

# **Scrutiny Review of the Herefordshire Economic Development Strategy 2005 - 2025**

**Report by the Community  
Services Scrutiny Review  
Group – October 2009**

**For presentation to the Community  
Services Scrutiny Committee in  
October 2009**

**People  
Excellence  
Openness  
Partnership  
Listening  
Environment**



# **Scrutiny Review of the Herefordshire Economic Development Strategy 2005 - 2025**

## **Contents**

	<b>Page</b>
<b>1 Introduction</b>	<b>1</b>
<b>2 Method of Gathering Information</b>	<b>1</b>
<b>3 Background to the Review of the Economic Development Strategy</b>	<b>1</b>
<b>4 Findings of the Review</b>	<b>3</b>
<b>5 Conclusions</b>	<b>4</b>
<b>6 Recommendations</b>	<b>5</b>
<b>Appendices</b>	
<b>Appendix 1 Scoping Document</b>	<b>6</b>
<b>Appendix 2 Summary of Findings from Interviews/Letters received</b>	<b>8</b>



## 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 17<sup>th</sup> 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 17<sup>th</sup> 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 24<sup>th</sup> 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.

### Next Steps

- 1.5 The Review Group anticipate that, when approved by the Community Services Scrutiny Committee, this report will be presented to Cabinet for consideration.
- 1.6 The Community Services Scrutiny would then expect Cabinet within two months of receipt of the report to consider the report and recommendations and respond to the Committee indicating what action the Cabinet propose to take together with an action plan.

## 2 Method of Gathering Information

- 2.1 The Review Group undertook a series of meetings in order to collect the evidence to complete the review. Evidence that was considered included the following:
- 2.2 **Face to Face interviews** – a series of interviews took place with key Council officers and a representative sample of service users and interested parties. A list of those interviewed is set out at Appendix 2.
- 2.3 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.

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?

This letter was sent to 15 local businesses across the county of various types and sizes on the 18<sup>th</sup> November 2008.

#### 2.4 The following individuals were interviewed during the course of the Review:

- Andrew Ashcroft – Head of Planning and Transportation, Herefordshire Council
- Cllr AJM Blackshaw – Cabinet Member Economic Development and Community Services
- Geoff Hughes - Director of Regeneration, Herefordshire Council
- Julian Morgan – Local Business, 7 Y Services Ltd
- Cynthia Palmer – Hereford City Manager
- Natalia Silver – Head of Economic and Community Services, Herefordshire Council
- Angela Smith – Federation of Small Businesses and Vice Chair of Herefordshire Partnership Economic Development Group
- Philip Roberts – Advantage West Midlands
- Nick Webster – Economic Development Manager, Herefordshire Council
- Gary Woodman – Hereford and Worcester Chamber of Commerce
- Peter Yates – Planning Policy Manager, Herefordshire Council

#### 2.5 **Written evidence**

The Review Group considered a range of written evidence to assist their deliberations including:

- a) Connecting to Success – West Midlands Economic Strategy.
- b) Living Working Countryside - Taylor Report (July 2008).
- c) Individuals from a range of backgrounds/interests also provided written evidence and opinions for the Review Group to consider.

### 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?**

There was general agreement that the existing strategy 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 existing planning and housing strategies. For example, it was difficult to refer to the EDS in commenting on the reasons for acceptance or refusal of planning applications because of a lack of references in either document. Any new strategy would need to be reflective of the outcomes of the Core Strategy to create synergy between the two documents. The Core Strategy will support the implementation of strategies such as the Community Strategy, the Economic Development Strategy and the Housing Strategy.

