

Ideopolis: Knowledge City Region

Watford Case Study



“In terms of the infrastructure they’ve got it about right. Plenty of places to park, and a good shopping centre...lots of car parks around the town centre, and out of town shopping centres as well. And what is on offer is very attractive to some people. Cambridge just doesn’t have that”

Ideopolis Interviewee, January 2006



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Executive Summary

Watford gets the basics right. It has some good facilities for its size, has excellent transport links and, largely, good public services. These assets mean it is a popular location for businesses, and Watford has been some economic growth. However, Watford is very much part of the London city-region. What it lacks is distinctiveness, and it has lost firms to other cities because it does not have a university. The future for Watford relies on the city being able to manage the consequences of growth, while maintaining strengths that are under threat from congestion, rising house prices and the lack of a distinctive identity.

Ideopolis driver analysis: strengths, challenges and opportunities

- **Physical knowledge city:** There are some good business parks in the town, and housing is relatively good.
- **Building on what's there:** In some areas Watford has moved up the value chain. The traditional publishing industry has diversified into multimedia sectors. But it is still reliant on corporate head quarters that are not particularly embedded in the town.
- **High skill organisations:** Watford residents can work in London, and this increases opportunities enormously.
- **Distinctive knowledge city offer:** Watford is not distinct from other similar towns and this is a weakness of the town.
- **Leveraging strong connectivity:** Watford is very well connected, but its ongoing growth may lead to congestion, threatening this strength.
- **Leadership around a knowledge city vision:** Watford has an elected mayor, but lacks the geographical coverage or economic weight to coordinate growth properly.

Policy recommendations

- **Build distinctiveness**
- **Better coordinate growth:** to ensure it does not threaten the existing quality of life offer.
- **Improve and encourage public transport** to maintain connectivity, which is an important asset for the town.

Lessons for other cities

- **The basics matter:** Watford has got good parking, shopping and relatively cheap housing, and this has been behind its economic success.

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1. Introduction

Watford is a town with a history of exploiting its location near London. Only 28 miles from London, it has been reliant on its location as a transport interchange and so taking advantage of this to attract “outsourced” people and businesses from the capital. Its relationship

with London, an Ideopolis, provides lessons in managing growth stimulated, in part, by a larger neighbour. Whether it succeeds in the future depends on its ability to build a distinctive identity and manage the consequences of growth.

Defining ‘Ideopolis’ and ‘Secondary Ideopolis’

The Ideopolis is the vision of a sustainable knowledge intensive city that drives growth in the wider city-region. It gives cities a framework for developing knowledge-intensive industries that will be economically successful and improve quality of life.

Some cities are not the main drivers of growth in their city-region, and so cannot become Ideopolises. They can, however, use the Ideopolis framework to become Secondary Ideopolises’ or “Knowledge Cities” that link closely with an Ideopolis.

About the Ideopolis project

The Work Foundation conducted a year-long research project looking at the concept of the Ideopolis – a sustainable knowledge city that drives growth in the wider city-region. Based on literature reviews, data analysis and UK and international case studies, the research highlights nine drivers of an Ideopolis. This case study forms part of the evidence base for the project. It uses the Ideopolis framework and nine drivers to assess to what extent the city is an Ideopolis and what challenges the city faces in the future if it is to be economically successful and sustainable in a knowledge economy.

About this case study

Presenting findings from interviews with a range of stakeholders as well as literature review work, this case study analyses Watford using the Ideopolis framework to assess where the city is on the ‘Ideopolis trajectory’. It is organised into the following sections:

- Brief history of Watford
- Watford now
- Watford: knowledge city?
- Ideopolis driver analysis: strengths, challenges & opportunities
- Conclusions
- Policy recommendations
- Lessons learned from Watford

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2. Brief History of Watford

Watford's history is characterized by speculative development and a complex relationship with London. It developed as a village from the 10th century, although it is likely that a settlement had always existed in that location. It slowly became a market town with a largely agricultural base, selling services to the surrounding agricultural population.

The town's position on the London to Birmingham route meant it was historically used as a staging post. Three more transport developments cemented the city's good transport links between London and the Midlands. In 1763 the Grand Union Canal was dug, passing close to the town, and stimulated the development of a mill. Later, in 1837 the railway station was opened, with the town well situated to benefit from improved transport links to London and the West Midlands. Finally, the opening of Watford station, on the Metropolitan line in 1925, asserted the city's position as a suburb of London.

