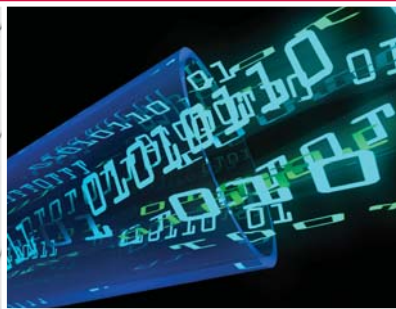


Enterprising County Economic Development Strategy for Herefordshire 2011-2016



Why a Strategy

The strategy outlines the path and direction to foster economic vitality. More than one factor affects the potential for economic prosperity; therefore the strategy aims to pull together different considerations to meet that potential. This strategy focuses on achieving growth through the private sector, with new jobs and investment made by businesses – with this approach supported by different organisations and communities coming together to create the right environment for enterprise to flourish.

The Strategy itself is in five key parts:

- 1: The Profile of Herefordshire**
Summary of the current character and issues
- 2: Vision and Aims**
A summary of what the county aspires to achieve
- 3: Business and Communities**
Profile and consideration of enterprise and how the economy impacts on people
- 4: Delivery**
How the strategy will be delivered and results to measure success

The Process

The evidence that informs this strategy is contained within the State of Herefordshire report 2010 (Chapter 3 – A local economic assessment for Herefordshire). The chapter includes a wider range of facts and figures that give a view of the county's economy and also looks at some future trends. The comprehensive research that forms the Local Economic Assessment has been supported by an Employer Survey which received feedback from 782 businesses in the county of various sizes and sectors.

Based on the evidence, a public consultation document was produced, and specific discussions took place with businesses at different locations. This was supported by an on-line consultation and blog. Rather than repeating these facts and figures this document analyses what the information is telling us about the county and incorporates comments from consultees. The case studies within this document aim to illustrate the points being made, giving a flavour of what is possible and achievable. Supporting information can be found at www.economicinvestment.gov.uk.

The strategy is an integral part of the Local Development Framework (LDF), and should also be considered next to other important documents that will have an influence on shaping Herefordshire's future, incorporating the areas of transport, housing, health, employment, child poverty, plus specific business sectors and geographic linkages such as the Marches Local Enterprise Partnership.

This strategy is concerned with the economic potential of Herefordshire and the benefits it can bring in creating a better place for residents to live. By being a wealthier county driven by a stronger economy, poverty can be reduced, businesses can invest in their future and services can be sustained through local investment.

The aim of this strategy is to build on what we currently know about Herefordshire to shape an ambitious future, making sure the most is made of the county's unique qualities.

Therefore, building on the strengths of the county with high ambition for the future the vision for the economic development strategy is to **increase economic wealth of the county through the growth of business**. This will be achieved through the aims to:

- Sustained business survival and growth
- Increase wage levels, range and quality of jobs
- Have a skilled population to meet future work needs
- Develop the county's built infrastructure for enterprise to flourish

The principles outlined below form the values of any economic growth that reflects the wider consideration when aiming to achieve regeneration and development.

Confidence and identity – to understand the county's place in the world with a shared identity that fosters confidence and self belief.

Distinctiveness – creating competitive advantage based on what we have to offer influenced by the county's distinct cultural, heritage, and enterprising character.

Reducing poverty – with a wealthier county comes better services, better quality of life, greater equality of health and wellbeing and a reduction in poverty.

Potential – that every person, regardless of age and ability can meet their potential through work and training.

Environment – be a leader in the growth of environmental enterprise and innovation that marries with the rural nature of the county.

Community – strong communities as contributing factor to a vibrant and sustainable economy, where people want to live, work and visit.

The ten projects listed below are infrastructure and development initiatives that will be completed or make significant progress in the next five years. The projects will impact cross the county, creating economic benefit for the rural areas, market towns and Hereford City responding to the needs of businesses, address challenges within the county and look to the future to create a vibrant and sustainable economy. The projects should not be seen in isolation as will form part of a wider delivery and action plan.

- 1 **Enterprise Zone** – development of employment land at Rotherwas to form an enterprise zone focusing on defence and knowledge sectors, creating added benefit for companies who locate in the area.
- 2 **Broadband** – investment in technology infrastructure for the county to have 100% access to broadband revolutionising how businesses operate and how public services are delivered.
- 3 **Employment Land** – create a network of quality employment land sites across the county where businesses have opportunity to relocate and expand
- 4 **Hereford Relief Road** – invest in the road infrastructure to relieve Hereford and make movement through the county easier for businesses, visitors and residents
- 5 **Hereford City Centre** – as the urban centre of the county creating a more vibrant city with additional retail, housing and leisure.
- 6 **Construction Skills Academy** – ensure the best skills are locally available to meet the potential of investment projects, specifically regarding the city centre development.
- 7 **Employment and Skills** – to run programmes that support people into employment, with a specific concentration on South Wye and Leominster areas.
- 8 **Apprenticeship Campaign** - enabling work based training to generate long term skills.
- 9 **HE Centre** – to create a facility for people to access higher education, that provides a gateway to learning otherwise not available in the county
- 10 **Identity** – create a strong brand identity for Herefordshire that reflects the county's enterprising spirit and visitor appeal.

