

Review of the Herefordshire Economic Development Strategy 2005 – 2025

1. Introduction

- 1.1 Members of the Community Services Scrutiny Committee agreed to conduct a review of the Herefordshire Economic Development Strategy (EDS) at its meeting on 17th July 2008. The Economic Development Strategy was first produced in 2004 and its primary focus is to address the key economic challenges facing the County over a 20 year period. The current strategy runs until 2025, however a number of regional and local changes have taken place that may affect the local strategy and it therefore requires an earlier review.
- 1.2 A scoping statement for the Scrutiny Review (Appendix 1), including the Terms of Reference were approved at its meeting on the 17th July 2008. It was agreed that the review Group would comprise of 5 Members: Councillor RV Stockton (Chairman); Councillor PGH Cutter; Councillor B Durkin; Councillor MAF Hubbard and Councillor TM James.
- 1.3 The Review took place between 24th September 2008 and 2 July 2009. This report summaries its findings concluding with its recommendations to the Community Services Scrutiny Committee.
- 1.4 The Review Group would like to express its thanks to all internal and external officers and organisations who were interviewed at part of this review.

2. Method of gathering information

- 2.1 The Review Group collected their information from meetings, interviews or letters. These were as follows;

2.2 Meeting of 24th September 2008

This initial meeting agreed the Terms of Reference for the Group, considered the format of the review and timescale for production. The Herefordshire Economic Development Strategy (EDS), Living Working Countryside (The Taylor Report), Regional Economic Strategy for the West Midlands were supplied and discussed. An overview was given of the Local Development Framework (LDF), the sub-national review and Local Area Agreements (LAA). The Head of Economic and Community Services also provided a presentation on the existing EDS highlighting a number of areas, which may be worth considering within the review.

2.3 Meeting 29th October 2008

At this meeting a list of interviewees was compiled and the topics to discuss at these interviews established. In order to reach a wider range of local businesses, the Group decided to use a business questionnaire via letter inviting people to answer the following questions;

- Do you think the economic Development Strategy should be based on themes or places?
- Are the issues and challenges of your market town/ rural area reflected in the current EDS?
- Are the needs of your business reflected in the EDS?

- Are there any other issues that you feel should be included in any new document?
- 2.4 This letter was sent to 15 local businesses across the county of various types and sizes on the 18th November 2008.
- 2.5 **Interviews 26th February 2009**
This meeting consisted of a set of interviews to gain officers of Herefordshire Council's opinions on the current strategy. The following officers were interviewed;
 - Geoff Hughes - Director of Regeneration
 - Andrew Ashcroft – Head of Planning and Transportation
 - Peter Yates – Planning Policy Manager
- 2.6 **Interviews 30th April 2009**
This set of interviews involved external officers and included;
 - Gary Woodman – Hereford and Worcester Chamber of Commerce
 - Cynthia Palmer – Hereford City Manager
 - Angela Smith – Federation of Small Businesses and Vice Chair of Herefordshire Partnership Economic Development Group
- 2.7 **Interviews 1st June 2009**
This set of interviews involved external officers and a Cabinet Member including;
 - Philip Roberts – Advantage West Midlands
 - Julian Morgan – Local Business, 7 Y Services Ltd
 - Cllr AJM Blackshaw – Cabinet Member Economic Development and Community Services
 - Nick Webster – Economic Development Manager
- 2.8 **Interview of 9th June 2009**
The interview was held with Natalia Silver – Head of Economic and Community Services.
- 2.9 **Meeting of 2 July 2009**
At this meeting a Summary of Outcomes, following from internal and external interviews, was discussed along with a list of recommendations. Amendments were agreed.
- 3 **Background to the Review of the Economic Development Strategy**
 - 3.1 The Economic Development Strategy was developed in 2004 by Herefordshire Council working with consultants who collected key data from various sources and recommended a way forward to address key challenges. These included:
 - Not capitalising on high standard of school education
 - Out-migration of young people
 - Net loss of people working outside the County
 - Residents with higher level qualifications working outside the county
 - Lower than average wages than in the West Midlands as a whole
 - Declining manufacturing and agricultural sectors
 - Lack of high value employment e.g. technology and knowledge intensive industries

- 3.2 The Strategy was written on the basis of Key Themes which included:
- Sustainable Development
 - Business and Enterprise
 - Skills and Workforce Development
 - Communication and Infrastructure
 - Inclusion and Community Cohesion
- 3.3 Key projects for the Strategy included Edgar Street Grid, the Learning Village and Rotherwas Futures. The strategy used a spatial approach, dividing the County up into Hereford City and its Hinterland, the Market Towns, the Rural Heartland and an Eastern Corridor.
- 3.4 Delivery of the activity within the strategy is through the most relevant organisation and largely driven by Herefordshire Council with finance from Advantage West Midlands. Activity is monitored by the Economic Development Partnership Group (a policy and delivery group of the Herefordshire Partnership).
- 3.5 Key issues emerging and reflective of the terms of reference are: the ability of the EDS as a county wide strategy to specifically address challenges faced by the Market Towns and Rural Areas; synergy with the regional framework and emerging Local Development Framework; measurable impact of the strategy; and addressing the needs of businesses, employees and investors.