Cheap land and good transport links made Watford an attractive location for the speculative development of housing and shops; this was an important phenomenon throughout its history. After the First World War, Watford 'was embedded in a rapidly growing suburban ring [of London] in which for most urban settlements the rapid provision of speculative shopping parades was a natural corollary of speculative house building'¹.

The transport links also determined the industrial mix of the town: printing – an industry requiring quick, cheap access to markets – is a good example of this. There was a strong manufacturing base and the town also

specialised in retail services for the surrounding area.

As with the industrial mix, the proximity to London has had an influence on the characteristics of the population. In the early 20th century, speculative development of suburbs expanded the town. Economic success was largely dependent on commuting, with people moving from the city to work in London and into Watford to work from surrounding areas. Watford became a satellite of London, dependent on outsourced industry and commuters.

More recent development has come in the form of the Harlequin Centre, a massive shopping centre located, unusually, in the town centre. This draws people into the area, and dominates the town. Good transport links are vital for the success of the shopping centre.

The town is governed by Watford Borough Council, which in 2002 received a damning report from the Audit Commission on the council services². However, 2002 saw a change in the governance arrangements for the council, giving the town a new leader to drive change. Dorothy Thornhill was the first directly elected female (and liberal democrat) Mayor in the country. The same year saw a damning report by the Audit Commission of the council's services.

¹ Whitehand, 1992

² The Audit commission gave Watford a Comprehensive Performance Assessment Rating of 'Weak' in 2002

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3. Watford Now

Watford is a town created by speculative development, providing a regional market with services and London with labour. The population is around 80,000, and is ethnically diverse³.

Almost 5% of the population are Pakistani, with 2.7% Black and 2.5% Indian. Of the population as a whole, 86% are White, compared to an average for England and Wales of 91.3%. Table 1 (on the next page) presents some top-line statistics about Watford's labour market.

Watford's labour market mirrors many of the features of the UK labour market. However, whilst unemployment is low compared to the regional average, it is high compared to the national average. The levels of economic activity, at 81%, are higher than the Great Britain average. The population is slightly less highly skilled than the national average at NVQ level 4 or above, although fewer people have no qualifications (12%) than the national average (15%).

The population is disproportionately in Professional occupations, compared to the regional and Great Britain average. There are more people in Administrative and secretarial professions (15% against 13% for Great Britain), and Elementary (14% against 12%). There are correspondingly less people in Managerial, Skilled Trades, Personal Service and Process Plant and Machine.

The employment structure is dominated by a high degree of movement: residents work in London, while people from the surrounding area come and work in Watford. Consequently, only one quarter of Watford's population live and work within Watford⁴, while around 60% of the town's workforce commutes into Watford from outside⁵.

³ 2001 Census

⁴ East of England Regional Assembly, 2001

⁵ Watford Borough Council, 2005

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Table 1 – Watford’s labour market (all statistics from NOMIS)

	Watford	Eastern Region	GB
General (Source: Midyear Population Estimates, 2004 and Annual population survey, April 2004 - March 2005)			
Population	79,300	5,491,000	58,124,000
Working age population	51,200	3,344,200	36,037,300
Economically active	81.0%	81.6%	78.3%
Economically inactive (all)	19.0%	18.4%	21.7%
Economically inactive (wanting a job)	6.0%	4.2%	5.2%
Skills (Source: Local Area Labour Force Survey (March 2003 - February 2004)			
NVQ4 and above	24.2%	23.2%	25.2%
NVQ3 and above	42.3%	40.5%	43.1%
NVQ2 and above	61.8%	61.1%	61.5%
NVQ1 and above	75.0%	77.1%	76.0%
Other qualifications	13.3%	8.2%	8.8%
No qualifications	11.7%	14.8%	15.1%
Occupations (Annual population survey, April 2004 - March 2005)			
Manager and senior officials	12.7%	16.0%	14.9%
Professional	14.9%	11.7%	12.6%
Associate professional and technical	17.2%	13.8%	14.0%
Admin and secretarial	15.1%	12.4%	12.6%
Skilled trades	7.5%	11.7%	11.2%
Personal services	6.8%	7.5%	7.7%
Sales and customer service	7.6%	7.2%	7.8%
Process plant and machine	3.7%	7.0%	7.5%
Elementary	14.0%	11.5%	11.5%
Businesses (Source: VAT registrations / de-registrations by industry, 2004)			
VAT registrations	11.6%	9.6%	10.1%
VAT de-registrations	12.0%	9.5%	9.9%

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4. Watford: Knowledge City?