Section 1 - Profile of Herefordshire

Herefordshire is a rural county, rich in heritage, culture and enterprise. The agricultural heritage has shaped and influenced the distinctiveness of the county with land based industries a key part of the county's offer and has also led to the county having production based strength.

The industries in the county have had a history in diversifying, often out of necessity as the key industries of agriculture and manufacturing meet the challenges of global change. The county has been able to maximise the trend in growth sectors such as tourism, defence, food and drink and creative industries that are wholly complementary to the character and nature of the county. Herefordshire predominately consists of small or medium sized enterprises, with a strong entrepreneurial spirit that has seen companies corner international markets. There is also a strong social enterprise sector where the business delivers services that support community well being.

Compared to national figures Herefordshire has a higher proportion of people who work from home which is consistent with the profile of high levels of self employment. This is reflective of the growth of sole traders and family firms that have become highly successful though still deep rooted in their communities adding to the area's identity and uniqueness.

The county has also proved its resilience during the economic recession compared to other areas partly due to a greater number of self-employed businesses, high employment rate and the resilient nature of some of the sectors. Consultation shows that companies are cautiously confident for the future with capacity to respond to the upturn in the economy. This is not to say Herefordshire has not felt the effects of the downturn with businesses considering the challenges of the global economy the biggest threat for the future.

For all its advantages of being a rural county, there are a number of disadvantages that can create barriers to economic growth. The transport infrastructure is an issue raised by businesses in being able to ship and receive goods, as well as congestion in and around Hereford. This is reflective of the manufacturing nature of many of the businesses that have to compete with other companies that can transport products more quickly and cheaply because of their proximity to faster road and rail links.

The type of businesses in the county influences the area's economic output level (measured by Gross Value Added – GVA). GVA per head of population was at £15,176 in 2007, compared to £20,458 for England. One of the reasons for low GVA is related to wage levels. Herefordshire has one of the highest employment rates in the country and people work on average longer hours, but pay levels are low in comparison (in 2009 the median weekly earnings were £383.30, compared to the England average of £495.20). Businesses often see this as an advantage in having lower overheads but this also means less money is being spent in the local economy.

Another reason why GVA per head of population is low seems to be the net loss of people travelling out of the county for work (over 4,000 residents - approximately 5% of the working age population). Information suggests that this tends to be higher earners with better qualifications who can enjoy the Herefordshire lifestyle whilst working outside of the county.

Figures show that greater GVA is achieved by companies who specialise in knowledge based industries - this may include making the most of technology as well as effective use of intangible assets such as knowledge, skills and innovative approaches to create competitive advantage. Though Herefordshire has seen an escalation in private sector innovation, there is opportunity to increase the number of knowledge based companies in the county and the use of technology more widely in a range of enterprises. This includes attracting companies to locate in the county, bringing their knowledge with them. This is particularly relevant as Herefordshire becomes an early implementer of superfast Broadband in rural areas, creating a unique selling point of availability of some of the fastest broadband in the country alongside a high quality lifestyle.

Herefordshire is well known for its quality secondary schools and FE provision (further education) with 94% of young people progressing to education after school (91% across England). However, there are some challenges – for the small percentage the young people who directly enter the workplace feedback from businesses suggest they are not work ready. There is also limited HE (higher education) opportunity in the county with a net loss of around 1,200 students who study at degree level out of county. Also 21% of companies report skills gaps in their workforce primarily in technical, practical and job-specific skills. Though many will provide valuable in-work training, this can be a financial and time burden for many companies especially small ones. The growth in apprenticeships has been popular with students and businesses sharing an understanding that skills are learnt whilst at work in a supportive

environment.

Two interlinking issues to emerge from the consultation are confidence and identity. In terms of identity companies find it hard to “sell” the county with people often not knowing where Herefordshire is. There is potential for the county to establish its place and position in the market next to its neighbouring counties but also define its identity in the national and global context. With confidence comes a willingness to make more investment and be more enterprising. This is key to creating a sustained economy and business growth in the next 5 years.

Section 2 - Vision and Aims

Vision: to increase economic wealth of the county through the growth of business.