4 Findings of the Review

- 4.1 The findings of the evidence gathered has been amalgamated into one table, which is reproduced in Appendix 2 to this report, but summarised below in response to the issues raised in paragraph 3.4.
- 4.2 **How does the strategy meet the requirements of Hereford City, the Market Towns and the Rural Areas?**
The focus on Hereford and ESG was seen to be important but greater emphasis was needed on the Market Towns and Rural Areas. This could be achieved by the use of Action Plans for Hereford, the Market Towns and Rural Areas to address particular issues and attract inward investment. These could be linked to the LDF Area Plans being developed to follow on from the Core Strategy.
- 4.3 **Does the existing strategy meet regional requirements?**
General agreement that does reflect regional strategy and that there are good links with Advantage West Midlands, although emerging changes with respect to a Single Regional Strategy would need to be reflected in any review.
- 4.4 **Does the existing strategy meet the requirements of the emerging Local Development Framework?**
It was felt that the EDS was not sufficiently linked with planning and housing strategies for e.g. it was difficult to refer to EDS in commenting on planning applications. Any new strategy would need to be reflective of the outcomes of the Core Strategy to create synergy between the two documents.
- 4.5 **How are the aims of the strategy being delivered and is this effective?**
The activity of the strategy is monitored by the Economic Development Partnership Group through written reports produced by Herefordshire Council

officers for each of the meetings. This gives a detailed update on progress of activity. Mentoring also takes place via the performance framework and national performance indicators. However, the achievement of the overall aims is not reviewed or monitored.

4.6 **How could a strategy further fulfil the needs of businesses, employees and investors?**

There were many suggestions as to how activity leading from the strategy could contribute more to the local business community. These included:

- More support for businesses to develop their ideas for expansion e.g. Muddy Boots, nr Ross on Wye
- Greater emphasis on all sectors of industry, not just manufacturing
- Lack of reference to and support for tourism
- Insufficient attention to attracting higher skilled people and inward investment
- Lack of emphasis on providing jobs themselves

4.7 **Other Issues to be considered in any review**

Various topics were raised in addition to the main issues asked of the Review Group. These issues were considered to be of sufficient importance to warrant greater reference in any review of the EDS. They included:

- **Climate change** – buying local but not ignoring trade, utilising existing producers to promote food/tourism/environmental technology industries, promoting low carbon economy, energy efficiency and prudent use of resources
- **Broadband speed and coverage** - huge issue for encouraging new businesses and helping existing businesses
- **Focus on regeneration** - continued focus on employment land provision, conservation led regeneration and creation of identity/sense of place
- **Transport Issues** – rail freight is not given prominence in the EDS. Parking, traffic flow and signage all need addressing in Hereford. Greater emphasis on public transport generally was also needed.

4.8 The recommendations in section 6 address the above issues.

5 **Conclusions**

5.1 The current EDS is over 5 years old. It is recognised that the content needs to be updated to reflect changing regional and local circumstances. The strategy has been strong in terms of benefiting certain projects, using the idea of themes, support for local business and relationships with Partners, but now needs a refresh.

5.2 There would be significant benefits in refreshing the strategy at this time, not only to take into account the effects of the downturn in the economy, but also to reflect and tie in with the new Regional Economic Strategy and Local Development Framework (LDF).

6 Recommendations

- 6.1 The following recommendations have been proposed to respond to the Terms of Reference in the original scoping document:-
- 6.2 Address recommendations and comments of the Scrutiny Review Group, specifically in terms of reviewing the Economic Development Strategy. Those recommendations include:
- a) Ensure stronger links to LDF and new regional guidance and enable more effective use in determining planning applications
 - b) Produce individual action plans on Hereford, the Market Towns and the Rural Areas (considering roles and identities) linked to the LDF; engage community groups and monitor through Policy Delivery Group of Partnership
 - c) Greater emphasis on ICT and particularly actively seeking ways of improving broadband speeds and coverage across the County to support existing and attract new businesses; create “hubs” in market towns for business use
 - d) Greater emphasis on regeneration and ways of promoting this e.g. re-use of Council owned buildings in Hereford for heritage based projects run in partnership with outside bodies (can't see the evidence base)
 - e) Greater emphasis on attracting new businesses and jobs into the county – reflecting economic downturn.
 - f) Existing businesses – need section on all sectors of industry and their needs, should be a specific reference to business support available
 - g) Greater reference to tourism strategy and links to economic development
 - h) Need to integrate specific objectives into the sustainability theme on climate change e.g. measures to promote renewable energy schemes based on independent study of potential of renewable energy production in the County
 - i) Reflect the significance transport plays in supporting business development with a focus on sustainable transport solutions.
 - j) Review skills objectives and delivery mechanisms against State of Herefordshire Report and recent developments i.e. University Challenge
 - k) Revise the current EDS in light of a changing economic climate, reflective of the local economic assessment and the outcomes of the LDF consultation – to include wider consultation on a draft review document
 - l) Develop Annual Monitoring to relate indicators to objectives (tied in with Comprehensive Area Assessments and Local Economic Assessments) to test effectiveness of programmes/investment. Produce “Partners Map” – explaining objectives/targets/milestones and areas of responsibility for monitoring.
 - m) Suggest greater formal interaction - specifically between economic development, the Herefordshire Partnership and planning sections to develop revised strategy.

7 Next Steps

- 7.1 The Review Group anticipates that, if approved by the Community Services Scrutiny Committee, this report will be presented to Cabinet for consideration.
- 7.2 The Review Group anticipates that if the report is approved, the Council will act upon the recommendations made in the report.

- 7.3 The Review Group would also expect the Cabinet to report back to the Community Services Scrutiny Committee in six months time with a detailed statement reporting on activity taken upon the Review Group's recommendation.