



Herefordshire Economic Development Programme

Purpose: To provide an overview of the proposed £1.4m Herefordshire Economic Development Programme, to be funded from the Hereford Enterprise Zone Business Rates Reserve.

Background

Herefordshire faces a number of long term economic challenges such as the lowest level of Gross Value Added (GVA) per hour of any county in England ([Mapping inequality in the UK](#)), a low wage economy (10% lower than the national average), and low levels of higher skills (2% lower than national average at NVQ level 4 and above).

Lower income levels also impact a range of wider social issues, such as living standards, health, wellbeing, retention of younger residents, the availability of workforce, social mobility and aspiration.

The county also has wide ranging opportunities, with sectoral strengths in defence and security, cyber/ digital, food and drink, agri tech, creative industries, manufacturing, engineering, and tourism. A strong further and higher educational offer, including a new university focussed on engineering and technology. A thriving Enterprise Zone, creating thousands of new jobs. A quality of life offer, in terms of natural environment, community, and culture that is unparalleled.

The council's priority is to create more higher paid jobs both for local people, but also to attract the workforce we need to address our long term economic challenges across the county.

The Herefordshire Council Plan 2024 - 2028 states '*We will create the conditions to deliver sustainable growth across the county; attracting inward investment, building business confidence, creating jobs, enabling housing development along with providing the right infrastructure*'.

The Plan goes on to say that the council will

- Develop employment land to unlock new business opportunities and generate local jobs, support market towns and Hereford city to be vibrant hubs through working with residents, local organisations and businesses.
- Support residents to access skills development, training and employment opportunities.
- Work with our partners and businesses to facilitate growth across the county.

Economic Development Priorities/ Programme

There are four core priorities to the council's economic development programme, guided by daily engagement with businesses through the Herefordshire Growth Hub, and via the Economy and Place Board, Business Growth Board and the Skills Board.

1. **Conditions for Growth** – establishing the employment land and infrastructure required to enable business growth. The Hereford Enterprise Zone 'Skylon Park' is the county's primary employment land site, continuing to offer serviced plots to enable local higher value businesses to grow, and to attract new businesses to locate and invest in the county. In addition to the Enterprise Zone the council is committed to the development of Ross Enterprise Park, which is due to be on site in the autumn 2025. We are exploring other opportunities such as business units on the former Bromyard Depot site, and working with existing developers in Ledbury and Leominster. We are also establishing business hub co-working space in each of the market towns.

Objectives;

- All remaining Hereford Enterprise Zone plots to be committed for sale in accordance with the requirements of the placement strategy in delivering higher value jobs by end of March 2027.
- Complete infrastructure works and the creation of the first four 4 acres of development plots on Ross Enterprise Park end of November 2026 (on site autumn 2025)
- Create business units on the former Bromyard Depot site by mid 2027
- Establish Leominster business hub by early 2026 in the Buttercross building, offering on site management and business support services. Identify sites in the remaining market towns by mid 2025.
- Identify longer term employment land requirements in the development of the Local Plan by 2028.

- 2. Business Support Advice and Guidance** - Business information, advice and guidance services delivered through the Herefordshire Growth Hub will support business start-ups and existing businesses to grow. In particular a specific business scale up support programme and an R&D innovation programme will focus on increasing higher value jobs. Targeted support at high growth businesses, and building on our sectoral strengths in cyber/ digital technologies, will also accelerate the creation of more better paid jobs.

Objectives;

- Launch scale up business support programme to catalyse the creation of higher paid jobs by end of September 2025
- Launch R&D advice and grant programme to improve productivity and create higher paid jobs by of September 2025
- Engage cyber/ defence and security/ digital tech businesses and establish a sector development plan (business support and skills) to build on local strengths in a high tech high growth global sector by end of September 2025
- Establish a Herefordshire high growth business network to identify best practice, areas of collaboration, and barriers to further growth by September 2025.
- Support the promotion of the county's tourism offer to attract visitors and spend, and raise the awareness of the counties quality of life offer in attracting people to study, work, and live in the county.
- As above, establish business hubs in each market town, providing operational funding and access to support services to compliment the capital investment.

- 3. Skills Development** - The availability of an appropriately skilled workforce is critical to attracting businesses to locate in the county, and enabling existing businesses to grow. As above, the county lags behind the national average in the availability of higher level skills. To date in order to access higher education younger generations have primarily had to leave the county to study elsewhere, and there are limited higher paid job opportunities to attract them to return to the county thereafter. The newly formed Herefordshire Skills Board and the successful skills forum have brought together skills providers with businesses to identify opportunities for greater collaboration in developing the future workforce we need.

Objectives;

- Develop a Herefordshire Skills Strategy to define short, medium and long term skills needs to support business growth, aligned to Further Education and Higher Education provision, including a delivery plan to target future investment by December 2025.
- Support to business to improve their future workforce planning in terms of capacity and skills needs to inform higher and further education and training providers to establish the required future capacity.

- Implement a programme of targeted support to enable employers to upskill their workforce, through working with local FE/ HE and private providers. In particular, catalysing growth in the cyber/ digital services sector.
 - Engage businesses in and raise awareness of the benefits of higher level apprenticeships, and promote opportunities to local younger generations to enable them to access higher paid jobs.
 - Identify future educational infrastructure needs, to ensure facilities are available in the future to meet the county' increasing population and employment needs.
 - Establish a Higher Education bursary programme to support local residents from more deprived areas to access University education.
 - Support younger generations not in education employment or training to achieve the support they need to develop skills and access jobs.
- 4. Inward Investment** - Securing inward investment into the county from target high growth sectors is critical to diversifying the current business base, attracting higher value industries and services and associated higher paid jobs. Place based marketing and a one stop shop inward investment service providing support such as the availability of development sites, information regarding workforce skills, housing, education and any financial incentives will play a key role in attracting businesses to locate in Herefordshire.