Aims

1. Sustained business survival and growth
2. Increase wage levels, range and quality of jobs
3. Have a skilled population to meet future work needs
4. Develop the county's built infrastructure for enterprise to flourish

Aim 1: Sustained business survival and growth

Businesses are key to creating a strong economy and their growth can make a difference to employment opportunities and ultimately wealth of the county. There is significant opportunity for businesses in the county to increase economic output to equal that of the regional average. As well as business growth, this aim is concerned with survival in an uncertain financial climate where access to finance to enable entry into new markets is challenging. The county is well known for its "home-grown" industries with retention and growth of these companies key. There is also opportunity to attract businesses to the county and outside investment, promoting Herefordshire as a perfect place to do business especially growing the technology and knowledge base sectors.

- Support businesses to diversify their products in order to grow and become more sustainable, including through exporting
- Support business advice and networks, including for social enterprise
- Enhance access to finance and investment schemes
- Aid local companies to secure local contracts through procurement advice and guidance
- Encourage the use of research, innovation and knowledge in whatever sector
- Promote the county as a location for business, tourism and investment

Key results:

- Year on year increase of GVA per head of population to match the national growth rate
- The business survival rate at three years is consistently better than the England average



Arctic Circle Case Study

Set up in 1985 by husband and wife team Eddie and Debbie Gittoes, Arctic Circle, is one of Herefordshire's most successful manufacturing businesses employing 85 people and supporting many others within the local supply chain. The company manufactures equipment for use within the heat transfer market primarily designing and building low carbon solutions for use within the cold food chain. The company has established a reputation for innovative solutions using technologies to become the undisputed market leader in its field.

In collaboration with Morrison's supermarkets Arctic Circle has set up a unique facility at its Rotherwas factory. The 'Natural Refrigerant Technology Centre' is a state of the art facility set up to establish true seasonal energy consumption data for CO² and hydrocarbon refrigeration systems of all types. The centre will also be used as a 'hands on' training environment for engineers, having the capability to simulate real site conditions and issues enabling solutions to be evaluated prior to going to site. It is the first facility of its kind and is a benchmark for the industry.

Section 2 - Vision and Aims

Aim 2: Increase wage levels, range and quality of jobs

Whilst the county has a comparatively high employment rate the average wage levels are much lower. This has an effect on people's circumstances as well as the economy as a whole and wealth of the county. Whilst the aim is about wage levels, it is also about the quality and choice of employment. This means giving people opportunity to stay and work in the county, to be able to progress their careers and training without relocating and ensuring that there are high skill level jobs that can offer high wages. This aim is also about people realising their potential through work, with unemployment having an effect on the individual, families and communities sometimes over generations.

- Enable small businesses to start up and take the next steps in their development to create employment opportunities
- Run employment programmes to meet the needs and aspirations of individuals and employers, including targeted support for certain sectors
- Raise awareness of the range of employment opportunities
- Work with key companies to expand their businesses to create high level employment opportunities with corresponding higher wage levels

Key results:

- Consistently achieve above the national average for employment levels by at least 4%
- Increase wage levels year on year whilst also reducing the gap between Herefordshire and national averages

Aim 3: Have a skilled population to meet future work needs

Skills are a major issue relating to both specialist skills, but also more generic requirements of management, leadership and motivation. Whilst secondary school education has a reputation of quality and offers a diverse range of options with good quality future education provision, people on the whole have to travel out of the county to access higher education. This is seen as creating a combined brain-drain and age-drain, with possibly more people taking degree level qualifications if there was more provision closer to home.

There is a cost and resource challenge for businesses to train people whilst at work, and individuals find it difficult to progress through training in certain subjects whilst living in Herefordshire.

Whilst skills levels of young people are a priority, it may not always be through traditional learning routes with an opportunity, for example, to maximise the new drives in apprenticeships. This is combined with encouraging people of all ages to take up learning to increase aspirations and as pathways to work and better paid work.

- For greater connectivity between businesses and the education sector to understand future needs of industries
- Enable business to train people whilst at work
- Create a gateway to higher education and progression routes to training
- Enhance the adult learning offer as a route to employment and raised aspirations

Key results:

- Increase the qualification level of people who are economically active in the county, measured through the residents qualified at level three
- Raise the training participation level of all 17 and 18 year olds, through increases in full time training, apprenticeships, and training whilst in work.

“Herefordshire has some of the best land in the country and is highly regarded by producers outside of the county for its produce.” Anthony Snell

AJ & CI Snell is a specialist producer of fresh and frozen soft fruit and is the biggest producer of organic blackcurrants in the UK. The business produces fifteen hundred tonnes of fruit every year which they supply to Sainsbury's, Marks & Spencers and farm shops.

The company moved away from growing traditional arable crops and began specialising in soft fruit in 1989 as a means of expanding the business and making it more profitable. During this time the farm has grown from 100 to 400 acres including a 2000-tonne a year capacity packhouse providing state of the art facilities which enables the fruit to be picked, processed and packed all on the same site. As a result the business now employs 30 full time staff and in peak season up to 350 seasonal workers.