#### **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 Software Ltd, 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, providing support for local business and relationships with Partners, but now needs to be refreshed.
- 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 the 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:
- a) Ensure stronger links to the Local Development Framework (LDF) and any new regional guidance and thereby enable more effective use in determining planning applications
  - b) Produce individual action plans on Hereford, the Market Towns and the Rural Areas which will consider roles and identities of the areas concerned. These should be linked to the LDF and should engage community groups and monitor through the Policy Delivery Group of the Herefordshire Partnership.
  - c) That there should be greater emphasis on ICT and particularly actively seeking ways of improving broadband speeds and coverage across the County in order to support existing businesses as well as attracting new ones. Broadband wireless “hubs” should be created in market towns for business use.
  - d) Greater emphasis on regeneration and ways of promoting this should be considered. AN example of this would be to re-use of Council owned buildings in Hereford for heritage based projects run in partnership with outside bodies.
  - e) That there should be greater emphasis on attracting new businesses and jobs into the County which reflected the economic downturn.
  - f) Existing businesses should be addressed in any new strategy. All sectors of industry and their needs should be signposted to the available business support.
  - g) That there should be greater reference to the tourism strategy and links to economic development.
  - h) There was a need to integrate specific objectives into the sustainability theme on climate change. An example would be measures to promote renewable energy schemes based on independent study of the potential of renewable energy production in the County.
  - i) To reflect the significance that transport plays in supporting business development, with a focus on sustainable transport solutions.
  - j) That skills objectives and delivery mechanisms against the State of Herefordshire Report should be reviewed in the light of recent developments such as the University Challenge initiative.
  - k) That the current Economic Development Strategy should be revised in the light of a changing economic climate. Any revision should reflect the local economic assessment and the outcomes of the Local Development Framework (LDF) consultation. This should include wider consultation on a draft review document.
  - l) Develop Annual Monitoring to relate indicators to objectives (which should be tied in with the Comprehensive Area Assessments and Local Economic Assessments) in order to test the effectiveness of programmes and investment. A “Partners Map” should be produced that explained the objectives, targets, milestones and areas of responsibility for monitoring.
  - m) That there should be greater formal interaction between the Economic Development Service and the Planning sections of the Council as well as the Herefordshire Partnership in order to develop any revised strategy.

<b>REVIEW:</b>	<b>Economic Development Strategy for Herefordshire</b>	
<b>Committee:</b>	Community Services Scrutiny Committee	<b>Chair:</b> Councillor R V Stockton
<b>Lead support officer:</b>	Samantha Banks Jane Reeves	

## Scoping

<b>Terms of Reference</b>
<p>This review covers:</p> <ul style="list-style-type: none"> <li>• To examine the current economic development strategy published in 2006 and its delivery mechanisms.</li> <li>• To consider local, regional and national policy in relation to the current strategy, specifically in relation to the local development framework, changing relationship with Advantage West Midlands and Local Area Agreement.</li> <li>• Recommend ways forward in the delivery of the future economic development strategy.</li> </ul>
<b>Desired outcomes</b>
<ul style="list-style-type: none"> <li>• To assess the current Economic Development Strategy to ensure it is fit for purpose in meeting changes in local, regional and national policy.</li> <li>• Recommend a way forward to the future revision of economic development strategy for the county considering resource requirements.</li> </ul>

<b>Key questions</b>
<ul style="list-style-type: none"> <li>• What are the emerging requirements of the Local Development Framework and does the current strategy meet those requirements?</li> <li>• How does the current strategy meet local requirements of Hereford City, Market Towns and rural areas?</li> <li>• Does the current strategy fulfil the requirement of the Local Area Agreement?</li> <li>• How are the aims of the strategy delivered, and is this effective in working with partner organisations?</li> <li>• What should be the future composition of a future strategy and how will that be resourced?</li> <li>• How could a strategy further fulfil the needs of businesses, employees, and investors?</li> </ul>

## Corporate Plan Priorities

Economy and Enterprise

<b>Timetable (some of the facilities are only open seasonally and will influence the time table)</b>	
<i>Activity</i>	<i>Timescale</i>
Agree approach, programme of consultation/research/provisional witnesses/dates (first meeting with members)	September 2008
Assess strategy and Government guidance / reports	September and October 2008
Conduct small selection of interviews	November 2008
Pull together findings in a draft report with recommendations	December 2008
Report presented to Scrutiny Committee	January 2009
Present options/recommendations to Cabinet	February 2009
Cabinet response	March 2009
Implementation of agreed recommendations	April 2009
<b>Members</b>	<b>Support Officers</b>
Councillor RV Stockton (Chairman) Councillor PGH Cutter Councillor MAF Hubbard Councillor T M James	Jane Reeves (Senior Planning Officer) Samantha Banks (Senior Planning Officer)

