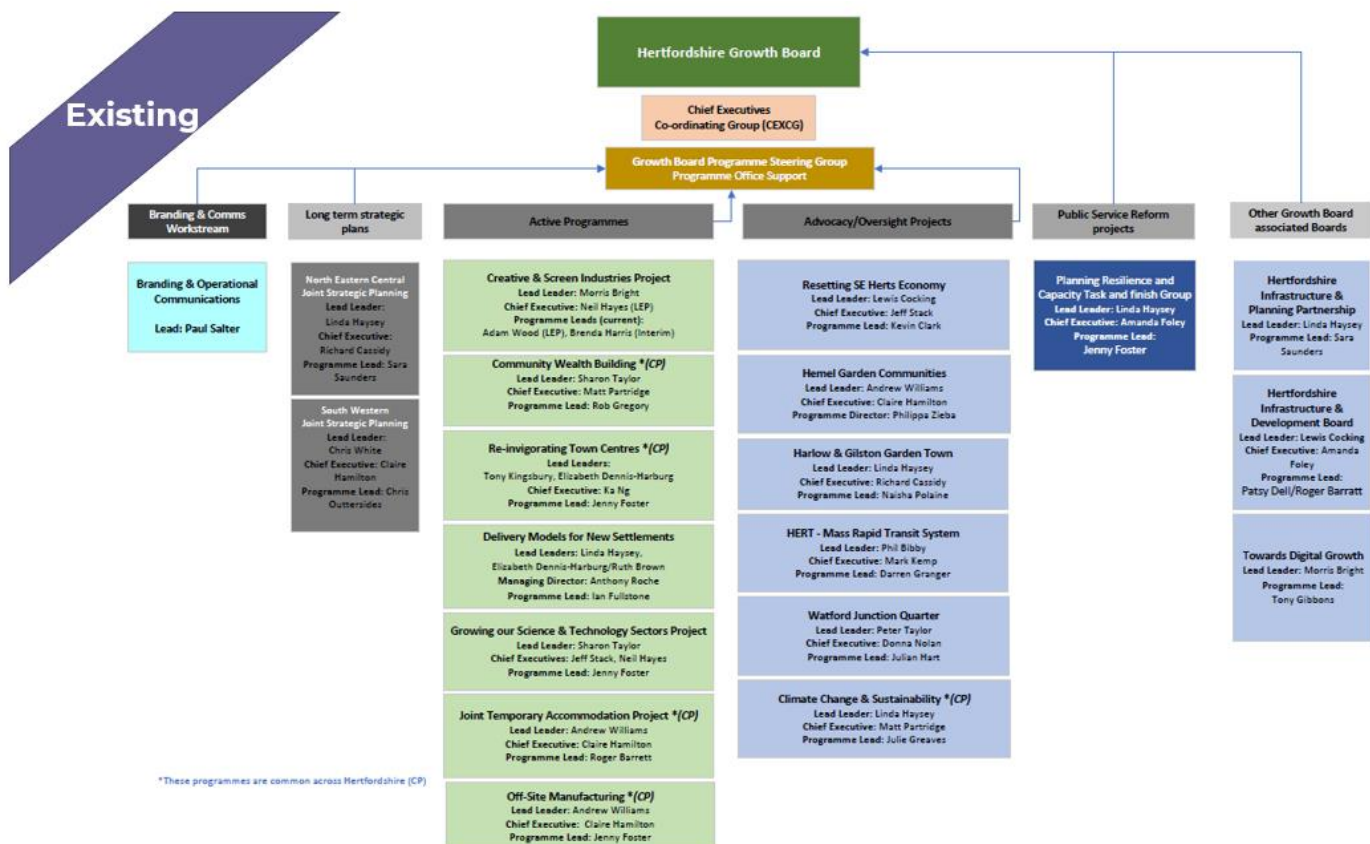
- 4.3 **Capital Projects** – The extent and nature of capital projects across the county and the current funding landscape led members of the Growth Board to highlight the need to make more of what is being achieved. A new investment case for Hertfordshire should be produced that makes the county proposition more impactful and attractive than the sum of its individual schemes.
- 4.4 **Housing Affordability and Supply** – Ongoing growth pressures and high targets make this a clear, continued shared priority for the Growth Board. Whilst influencing and improving this situation will continue to be challenging, collective focus should now turn to supporting a more sustainable and inclusive type of growth that provides housing for those most in need.
- 4.5 **Connectivity** – The rise in hybrid working, the climate emergency and a reduction in commuting to London have highlighted the gaps and weaknesses in local public transport and digital infrastructure across the whole of Hertfordshire. It is recommended that the Growth Board develops proposals for more immediate transport improvements and digital solutions.