Section 2 - Vision and Aims

Aim 4: Develop the county's built infrastructure for enterprise to flourish

The rural nature of the county can create barriers to sustainable economic growth. These include the road and rail infrastructure, the lack of universal access to broadband and shortage of good quality employment land. Other barriers to growth including not making the most of new technologies, businesses adapting more sustainable and environmentally friendly approaches, as well as competing for major contracts.

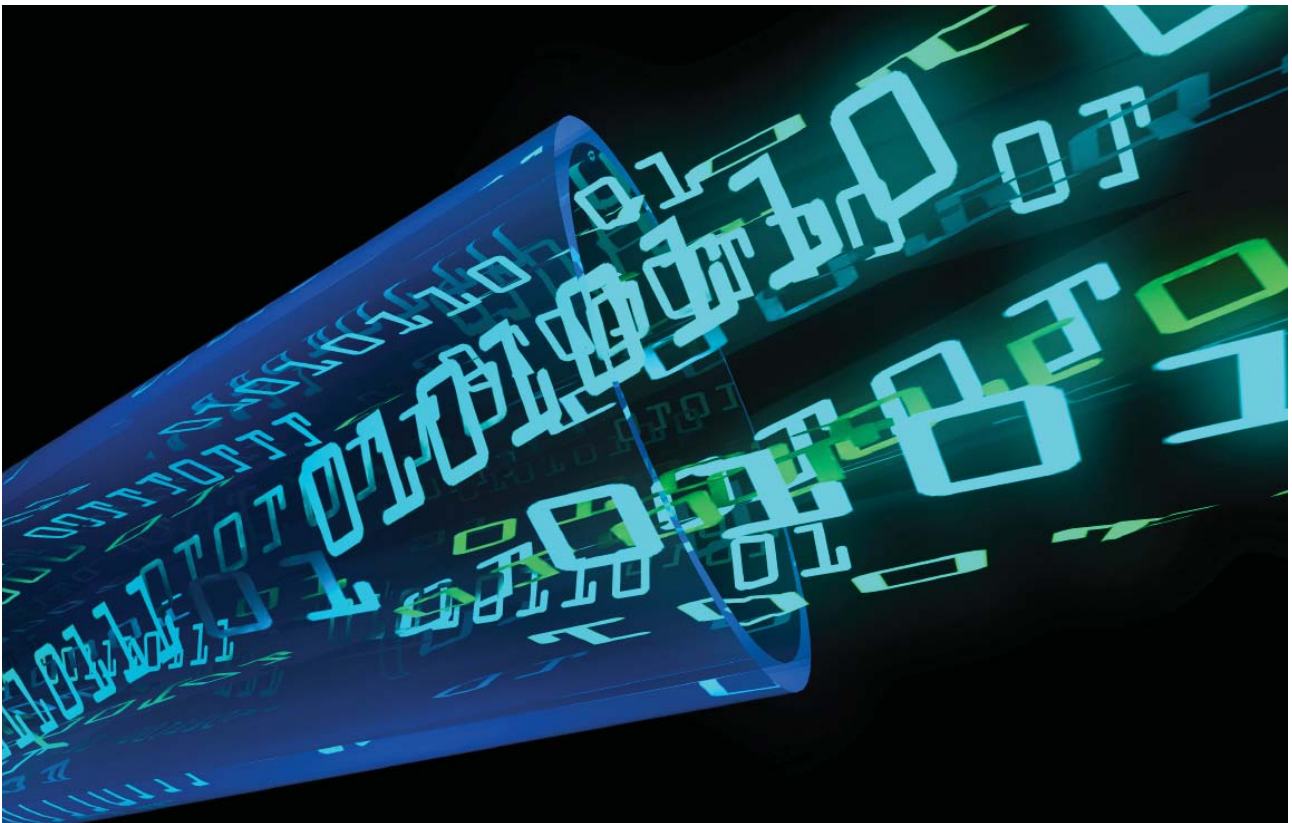
Some of these barriers are compounded by the county being highly populated by small businesses who alone do not have the resources, skills and knowledge to overcome challenges. Social enterprise share similar barriers.

Hereford City is the county's economic centre and as such has a potential to influence the prosperity of the area. A combined approach to regeneration means investment covering travel, housing, employment land development and job creation can make a significant difference to the county.

- Improve broadband speed and coverage in Herefordshire, along with mobile phone coverage
- Improve transport infrastructure, specifically Hereford relief road
- Improve the range and quality of employment land and premises
- Enable business efficiency through use of technology
- Create a receptive and progressive approach to planning requirements for industry
- Combined regeneration of Hereford City Centre

Key results:

- 100% access to Broadband in Herefordshire by 2015
- New jobs created



Kingspan Insulation Ltd Case Study

Established in 1981 Kingspan Insulation Ltd make premium and high performance building insulation products and insulated systems. The company is a Division of Kingspan Group plc, one of Europe's fastest growing building material manufacturers and has manufacturing, distribution and commercial operations throughout Europe, North America, Australasia and other locations across the globe. The business's global head office is based in Pembrige, Leominster and employs over 400 staff making it one of the largest employers in the area. The factory itself is the largest single manufacturing facility for rigid installation boards in the world.