Measures of Knowledge Intensity

One of the key outputs of the Ideopolis project is the contribution to discussions around how to measure knowledge intensity. Knowledge intensity is too often restricted to the OECD definition of knowledge intensive businesses. The Ideopolis project argues that knowledge intensity should be assessed based on knowledge-intensive occupations and knowledge intensive industries (which should include education and health, as well as all creative and cultural industries). We have developed four measures of assessing knowledge intensity for cities; see Ideopolis report for detailed discussion (this can be downloaded from www.theworkfoundation.com)

Table 2 (below) shows knowledge intensity in Watford, compared to similar sized local authorities. Watford is one of the most knowledge intensive of these small cities, and scores particularly well on measures using residence-based statistics (columns A & B). This

suggests that Watford serves as a home for knowledge workers rather than a location for knowledge businesses. Of a sample of the largest 92 local authority areas in the UK, Watford is the 17th most knowledge intensive. 45% of residents are employed in knowledge occupations, and 34% of businesses are knowledge based.

Table 2 – Knowledge intensity in small cities⁶

City	A	B	C	D
	Employed in Knowledge Occupations (Residence Based, 2001)	Employed in Knowledge Occupations in Knowledge Industries (Residence Based, 2001)	Businesses that are Knowledge Based (Workplace Based, 2001)	Employment in Businesses that are Knowledge Based (Workplace Based, 2001)
	%	%	%	%
Cambridge	55	41	45	62
Winchester	52	36	41	55
Bracknell	47	31	46	40
Watford	45	28	34	42
Worthing	41	25	33	52
Worcester	39	23	30	36
Stevenage	37	21	35	38
Dover	36	24	25	33
Darlington	36	21	25	37
Gloucester	34	20	28	43
Lincoln	32	18	28	44
Carlisle	31	17	24	30
Burnley	31	16	28	33
Hartlepool	29	16	25	38

N.B. Data unavailable for Derry

⁶ Local authorities with populations under 110,000.

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Table 3 shows the growth in the percentage knowledge based businesses in the case studies used in the Ideopolis project. Watford's knowledge intensity has decreased very slightly (-0.3%), compared to a UK average growth of

9%. This suggests Watford needs to work hard to maintain, or regain, its advantage in the knowledge economy.

Table 3 – Growth in percentage of businesses that are knowledge based for the case study cities

	1998 Businesses that are Knowledge Based (Workplace Based) %	2004 Businesses that are Knowledge Based (Workplace Based) %	Growth 1998 - 2004 %
UK Average	30	33	9
Birmingham	28	32	13
Brighton and Hove	36	42	15
Bristol	35	39	12
Cambridge	42	46	10
Edinburgh, City of	37	40	8
Glasgow City	31	34	10
Manchester	33	38	13
Newcastle-upon-Tyne	32	35	11
Sheffield	26	31	20
Watford	34	34	0

Source: Annual Business Inquiry,

Method: The Work Foundation Definition Knowledge Intensity, District/Unitary Local Authority units

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5. Ideopolis driver analysis: strengths, challenges and opportunities

Ideopolis drivers

This next section of this case study will analyse Watford according to the nine drivers of the Ideopolis⁷ which have been identified through our literature review, data modelling and case study research. It will consider the following questions: what are the factors that have supported Watford's success? And what are the remaining challenges that the city faces, as well as the opportunities that will support Watford in realising and sustaining the vision of the secondary Ideopolis?

5.1 Physical Knowledge City

Watford is ringed with high quality business parks, and this helps explain the high number of headquarter functions located there. The Leavesden Studios, which used to house a jet-engine factory, provides the site for film industries.

There are some barriers to the future physical development of the city. The Watford ring road acts as a barrier to further development in the outskirts, effectively cutting off outer areas from the town itself. There is a lack of pedestrian access across the ring road which pushes further development out to satellite towns, rather enabling Watford to expand. A more specific problem is the overpass, which cuts through the main street, segmenting the city centre into two areas.