Objectives;

- Establish a land agents forum, to understand opportunities and current constraints by May 2025.
- Establish an Inward Investment website to promote opportunities in the county by end of September 2025.
- Establish an Inward Investment programme identifying target markets which will create high paid jobs by end of September 2025.
- Develop and implement place based marketing programme and gateway information service such as place prospectus and website by end of September 2025.
- Develop a development prospectus of key projects and development opportunities in the county.
- Develop proposal for Herefordshire significant council presence at UKREiiF in 2026, identifying key messages, development opportunities, key audiences and programme of engagement/ expected outcomes

Delivery Programme

In terms of the conditions for growth priority, this is primarily being delivered through the Hereford Enterprise Zone, and the Employment Land and Business Space £12m allocation in the capital programme. Although the market towns business hubs operational costs and support services will be met through the business support theme.

To meet the objectives of the remaining priorities, it is proposed (subject to governance decision) to fund a £1.4m programme of activity from the Hereford Enterprise Zone retained business rates reserve. One of the benefits of an Enterprise Zone is that the council can retain 100% of rates collected up until the end of 2038 to support economic development activity across the county. As of the end of March 2025, £1.4m of additional retained rates are held in the reserve.

The following table sets out a 1.5 year programme of revenue activity to meet the above priorities for cabinet consideration. All activity proposed is to be fully funded and met from the current reserve. As additional retained business rate income is generated, separate governance decisions will be brought forward, which will consider the possible continuance of these activities going forward.

Activity	Description	Output/ outcome	How delivered	Indicative Budget Allocation
Business Growth				
Business Forum Engagement Programme	Establish 10 business forums for key sectors and high growth businesses, to identify barriers and opportunities to enabling growth.	10 x forums, and Business engagement (5 per year in 2025/26 and 2026/27)	Procured specialist leads dependent on forum focus. Specialist speakers and advice.	£50,000
Cyber Centre Operations	Core support for the operation of the Midlands Centre for Cyber Security. The Cyber Centre located on Skylon Park offers a range of facilities to enable local Cyber businesses to develop and grow	1 x Cyber Centre Operational	Core building and staffing costs	£270,000
Cyber/ Digital Development Programme	Establish a sector specific (countywide) development plan, identifying how to position the county in the marketplace to build on our strengths in a global high growth sector. Identifying a programme of skills, business support, and investment requirements to accelerate growth.	1 x Cyber/ digital Sector Development Plan (further programme to be defined in the sector development plan)	Procure specialist providers to deliver one to one business support services across the county.	£50,000

Scale up and R&D innovation business support programme	Targeted business accelerator programme and R&D innovation support to enable business growth, and improve productivity.	Improved business gross value added from businesses supported	Procured business support services	£125,000
National Business Board network membership	The new Herefordshire Business Growth Board have asked that we extend membership of the national Business Board Network. The Chairs of the business board meet with government Ministers of State to understand and shape future government policy and funding.	Herefordshire influence on future government programmes	Membership for 2025/26 and 2026/27	£10,000
Market Town Business Hubs	Establish managed business hub co - working space in each market town, with on site management and support services.	Business support/ business space centres established in each market towns	Recruit fixed term facilitators	£150,000

Tourism Summer Marketing Campaign	Enhanced tourism marketing campaign in 2025 and 2026 to encourage increased visitor numbers in peak season. Tourism marketing also increases awareness of the county in terms of studying, working and investing.	Increased visitor numbers, enhanced awareness of the county	Procured	£50,000
Sub total				£705,000
Skills Programme				
8Herefordshire Skills Strategy	The Skills Board have identified a need for a Herefordshire Skills Strategy, considering short, medium and long term employer skills gaps to guide Further and Higher Education provision in the County. To also consider infrastructural learning capacity requirements as Hereford population grows in line with mandatory housing target increases. Will include a delivery plan to guide phase 2 implementation.	1 x Skills Development Strategy	Commissioned by the council overseen by the Skills Board	£70,000
Employable Skills Development Officer	Recruit a workforce development officer to engage businesses to support planning and liaise with local colleges and	1 x Skills Development Officer Enhanced business engagement and skilled workforce to meet current and future needs	Recruit fixed term post	£100,000

	education providers to meet the identified needs			
Workforce Development Programme	To implement a skills programme to implement the Skills Strategy, supporting employers and HE/ FE and training providers to meet gaps in current and future skills.	Skilled workforce to meet current and future business needs (specific outputs to be identified in the skills strategy)	Grants to business (such as skills boost)	£165,000
Cyber/ Digital Future Skills Programme	Targeted Cyber/ Digital skills programme to implement the skills priorities of the sector development plan identified above, building on the county's significant growth opportunities in this sector.	Skilled cyber/ digital workforce (specific outputs to be identified in the sector development plan)	Procured skills programme delivered across the county	£100,000
Youth Employment Centre Additional Capacity	The Youth Employment Centre has been highly successful since launch in early 2025, assisting younger generations access support into training and/ or employment. Whilst longer term service provision is finalised, additional short term capacity is required to meet the high levels of demand.	Additional support to younger generations accessing education and employment	Additional capacity through allocating the funds to Youth Employment Hub programme	£150,000

Higher Education Bursaries	Support local people from disadvantaged areas access higher education. Addressing low aspirations for higher education, and enabling social mobility as well as meeting local skills needs	11 x local people supported through university contributing £10K to course fees.	Grant application process – proposed a one off contribution to course fee costs.	£110,000
<i>Skills Sub-Total</i>				<i>£695,000</i>
Total				£1,400,000