Peter Morgan, Kingspan Insulation's Marketing Communications Manager attributes much of the success of the business to the expertise, knowledge and dedication of the people the company employs and the company's continual updating and improvement of its products and services ensuring that the company stays ahead of its competition.

Whilst the recession has presented challenges for Kingspan it has also presented the company with opportunities to discover new markets and new sectors resulting in the development of new products and services that reflect the changing needs of the market.



Section 3 - Business and Communities

This section in the strategy focuses on issues relating to the economy that are important to people and their lives – this not only means the type of work that is available, but the housing available, the communities people live in and linkage to the neighbouring counties. The key issues for each area should be considered next to the county wide priorities requiring their own actions and support.

Business Profile

Manufacturing

The proportion of employees in manufacturing within the county is higher than figures for both England and the West Midlands. Some 40% is based in rural areas outside Hereford and the market towns and it is an important element of the Herefordshire economy. Rubber, plastics and food manufacture are the largest constituents, along with the manufacture of fabricated metal products, many of them in niche areas requiring specialist knowledge and skills. Nationally there has been a steady increase in manufacturing output though foreign competition for production is a constant threat.

Food and Drink

There is growing national interest in local food and drink production. Campaigns such as the Flavours Awards and Herefordshire Food Festival have raised the profile and opportunity of local producers, with food and drink being used as a tourism feature of the county. There have also been some outstanding national awards to local producers which add to the perception of Herefordshire as a centre of food and drink excellence.

Tourism

Tourism to the county is worth £411m to the local economy. Over 4.7 million visitors come per year, mainly short stays to take advantage of the outstanding countryside, rich heritage and cultural offer. This supports 8,480 jobs. Visit Herefordshire is the agency in the county that promotes tourism including developing the county as a visitor destination, supporting the improvements to the visitor accommodation offer and managing people's stay when they are in the county.

Land Based

In overall employment terms, the numbers working in land based industries, accounts for a much greater proportion than regionally and nationally. Whilst in the past agriculture has suffered, recently both livestock and grain prices have improved. However, agriculture has a track record in diversifying for example the use of polytunnels for an increasing range of fruits, quantities and quality, which has enabled many farmers to stay in business.

Creative Industries

The local authority holds a data-base with over 500 creative businesses in the county. These are mainly sole traders or small companies making unique products. Designer crafts are particularly strong supported by an annual Contemporary Crafts Fair that has a national reputation and h.Art week that includes open studios that reflects the range and spread of arts based businesses in the county. Other creative sectors that have a strong profile in the county are creative media and festivals that take place throughout the year.

Defence and Security

The location of the Regiment in Herefordshire in itself has a major impact on the local economy using local firms and facilities. Add to this, the many specialist security companies set up by individuals wanting to stay in the area, and the over spill of firms in the county drawn by the Malvern defence cluster. Over 80 companies in defence and security already create an important business cluster and are capable of further development given the growing global significance of security. Continued overleaf...

Halo Leisure Case Study

Halo Leisure was set up as a Leisure Trust, which was formed as a social enterprise in 2002 to run the county's Leisure Centres. It currently runs 9 centres under a 25 year lease and has over 400 employees. Since 2002 Halo has increased annual turnover from £4.1 million, to just under £7 million. Currently Halo has approximately 1.7 million customer visits each year and a membership of approximately 9,000 people.

Halo's customers range from the very young to older people. As part of their social enterprise ethos they have developed a pricing structure which aims to ensure that their services are affordable and can be accessed by all.

In addition to their work in Herefordshire Halo have also set up a subsidiary trading company to provide consultancy and related products to the Leisure Trust and commercial sectors. The trading company's core product is asset management software which is used in 125 Leisure Centres across the UK.



Section 3 - Business and Communities

Environmental technologies

A potential strength of the county is growth in renewable energy which complements the rural, green and land based character of the county. The Marches Environmental Technologies Network (metnet) was set up with the express role of promoting the development of this fledgling economic sector, encouraging new companies to start up and existing companies to diversify, especially through networking and collaboration.

Health and Social Care

Herefordshire will see a rapid increase in the aging population that will need support from the health and social care sector. This means additional care in the home, with 33% of Herefordshire households having at least one person with limiting long term illness; but also recognising a different type of residential care as people live longer and want to be more active (life expectancy for men is 78.6 years and 83.4 years for women). There will be an expectation of more private sector care that people, with a potential of business growth to match the population changes. This sector has the opportunity to create additional jobs, with training in work to address challenges of recruitment and retention.