4.6 **Skills, Sectors, Recruitment and Retention** – the pandemic and Brexit have exacerbated workforce shortages and retention challenges and are affecting many of Hertfordshire's high growth and essential sectors. A complex challenge such as this would benefit from collective leadership and deeper collaboration, for example to convene sector leaders and skills providers in a more concerted and coordinated way to develop solutions that provide opportunities for local people.

5 Evolving the Growth Board Work Programme and Governance 2023 – 2025

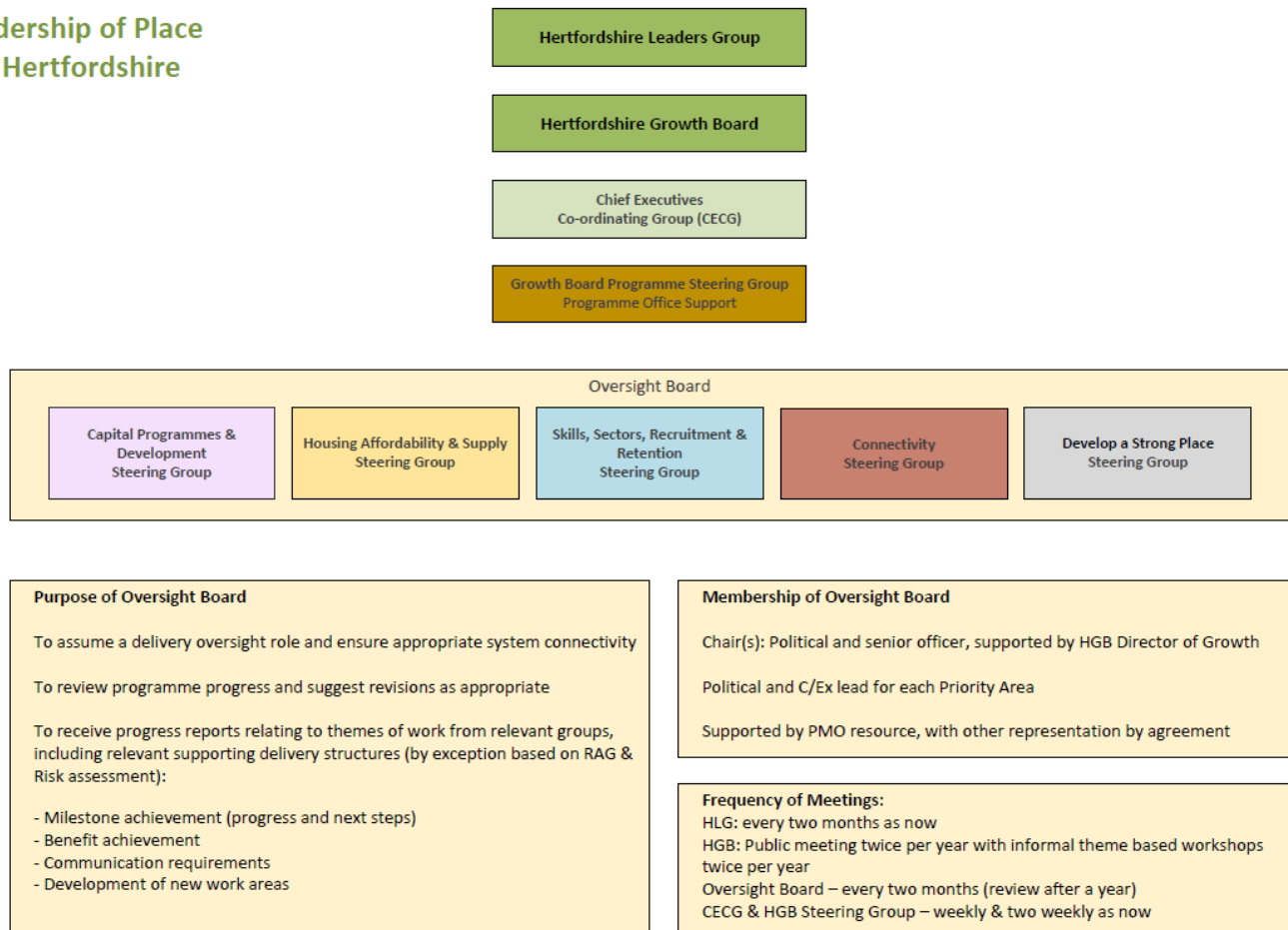
5.1 Implementation of the new drivers and priority areas of focus will require transformation of the existing work programme. The table at Appendix C maps the new programme and existing and new projects identified to date. More work is needed to scope these in detail and provide clear understanding of their impact. System partners e.g. from the health system will be invited to help scope and support the development of this further detail over coming months. A further paper will be brought back to the June 2023 Growth Board to confirm the new work programme.