### Summary Outcomes for Review of the Economic Development Strategy following from Internal/External Interviews

Issue	Comment	Suggested Recommendations for any review of EDS
1. Strengths of existing EDS	<ul style="list-style-type: none"> <li>▪ Developed with partners e.g. Business Link/Chamber of Commerce/AWM</li> <li>▪ Supports businesses wanting to expand, local apprenticeship schemes, grants for redundant buildings etc</li> <li>▪ Themes were still relevant to needs of county</li> <li>▪ Eastern Corridor was good approach but rural west neglected</li> <li>▪ Focus on Hereford/ESG was important</li> </ul>	<ol style="list-style-type: none"> <li>1. Any review should utilise same approach of working in partnership with local business organisations but involve wider consultation with local businesses</li> </ol>
2. Weaknesses of existing EDS	<ul style="list-style-type: none"> <li>▪ Not enough consideration given to market towns and rural areas</li> <li>▪ Doesn't support all businesses particularly larger ones that have developed their ideas/or are in growth areas e.g. Muddy Boots</li> <li>▪ Linkages between sectors and focus on diversity of the economy.</li> <li>▪ Does not support planning function as well as could – difficult to use EDS in assessing planning applications</li> <li>▪ Council dependent on partners to deliver their aspects of the strategy and monitor but indicators not always appropriate</li> </ul>	<ol style="list-style-type: none"> <li>2. Individual action plans could be developed for Hereford, Market Towns and Rural Areas to supplement strategic overview and support inward investment to these areas as well as Hereford (Could link to emerging LDF Area Plans). NB. New Market Towns programme being developed for 2010 – need to ensure review takes this on board.</li> <li>3. Look at better ways of attracting new (and supporting existing) larger scale value added businesses to Herefordshire e.g. by looking at best practice in other rural authorities. This may need to feed through into more flexible planning policies where appropriate. Provide better quality rental units.</li> <li>4. Introduce new section/action plan on different sectors of industry to ensure needs of all business sectors are considered e.g. agriculture and consider the linkages between sectors</li> <li>5. Simplify vision and objectives of strategy with direct link to policies in LDF.</li> <li>6. Get support from Director of Planning and Transportation to ensure planning officers request business appraisals in support of certain planning applications to</li> </ol>

	<ul style="list-style-type: none"> <li>▪ Key challenge is to provide jobs</li> <li>▪ Greater reference to Tourism in EDS</li> <li>▪ Not doing enough to attract higher skilled people</li> </ul>	<p>better review all the social, economic and environmental considerations of proposals.</p> <p>7. More investment support needed for existing businesses to grow and develop (could be indirect e.g. business rate holidays/funding from Homes and Communities Agency/removal of need for planning obligations). See also recommendation 3.</p> <p>8. Consider integrating elements of tourism strategy or at least objectives into review of EDS</p> <p>9. Review skills objectives and delivery mechanisms against LAA and State of Herefordshire Report indicators.</p>
<p>3. How well is the EDS working on the ground? How is it monitored?</p>	<ul style="list-style-type: none"> <li>▪ Some aspects working well particularly regarding infrastructure improvements e.g. Rotherwas Access Road</li> <li>▪ Partnership Thematic groups designed to test implementation. Recent improvements with changes to Partnership Structure.</li> </ul>	<p>-</p> <p>10. Annual monitoring should be considered in similar vein to Annual Monitoring Report for Unitary Development Plan. A simplified monitoring procedure that relates indicators to actions/objectives should be set up to test the implementation of any reviewed EDS – this should be linked to new Local Economic Assessments using State of Herefordshire Report and linked to Comprehensive Area Assessments to test effectiveness of programmes/investment. This will need to address issues of funding but should at the very least ensure HC monies are well spent. See Norfolk example of implementation</p> <p>11. A partnership “Map” would be useful which explained which partner was responsible for which actions in the EDS and where funding came from but indicating who was the responsible partner for ensuring the action took place, the timescale involved as well as targets/milestones</p>
<p>Other Issues to be considered in any review</p>	<ul style="list-style-type: none"> <li>▪ <b>Climate change</b> – 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</li> <li>▪ <b>Broadband speed and coverage</b> -</li> </ul>	<p>12. Specific objectives to address the impacts of climate change should be integrated into the objectives of the sustainability theme e.g. measures to promote renewable energy schemes and linked to the LDF. Consider independent study regarding a review of renewable energy production in the County and its potential contribution to the local economy.</p> <p>13. Although referred to in existing EDS, should be made priority of review of strategy.</p>