Social Enterprise

Herefordshire has a particularly diverse and independent third sector, with a wide range of voluntary organisations, community groups, social enterprises and housing associations contributing significantly to all aspects of life in Herefordshire. In 2008, 29% of the population volunteered (gave unpaid help) at least once a month. Social Enterprise also place a specific role in being able to balance an enterprising spirit whilst providing “social good” services. The sector has also taken an increasing role to addressing issues of employment, especially supporting the long term unemployed back into work.

Retail

For some time, retail in Herefordshire has been losing ground to competition outside the county. Currently, sales occupations are the largest sector in the county's unemployment figures (October 2010). To try and address this, Hereford Futures is promoting the development of the £80 million retail development which includes a new department store, supermarket and smaller shops which is fully funded by the private sector.

Many local businesses have been affected by internet shopping, but some have responded by developing a noticeable internet presence. At the same time various solely internet businesses have also been set up and are trading successfully. Both of these avenues have the opportunity to increase due to the increase in use of technologies.

Construction

Within the county there are a wide range of construction businesses, both manufacturing components (many in niche markets) and straight construction. Particularly strong in the county is the steel frame building sector. There would seem to be potential to be explored in the areas of group purchase of materials and collaboration, especially in complementary activities. Wooden frame buildings for domestic and industrial are also a feature of the county and complement the rural identity of the county. With investment in Hereford City and inbuilt infrastructure in the county there is a need to ensure local businesses have the opportunity to secure contracts, and having the right skills that can be developed through Constructions Skills Academy.

The Public Sector

Though the public sector is shrinking, the combined services of health, education, emergency services and local government are still a significant local employer. The nature of public service is adapting with the changes providing an opportunity to refocus resources as well as externalise the running of appropriate services to the private and voluntary sector.

D3 Active Case Study

D3 Active is an events agency based in Ledbury that specialise in the creation and delivery of adventure-based outdoor events. However, the company was significantly affected by the economic crisis and as a result had to reconsider its business model.

As a result D3 Active moved into new areas of activity and began running their own adventure races and expanded the corporate team building side of the business. As well as working with local businesses the company attracts high profile clients such as Red Bull, KPMG and O2.

Having moved to Herefordshire from Surrey the company makes the most of the natural assets of the surrounding countryside and their idyllic location in the grounds of the Eastnor Castle Estate.

“For our client base we are well positioned and also the geography offers us, in particular, a great place to operate.” Fiona Day, Director

Following several years of change D3 Active expect that the next few years will be a period of consolidation for the company as they focus on developing the fledgling areas of the business.



Section 3 - Business and Communities

Housing

The issues of housing are strongly linked to the economy of the county, specifically in people having the financial choices to live in Herefordshire.

The median price of a property in Herefordshire was £175,000. In comparison, the median property prices for England / Wales were £172,000. Herefordshire's house prices are generally higher than elsewhere largely due to the type of housing stock present in the county. This is compared to having a lower than average wage economy for the county.

The preferred measure for house price affordability is the ratio of lower quartile house prices to lower quartile earnings. For 2010, the ratio for Herefordshire was 9.3, that is, for those on lower quartile earnings, a house at the bottom end of the market would cost them 9.3 times their annual earnings. Though there has been investment in affordable housing, Herefordshire has one of the most challenging affordability ratio in West Midlands authorities and neighbouring counties.

Regeneration schemes focused on housing have proven to have wider community benefits, as well as creating better housing stock, they have resulted in an improved quality of the area, whilst raising aspirations and addressing perceptions of an area.

Key results:

- For the emphasis on affordable housing in the county to continue, enabling developers and social landlords to invest in the county
- To improve the availability and range of housing stock in the county, including decent housing and housing regeneration schemes
- For mixed live and work developments particularly in rural areas to be part of the Herefordshire offer
- Potential for regeneration of the Oval area in South Wye
- Support initiatives which link skills development and employment to housing development.

Cost of Living and Poverty

The Commission for Rural Communities (CRC) and the Rowntree Foundation have published research (2010) that shows that people in rural areas need to take home up to 24% more than those in urban areas in order to reach an acceptable living standard. For example, a single person living in a hamlet will need £18,600 a year to get by, compared with £14,400 for the same person living in an urban area.

The most commonly used measure for child poverty is the proportion of children living in families in receipt of out of work benefits or tax credits where their reported income is less than 60% of median income. Latest data is from 2008, shows that in Herefordshire 15% of children are living in poverty. Though there are a slightly higher proportion of children in poverty in urban areas than there are in rural areas, children and families face other challenges related to living in rural areas, such as access to services.

The impacts of a child living in poverty can have a life-time effect. Research shows that at 22 months a poor child's skills already trail behind those of better off toddlers; at age 5 a poor child, even if he or she is very bright, will have been overtaken at school by a less talented but more privileged classmate, and by 16 he or she is just half as likely to get five good GCSEs. In Herefordshire specifically in 2009/10 attainment at level 2 for those receiving free school meals was 33% below that of young people not receiving free meals. At the other end of their life, a child born today in the poorest neighbourhoods will still die, on average, 7 years before a child born in the richest.