5.2 The existing Growth Board work programme reflects previous priorities and a range of ongoing, task and finish and oversight projects that will be completed, stood down or reprioritised going forward. The diagram below outlines the existing programme and project architecture.



5.3 Programme and project governance were discussed as part of the review and a change to form a new Oversight Board to replace the existing twin programme board architecture has been proposed (see diagram below). Some of the detail of how this will work will need to be developed following the meeting, including clarity about the levels of political engagement and sponsorship of projects within the programme.

Leadership of Place in Hertfordshire



5.4 The effectiveness and operation of the Growth Board meetings were also considered as part of the review. The change to form a statutory joint committee in 2021 was recognised as an important step and one that provides greater transparency of the board's work. However, the formality of the statutory committee as currently operating was considered on occasions to inhibit informal strategic conversations that need to take place and which have underpinned the value of the cross party, cross geography, cross tier working relationships at the heart of the Herts Leaders Group and the Growth Board.

5.5 To address this, it is proposed that following the Growth Board meeting in June 2023, a change is made to the meeting cycle to move to two formal meetings a year. The Board may choose to meet informally on other occasions. This would be consistent with the Growth Board constitution.

5.6 The review also identified a wider ecosystem of working groups across the Hertfordshire Local Government system that ideally would be closely aligned with the priorities being considered here. Many of these are officer or member groups that meet to ensure co-ordination of business as usual or operate to deliver specific task and finish projects. Actions to ensure improved alignment and co-ordination (if beneficial) are also suggested for inclusion in the work programme.

6 Next steps

6.1 Given the work that has taken place through the review it will now be important to confirm next steps and continue momentum into implementation. The proposed next steps after the meeting and in preparation for the scheduled June 2023 and November 2023 Growth Board meetings are as follows:

- a) Officers to arrange further focussed workshop sessions (with available Leaders, CEx's, senior officers and other partners e.g. from the health system) to do a more in-depth scope of the expectations from the priority work streams and define the vision/outputs/changes required. This will enable a more detailed work programme and priorities including impact measures to be agreed.
- b) Plan for implementation of changes to the operating frequency and format of the Growth Board meetings, starting from after the June 2023 meeting.
- c) Further discussions with Leaders on the implementation of the new Oversight Board and arrangements for political and Chief Executive sponsorship across the work programme.
- d) Socialising the new priorities - Previously a number of joint events were held with the Executive and Cabinet/LEP Board members of all the partners to share awareness of the Growth Board work and priorities across the Hertfordshire local government and LEP system. Similar events also took place with all the partner's leadership teams. It is recommended that a new set of familiarisation events are undertaken later in 2023.
- e) Identifying the other working groups in the wider local government system and engaging them on alignment with agreed priorities where possible

7 Conclusions

7.1 The Herts Leaders Group have undertaken this review to reaffirm their commitment to positively working together as the Local Government system in Hertfordshire. They have taken stock of the external landscape

within which they operate and refreshed their priorities and overarching drivers to address the issues currently bearing down on Hertfordshire.

- 7.2 The need to foster a culture of deep collaboration around place leadership and good economic growth is supported, as is delivering on collective climate change responsibilities and healthier communities.
- 7.3 The current Growth Board operating model, priorities and work programme are being reshaped which will ensure they are additive and support the achievement of the new priorities.

8 Implications

- 8.1 There are no adverse legal, financial, equalities, environmental, sustainability or other implications arising from this report and its recommendations which support the ongoing work and priorities of the Herts Leaders Group and the Growth Board.

9 Recommendations

- 9.1 That the Board:
 - a. Agrees the final version of the consultant's report (Appendix A) and summary of the work undertaken to refresh the joint place leadership priorities for Hertfordshire
 - b. Agrees the set of joint priorities and cross cutting drivers identified in the consultant's report and in this paper (section 4)
 - c. Agrees the proposed Growth Board governance and programme/project management changes set out in this paper (section 5)
 - d. Agrees the high-level work programme approach and identified components set out in this paper (Appendix C)
 - e. Agrees the proposed next steps and actions set out in this paper (section 6).

The attached appendix is from an external source. If you have accessibility requirements and require further detail of the document, please contact the report author.