Finally, the quality of the built environment is often seen as poor. There is a perceived need to improve the quality of development, particularly in the newer residential areas around the town. The fear is that the town may find itself trapped as a featureless dormitory suburb of London. There have been recent moves to improve the situation here, notably the launch of the Green Hart programme, which is an attempt to improve the quality and innovation of development.

5.2 Building on what's there

Watford has built on its transport advantages, and the resulting industrial mix has itself evolved from these connections. The town originally specialised in brewing and publishing.⁸ In addition, a number of business headquarters are located in Watford. The printing industry in Watford is also a historical strength of the town, and also an example of diversification. This now includes multi-media as well as traditional print companies

5.3 Diverse specialisation

Watford has some clear economic strengths: for example, it has the headquarters of large businesses such as Karen Millen and TK Maxx. These companies are often based in nearby business parks. There are also some cultural industries in the area, including an orchestra and film industry based around the Leavesden studios (see above).

The area also serves as a local hub for amenities, and it has a strong associated service sector. The main focus of this is the Harlequin centre, a regional shopping centre, but there is also clubbing and other nightlife in the centre of Watford itself (leading to concerns from the Mayor about the lack of a "family-friendly" environment in the city centre). The area is also

⁷ For a full account of the Ideopolis drivers, please read the full report which can be downloaded from www.theworkfoundation.com.

⁸ Government Office for the East of England, Watford Key Facts and Figures

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a sporting hub, including Watford Football Club, currently doing well in the Championship, and Saracens in Zurich Premiership.

5.4 High skill organisations

Given the close location to London, the presence of high skill, high wage organisations as a draw for those living in Watford is perhaps less significant than for other UK cities. Our statistics on knowledge intensity suggested that it was a home for more knowledge workers that do not work in Watford, and that a large proportion of people were commuting into the area.

5.5 Vibrant Education Sector

Watford lacks a university, but has a West Herts College, a strong local further education college. Interviewees believed that this college met local needs and was increasingly engaged in the community. The educational sector is important to attract knowledge workers into the town. Watford is located in the Hertfordshire LEA, which scores higher in attainment in all measures of GCSE results.

5.6 Distinctive knowledge city offer

Perhaps the biggest challenge for Watford is to maintain its distinctiveness. Its economic success is based on transport links; there is little to embed economic activity in the town apart from its proximity to London. The town's history as a small, unexceptional town thus presents a challenge. Its lack of history combines with a lack of general, recognizable development or structures, resulting what one interviewee labeled a "lack of kudos"⁹.

5.7 Leveraging strong connectivity

Strong connectivity is Watford's primary asset. It is linked to London by tube and rail, and is close by car to other areas. It is the junction for trains from St Albans, and is on the mainline from Euston to Glasgow, via Birmingham. It is within the M25, but close to the M1. Links to the London airports are good, with the town within an hours drive of Luton, Heathrow, Stansted and Gatwick airports.

Table 4 compares journey times to London between Watford and two of our other case study cities – Cambridge and Brighton. This table illustrates that the Watford to London commute is considerably quicker, irrespective of mode of travel. Despite the fast train and tube

Table 4 - Distance and average commuting times to Central London

Showing average commute times based on 08:00 - 09:00 journey range on a midweek day

Mode of transport	Brighton 53 Miles	Cambridge 74 Miles	Watford 28 Miles
Train	59 - 77 minutes	55 - 84 minutes	20 - 25 minutes
Tube	N/A	N/A	45 - 48 minutes
Car	90 minutes	180 minutes	60 minutes

Source: *TheTrainline.com, Transport for London, Google Maps*

⁹ Interviewee comment

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Despite the fast train and tube connections, the mobility of the population has led to high levels of car dependency as people drive to and from places without direct public transport connections. This, combined has led to congestion, which jeopardizes the future success. There is evidence supporting this. A poll by a market research organization in 2004 found that 64% of Hertfordshire residents said congestion was their main concern.¹⁰ Traffic flows are 35% higher than the national average.¹¹ Strong connectivity has in the past been a clear advantage for Watford; dealing with the connectivity challenges posed by growth thus constitutes an urgent priority for the town and surrounding areas.

5.8 Leadership around a knowledge city vision

Watford Borough Council's borders are close to the physical limits of the town, presenting a challenge: for example, well connected nearby areas (such as Bushey) are not included under its remit. Council tax revenues, which provide for many of the cultural facilities in the centre, do not take into account the full number of users. In effect, those living within the council boundary are subsidising those who come from outside. The small council struggles to run the facilities it has with its tax base.