Key points:

- Employment and wage level increases will have a positive effect on reducing poverty
- There is likely to be a range and number of barriers to people taking employment and training – including accessing child care, skills, ability to travel, and understanding of opportunities
- Opportunity to establish a co-ordinated approach to address poverty and financial exclusion which has an effect on health and well being.



Green Hands Case Study

Whilst undertaking a Nail Technician course at Hereford College of Tech Naomi Andersson set about developing the idea of starting her own natural nail care business. She quickly recognised the limitations of only offering a nail care service and identified a gap in the market for natural, organic nail products which led her to develop the on-line and wholesale side of the business. Now an award winning business Green Hands is an online retailer based in Leominster, selling natural and organic products for hands and feet.

Despite the success of Green Hands Naomi acknowledges the need to keep reviewing the direction of the business and to have a clear vision about how you would like the business to develop.

Section 3 - Business and Communities

Work and Health

The number of days lost through ill health has an effect on a business' output level, and can ultimately impact on the GVA of the county. Therefore, there is an emphasis on employers keeping their workforce well and motivated (with de-motivation having an effect on mental and physical well being).

In Herefordshire people tend to work longer into their older age (reflective of the agricultural nature of the county and populated with self employment). As the population grows older and the retirement age extends more people will be staying on in work enabling the county to make the most of knowledge and skills. However, some parts of Herefordshire have increasingly high proportions of people aged 60 and over living in house holds with low incomes.

National research shows there is a strong linkage between work and health. Unemployed people show worsening mental and physical health over time, suffer a loss of self esteem and debt caused by lack of earnings, whilst distress levels fall when re-entering the work force. Poverty has an impact on health, including housing conditions and general life chances. Nationally, child obesity is increasing and early indications show that obesity is linked to poverty, research suggests that the working age people classed as obese may be 15-20% less likely to be in employment than non-obese.

Key points:

- Increased employment levels will have a positive effect on people's health and well being
- Opportunity to encourage older people to stay in employment to increase their income and stay active and healthy
- Encourage workforce health through positive lifestyle choices
- Create opportunity for healthy living, e.g. cycle / walk to work; smoking cessation programme in the work place; fitness activity

Places and Geographies

Hereford City is the service and economic centre of the county, reflecting the higher population density (58,800 people). Hereford has the largest number of businesses, with a network of employment land sites including Rotherwas in the south of the City.

The market towns of Leominster, Ross on Wye, Ledbury, Bromyard, and Kington surround the city. Each of the market towns has their own distinct qualities reflective of their position in the county and the organic growth of their industries. Ledbury and Ross both benefit from access to motorway links, whilst Leominster and Ledbury have connection to the rail infrastructure. There are clusters of industry within all of the market towns providing valuable employment. Tourism opportunity is a strong feature of all the market towns, having their own unique selling point.

The rural economy is populated by small businesses, often sole traders or self employed working from home. This is higher than the national average, partly driven by necessity in terms of viability to travel to work, but the increasing opportunity to use technology to work from any location and still be able to compete in a global marketing place. The access to technologies also means that major companies can expand whilst located in the rural area.

Key points:

- Businesses in the rural areas support sustainability of local services and communities
- Promotion of the different attributes of the county's market towns, rural areas and Hereford City as a tourism destination and location for enterprise
- Employment land development as a key factor specifically in Hereford and the market towns
- Hereford Futures programme once completed having the potential of GVA contribution of around £32.2m a year
- Make the most of road and rail links, specifically in Leominster, Ross on Wye and Ledbury, with enhanced connectivity through the build of the Outer Relief Road



Caplor Energy Case Study

"Every business should be thinking about the triple bottom line and what impact their business has on the environment. Long term it makes economic as well as environmental sense."

Caplor Energy Ltd designs, supplies and installs renewable energy systems in domestic and commercial properties in and around Herefordshire. The company was borne out of a unique combination of passion, economic crisis, good timing and entrepreneurial spirit. When the recession hit, it provided owner and Managing Director, Gareth Williams, to reassess the direction of his existing property development business and to start to investigate new areas of interest linked to his passion for renewable energy.

Gareth started by installing a 15kW wind turbine and a 9.7kW solar PV system on the family farm in Fownhope. Since then the company has gone from strength to strength winning numerous environmental awards and accolades.

Section 3 - Business and Communities

Linkage with Neighbours

Herefordshire has formed a local enterprise partnership (LEP) with Shropshire and Telford because of the synergies between the economies and common issues. The Marches LEP will use shared resources to create benefit for local businesses and raise the profile area.

