

**HEREFORDSHIRE ECONOMIC DEVELOPMENT STRATEGY****Report By: HEAD OF ECONOMIC AND COMMUNITY SERVICES****Wards Affected**

Countywide

**Purpose**

To update Members on the focus of the Economic Development Strategy with specific reference to intervention work in Ross-on-Wye.

**Financial Implications**

No direct financial implications.

**Background**

1. The current Economic Development Strategy for Herefordshire was produced in February 2005, commissioned by the local authority and its partners with funding from Advantage West Midlands. In 2006 this was updated before being finally published and a summary, printed document, produced.
2. The Strategy was based on detailed research and consultation, and takes a 20-year approach to creating a competitive and thriving economy. It also emphasises that in order to achieve the ambitions of the strategy, organisations will need to work in partnership towards common goals.
3. A key message coming out of the Strategy is that Herefordshire has a great deal to offer as a place to live and work. However, there are some key indicators that show that the County is struggling to compete, for example:
  - A slightly smaller share of the workforce (25%)\* hold degree level qualifications compared to the national average.
  - Herefordshire has a lower share of individuals employed in higher-level occupations than nationally, and this relates to average gross weekly pay for residents of Herefordshire being significantly below the national average.
  - 60% of businesses employ less than 4 people, and despite the population being older than the national average, the amount of people who are economically active is similar to the national position.
  - The employment rate is high at 81%\*, but between 1999 and 2002, total employment in Herefordshire declined by 4.1% which contrasted to an increase nationally of 2.9%. This decline was felt strongest in manufacturing and construction, both of which experienced a decline of over 10%.

- Service sector activities are broadly under-represented in Herefordshire along with technology and knowledge intensive industries, yet both areas have seen an increase in growth nationally.

4. Key priorities to address these issues fall into 4 areas:

#### **The Productivity Challenge**

Productivity is measured through Gross Value Added (GVA) as it captures the value added through production with Herefordshire's GVA below the national and regional averages. The challenge is not only to raise Herefordshire's overall level of GVA, but also to strengthen efforts to attract and grow higher value services, such as technology within the local economy;

#### **The Entrepreneurship Challenge**

The challenge is to increase the number of new businesses in the County, but also to encourage the development of small/micro businesses and social enterprises that could play a key role in a 'sustainable business development' approach and diversification of the economy;

#### **The Knowledge and Technology Challenge**

Currently the share is significantly lower than regional and national averages and markedly lower than neighbouring counties. Knowledge rich locations are more productive, more innovative and can continue to draw in higher levels of investment. The challenge therefore, is to increase the proportion of jobs within the Herefordshire economy in high tech and knowledge based sectors;

#### **The Skills Challenge**

Analysis shows that, despite a strong performance at GCSE and 'A' level, Herefordshire has a lower share of people employed in higher-level occupations than the regional average and many highly skilled Herefordshire residents work outside of the County. The challenge is to create a 'step-change' in the current levels of workforce skills and create a labour market that will retain more of the young people that perform well at school and in post-16 further education.

5. To meet the challenges actions are focused on:

**Sustainable Development** – recognise and build on the County's asset as a rural County in promoting sustainable development, knowledge and practice.

**Business and Enterprise** - increase the business birth rate in the County, both through diversification and entrepreneurship, and support these and other indigenous businesses in their development and in the use of sustainable working practices. The focus will be on growth sectors covering tourism, creative industries, food and drink, health and care, as well as on sustainable development and environmental sectors.

**Skills and Workforce Development** - improve learning opportunities for residents and businesses across the County. These include completing the Learning Village initiative and developing the County's Higher Education offer further. Niche training and learning specialisms in growth sectors will be developed and the provision of community based training and learning will see improvement.

**Communications and Infrastructure** – provide flexible business space and shared facilities in the Market Towns is needed to reinforce efforts to attract small and micro

firms in 'life-style', growth and higher value sectors, with improvement to the road and technology infrastructure.

**Inclusion and Community Cohesion** - enhance opportunities for developing social and community enterprise – particularly in transport, childcare and community based financial services – and to fully understand and address affordable housing and other issues associated with urban disadvantage.