	<p>huge issue for encouraging new businesses and helping existing businesses</p> <ul style="list-style-type: none"> <li>▪ <b>Focus on regeneration</b> (employment land provision, conservation led regeneration and creation of identity/sense of place)</li> <li>▪ <b>Transport Issues</b> – rail freight is not given prominence in EDS. Parking, traffic flow and signage all need addressing in Hereford. Greater emphasis on public community /transport</li> <li>▪ <b>Higher Education/Skills Training</b> – although referred to in EDS, needs greater emphasis and inward investment – “University Challenge”</li> <li>▪ <b>Job creation</b> – long term, generational employment, and short term due to the economic downturn</li> </ul>	<p>(NB – already made part of an objective in the emerging Local Development Framework Core Strategy). Council should be actively seeking more ways of promoting improvements to broadband speeds and coverage across the County particularly at Rotherwas and the “notspots”.</p> <p>14. Review should make reference to economic downturn and conditions that would support business growth e.g. area based grants. (Utilise forthcoming Employment Land Survey/Retail Survey to establish gaps in provision. Make use of Heritage studies being carried out by the Council to produce Action Plans for market towns (Recommendation 2), engage community groups and monitor through Policy Delivery Group.)</p> <p>15. Consider re-use of existing Council buildings in Hereford City Centre for heritage-based projects linked to regeneration, run in partnership with outside bodies.</p> <p>16. Consider “hub” approach in market towns for interaction between rural businesses</p> <p>17. Utilise current/future work undertaken in LDF regarding roles of Hereford/Market towns plus other information sources (resident surveys etc) to establish common strands and whether there is a need for further work on this issue</p> <p>18. Promotion of Rail freight facilities and links. Public transport should be given greater emphasis in review –links to themes of sustainable development and climate change. Promote doubling of track to Hereford. Better links in Rural Areas to attract small businesses. Freight issues in west with HGV traffic would need addressing. Would need to link to LDF.</p> <p>19. Review as per Recommendation 9. Need public relations exercise amongst employers. Help needed in running businesses.</p> <p>20. Review and strengthen measures to attract inward investment into the County (promote investment from bodies other than AWM), continue support for growing existing businesses. Support Champion idea. Promote idea of leaflets/DVD sent out by Council and existing businesses e.g. to European counterparts.</p>
Does EDS meet requirements of LDF	<ul style="list-style-type: none"> <li>▪ Potential link to planning and housing strategies</li> </ul>	<p>21. Need greater interaction with planning and housing sections to ensure full integration with emerging strategies. Suggest bi-annual or quarterly update meetings between Managers of Housing/Transport/Development Management/Forward Planning/Conservation/Tourism and Economic Development sections to feed through strategies</p>
Does EDS reflect	<ul style="list-style-type: none"> <li>▪ General agreement that does reflect regional strategy and are good links</li> </ul>	<p>22. Emerging changes to regional policy in terms of Single Integrated Strategy would need to be reflected in any review.</p>

regional strategy	with AWM	
----------------------	----------	--