As well as with Shropshire, Herefordshire has strong links to other neighbours. Ross-on-Wye in the south has links to Gloucestershire, areas in the west of the county have links to neighbouring Welsh county, Powys. Equally there are connections with Worcestershire, specifically between the towns of Ledbury and Malvern, Bromyard and Worcester.

In a recent survey of employers in Herefordshire, 11% traded mostly with neighbouring authorities, 8% traded mainly with parts of the West Midlands region outside of Herefordshire and nearly a third traded mainly throughout the UK. Some Herefordshire businesses also have links to areas outside the UK; in general the larger businesses have a greater tendency to either have customers or export goods or services outside of the UK.

Herefordshire is also likely to have industry specific links and supply chain links across the county. For example, agriculture has links with Powys, Shropshire and Worcestershire, whilst suppliers to the automobile sector are likely to have links with manufacturers in Oxford, Swindon or Birmingham.

Key points:

- Improvements to the road and rail network would support the transportation of goods
- Opportunity to develop links within the supply chain within the LEP area
- First phase deployment of universal access of broadband in the south of Herefordshire along with the Forest of Dean in Gloucestershire
- Exporting potential for companies in the county

Environmental Sustainability

Within Herefordshire, business is the highest emitters of CO₂ (on a per capita basis), followed by domestic use then transport emissions. However, all three sectors were higher than national levels on a per capita basis. Part of the high comparative rate is due to the requirement to travel combined with low population (because based on per capita).

There is a potential conflict in reducing emissions and economic growth, with new business ventures and customer demand requiring more energy. However, many businesses have realised that energy efficiency can mean lower running costs and have taken advantage of this to change practices.

With a heritage base on the land and a growing range of eco-companies, Herefordshire has the potential of creating a unique selling point based on sustainability principles.

Key points:

- Support for sustainable business practices that can create the added benefit of reducing over-heads
- Eco-companies and environmental technologies are part of the Herefordshire identity
- Development of local planning policies for environmental standards to be adapted to Herefordshire's circumstances and adopted for new employment sites and builds
- Encouragement of heritage-led development capitalising on the "heritage premium"
- Quality of life and its relationship to economic sustainability by attracting new businesses and entrepreneurs to relocate to the County for its high quality of environment.

Section 4 - Delivery

The strategy is the framework for future delivery, that influences and shape private sector development and public sector intervention. The aims of the strategy will be delivered through a range of mechanisms and schemes which will be reflected in an action plan. The delivery in terms of running schemes will be assigned to a range of organisations which are most appropriate as the lead, however, creating added benefit and exceeding the aims will be achieved through the coming together of organisations in pooling resources to achieve common goals.

The results table below outlines how success will be measured over time.

Result	How measured	Baseline	Target
Increase economic productivity (GVA per head of population) to be more aligned to national levels.	Year on year percentage change in GVA per head of population.	4.3% Herefordshire increase compared to 4.6% for England. GVA 25% gap between Herefordshire and England average.	For the annual growth rate in GVA per head for Herefordshire to be 0.5 % points above the national growth rate. In the longer term reduce the gap to 18% by 2025.
Increase wage levels year on year to reduce the gap between Herefordshire and the national average	Reduce gap between Herefordshire's to England's weekly median earnings (total workplace based).	Herefordshire's earnings were 25% lower than England.	Reduce the wage gap to 10% by 2025, with year on year reductions
The business survival rate at three years consistently better than the England average.	The percentage of new businesses registered for VAT or PAYE tax schemes, in a given year, that are still operating after 3 years.	2009 figure for Herefordshire was 70%, compared to 66% for England.	5% above the England figure year on year.
Consistently achieve above the national average for employment levels	Proportion of the working age population (aged 16-64) that are in employment (self-employed or employee).	76% for Herefordshire compared to 70.5% for England average.	At least 5% above England's rate each year, moving to 6% by 2015.
Increase the qualification level of people who are economically active in the county	Proportion of the economically active population aged 16-64 that are qualified to level 3	13.9% for Herefordshire 2009, compared to 16% for England.	Year on year increase reaching 16% by 2015.
Raise attainment level at 19 years to level 2 and 3.	Qualification attainment at 19 years	79% at level 2 and 53% at level 3 (1% above national average). 2009/10.	Above national average by 2% in 2015.
Raise the training participation level of all 17 and 18 year olds.	Percentage of 17 and 18 year olds in full time training, apprenticeships, and training whilst in work.	90% (1% above national average) for 2008/9.	2.5% above the national average by 2015.
Reduce the number of young people who are not in employment, education or training.	% of 16-18 year olds who are NEETs (not in employment, education or training).	6.8%	Reduce to 4.7% in 2015.
100% access to Broadband in Herefordshire by 2018	% access of 2Mbps broadband to premises - residential and business	62% of premises have access in Herefordshire.	100% access of 2Mbps by 2015 100% access to Superfast by 2018

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