Watford therefore struggles to provide the infrastructure needed to accommodate further growth. Without the facilities to develop the centre, particularly a high quality distinctive town centre, the town risks becoming merely a suburb of London.

5.9 Investing in communities

Public services in Watford, particularly school education, score well on perception ratings. The schools perform better than average within the East of England region, with a larger percentage of pupils remaining in education post-16¹² This is an important factor in attracting people to live in the town. Related to this, Watford is seen as a family friendly city but perhaps could do more to make the centre more family friendly, especially the night time economy which attracts young people rather than families. Watford has vibrant local arts provision, although one interviewee expressed concern that new developments were not incorporating this arts provision meaning that it would become increasingly difficult to build cohesive and genuine communities in these areas.

There are two problems for the community derived from the lack of coordination in the housing sector. The first is that the lack of low-income housing means that the area is suffering from recruitment shortages for key workers, threatening the success of public services. The second is that developers keen to 'fill in' gaps with new housing, are building on vacant land in residential areas, changing the character of some neighbourhoods.

¹⁰ Hertfordshire County Council, 2005

¹¹ Watford Borough Council, 2005/12

¹² Government Office East of England, Watford Key Facts and Figures

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6. Conclusions

The driver analysis and assessment of knowledge intensity in Watford combine to suggest that Watford is not yet a secondary Ideopolis. However, there is potential for Watford to use the Ideopolis drivers to leverage its potential as a successful secondary Ideopolis.

Watford's future success is dependent on London's continued economic success. If London continues to do well, Watford can maintain its economic position. However, future growth in Watford also depends on how it can manage this growth. By successfully managing growth, and maintaining a family friendly centre, it can build on the success of its communities and develop as a sustainable town in itself. The future vision relies on a few areas:

- **Building distinctiveness:** Forging an identity independent of London.
- **Expanding its reputation:** People who live there generally like it, but the town has a negative reputation. Addressing this would be a step forward in the future.
- **Family friendly:** To encourage people to stay in Watford for a longer period, it needs to develop a more family friendly centre and tone down some of the excesses of its nightlife.

7. Policy Recommendations for Watford

The key enabler for the future of Watford is the city being designated as a growth area status. The city is developing civic leadership and a sense of purpose, but as a small local authority, lacks the funds to develop. Development will happen there anyway, but as it stands, the town needs the governance structures and funding to provide it.

Better coordination of growth across the region

- Watford is growing, but it has not been designated a growth area. It needs funding to manage the infrastructure needs of new development.
- Watford provides services for a range of nearby areas, but does not collect tax from them. This leads to an under provision of some arts facilities. It should work with neighbouring authorities to create a flagship arts centre, which might address its problems of distinctiveness.

Build distinctiveness

- Watford needs to build its own identity. By highlighting some of the excellent cultural offerings in the town and building more of a national reputation, it can distinguish itself from London.
- There is value in the 'Green Harts' programme which is getting artists involved early in new development.

Reduce transport congestion

- Watford's transport links are an advantage, but they are threatened by congestion. Watford should work to encourage public transport use among its population and reduce car use. This might include schemes around bike use, and better integration of the public transport network.

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8. Lessons Learned from Watford

Watford offers several lessons for other cities.

- **Success isn't reliant on the public sector:** Watford has developed speculatively – good transport links to London and the rest of the country have provided natural advantages. The town has built on these, and used them to attract further business.
- **Develop in the centre:** The Harlequin Centre has made the town centre the hub of activity; successful development of a café quarter and nightlife in the town demonstrate that this has worked. However, the Harlequin Centre is 'closed faced' (i.e. shops do not face out on to the street) – it would be beneficial to open it up to become more a part of the urban fabric.
- **'Hygiene' factors matter:** For many people, Watford has a poor reputation as a town that doesn't offer a great 'buzz'. But knowledge workers live there, and it attracts people in. In large part, this is because it has the basic 'hygiene' factors right. Our quality of life survey showed this is important for people; the example of Watford demonstrates this.

Appendix A: Interviewees

This case study presents findings from a literature review and consultation with the following people:

- Michael Corley, Watford Borough Council
- Marion Duffin, Watford Borough Council
- Dorothy Thornhill, Mayor of Watford
- Charlie Timms, Demos
- Nick Russell, Independent Consultant
- Chris Moore, Kodak