6. Specific and key projects being forwarded:

**Edgar Street Grid Development** - complete regeneration of a 100 acre site in Hereford City as a focus for retail, leisure and recreation, housing and local services.

**Rotherwas Futures** - increased opportunity to attract inward investment and business development through a phased redevelopment of Rotherwas as the key industrial area in the County.

**Herefordshire Learning Village** - a multi-million pound scheme to improve access and opportunity to learning with a single campus bringing together Higher and Further Education provision.

**Enterprise Centres** - a 'hub and spoke' network of managed workspace centres in the County to support the growth of small to medium enterprises providing valuable work and production space with on-site support and learning.

7. The schemes listed above will have a benefit County wide, and combined will significantly impact on the growth of the economy. However, the strategy also focuses requirements of specific geographic areas of Herefordshire recognising the County is made-up of its individual parts. This "spatial element" considers the development needs of Hereford City and its hinterland; market towns; rural heart lands (the horseshoe shape which stretches from the border with Monmouthshire in the west to Bromyard in the east; and the eastern corridor (the area along the M5 frontier). Ross-on-Wye is recognised as doubly important as a market town and part of the eastern corridor with good access to infrastructure, proximity to markets and scope to benefit from the extension to the Central Technology Belt.
8. In this strategic framework the Council works closely with the Ross-on-Wye Regeneration Partnership to deliver an action plan for the town based upon their vision to '*see Ross-on-Wye as a thriving market town at the heart of a uniquely attractive rural area*'. This is financially supported by the Advantage West Midlands to deliver their regional priorities. Schemes that have been developed or will be progressed over the next 2 years include:
- Model Farm - development of Model Farm as an Enterprise Park which will include an "Enterprise Centre" funded by AWM and linked to a network of centres across the region. This will create additional employment, locations for businesses who want to become established in the area, and local firms that are ready to expand. This is due to be established by the end of the financial year 2008/9.
  - Live / Work Development – facilitating the creation of a Live/Work development in Ross-on-Wye that supports the growing integration of family and work life, encourages the development of 'home-grown' micro businesses and provides networking and development facilities for a large self-employed sector.

Additionally, it would provide a niche development for the town and attract quality jobs and knowledge-based investments. The scheme will be of sufficient critical mass (around 35 units and networking hub) to foster real economic benefits to the town and create an anchor point for further regeneration. It is likely that this development will be of significant interest nationally as a pathfinder project.

- Shop Front Enhancement Scheme – grant available to improve shop frontages improving the shopping experience in the town
- Rate Relief Scheme – the Council has piloted a New Trader Rate Relief Scheme as an incentive to new retail businesses to establish in the town centre enabling business to take the first step in developing a retail outlet. Benefits of the pilot are currently being analysed.
- Tourism - Ross-on-Wye and its surrounding areas is key to the tourism offer of the County and promoted as such. Also businesses / organisations fully participates in the Walking Festival, h.art, Flavours of Herefordshire, and Herefordshire Food Festival.
- Better Welcome Programme - A sum of £25,000 is available for tourism schemes in Ross on the production and agreement of an action plan in partnership with Heart of England Tourism. The plan will be based on a number of tourism audits and visitor surveys to highlight those areas in need of improvement.
- Community Pride Scheme – Encourage a sense of community and civic pride through small community grants pot.
- John Kyrle High School – development of Adult and Community Learning Centre at the school and being used to provide a wide range of training courses for the local community eg IT, health and safety and languages.
- Events programme - International Sheep Dog Trials (2005) and Ross Live! annual festival and arts outreach programme.
- Retail - mitigating the challenge of supermarkets through cooperation in areas such as marketing, advertising and retail events
- Parish plan – the Town Council working closely with Herefordshire Council and Herefordshire Association of Local Council's to develop a Parish Plan for the town.
- Coach Park – addressing the need for coach parking in the town by making access to the existing coach park more accessible to coaches.
- Newly forming group of key organisations and individuals with a remit to drive forward economic regeneration in Ross and likely to form the basis of a post-MTI vehicle – perhaps developing into a development trust or similar type community-driven regeneration organisation.

## RECOMMENDATION

**THAT, subject to any comments Members may wish to make, the report be noted.**

**BACKGROUND PAPERS**

- Herefordshire Economic Development Strategy