

Your Business...Your Future

The Business perspective of the Herefordshire Economy

Impact Consultancy

March 2011

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Your Business...Your Future

The Business Perspective of the Herefordshire Economy

Executive Summary

This work was commissioned by Herefordshire Council in order to gain greater insight into the perspectives of the business community in the county. Consultation was focused around four key issues; what businesses perceived to be the factors that limited their potential and growth; what could be done at a county level to help overcome these issues; what strengths and opportunities were there that Herefordshire could be building on and whether there were specific issues relating to different geographical areas of the county. The work was also used as an opportunity to:

- test out the findings of the Employers Survey commissioned by Herefordshire Council in April 2010
- explore some of the barriers which prevent people from accessing employment opportunities
- identify examples of good practice (in the form of case studies) in line with the issues raised through the consultation process

The findings arising from this work have been used to inform and shape the counties revised Economic Development Strategy and have contributed towards the production of the Local Economic Assessment (LEA).

Throughout the duration of this work there have been significant changes and developments in economic related policy and strategy at national, regional and local levels. This period has seen the introduction of Local Enterprise Partnerships (LEP's), the announcement of the closure of Regional Development Agencies (RDA's) and the unveiling of the Comprehensive Spending Review detailing some of the most significant cuts in public expenditure this county has experienced for many years. This rapidly changing political context provides the backdrop for this report and provides both opportunities and challenges for achieving economic growth in the county.

Throughout the consultation process key issues were repeatedly raised in relation to; **planning, branding, digital communication, skills and training and business support.** In summary the issues raised were:

Planning

There was a strong feeling amongst consultees that planning regulations and procedures needed to be better aligned to ensure that they support the counties economic growth agenda.

Branding

Businesses consistently raised the issue of the counties lack of identity and how this directly impacted on their businesses. Consultees felt there was a definite need for Herefordshire to maximise its natural assets and rich cultural heritage and to build a strong brand based around these to put Herefordshire on the map as a high quality place to live and work.

Digital Communication

Significant investment is required in the counties digital communication infrastructure (high speed broadband & mobile phone signal) in order for the county to be on a more equal footing with its neighbouring counties.

Skills, Training and Recruitment

There appears to be certain skill gaps in the county, particularly management and specialist skills. Also young people leaving education are reported by employers as not being work ready and are particularly lacking in appropriate communication skills.

Business Support

It is perceived that there is a lack of support for small businesses within the county and sector specific support. For example the manufacturing advisory service run by Business Link at risk of withdrawal. In addition, businesses identified that there was a lack of capital investment funding and research and development (R&D) funding linked to the development of new products and innovation and were concerned that this issue would be compounded by the closure of Advantage West Midlands (the Regional Development Agency).

Introduction

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Engagement with the Business Community

The following findings were generated from a series of consultation events and meetings held between September and November 2010. The events were aimed at businesses across a range of sectors and targeted key geographic locations within the county.

An additional round table discussion was also held with business support and training providers in September 2010 in order to gain their views and perspectives and to help shape the format of the consultation events.

As a secondary phase of the engagement process businesses were invited to participate in an on-line consultation forum which asked people to respond to the consultation questions

used at the events and to listen to a podcast containing the thoughts and perceptions of local business people that had attended the events.

The findings arising from this work have been used to inform and shape the counties revised Economic Development Strategy and have contributed towards the production of the Local Economic Assessment (LEA).

A complete list of the events and the attendees is attached as an Appendix to this report.

SECTION ONE - Detailed Findings from the Consultation Sessions

Section One of this report highlights the range of issues that people identified in the consultation. The information has been organised according to:

1. Issues raised in relation to the Economic Development Strategy
2. Comments received about the results of the Employers Survey
3. Common issues raised in the consultation sessions

In addition to identifying these issues and themes this section of the report highlights:

- Key policies and strategies that have particular relevance to the consultation findings and which offer potential opportunities and support mechanisms to support economic growth in the county
- Examples of innovative initiatives and practice from across the country that address some of the barriers to economic development identified during the consultation period.

At a national level there are a number of current strategies and research reports that reflect the findings of both the Employers Survey and the stakeholder engagement consultation. These documents have been highlighted throughout the report where it is felt that they present potential opportunities to address issues raised by the consultation or provide further evidence in support of the issue. These 'links' are intended to act as signposts to the full documents. The links are highlighted in the main body of the report, and a short summary for each link is provided in Appendix C.

2.1 Informing the Economic Development Strategy

A number of general points were raised during the course of the consultation relating to the development of the revised Economic Development Strategy (EDS). These included the need for the EDS:

- To reflect and differentiate between the issues and needs of the different sectors that make up the economic profile of the county.
- To highlight specific issues relating to the geographic location of businesses to enable initiatives and resources to be targeted at particular areas of need.
- To define what 'economic growth' looks like within the context of the county and to specify how the EDS will support growth through the development of clear and measurable targets. The importance of micro and small business to 'growth' should be recognised and supported.
- To focus on measures that will; help to mitigate the decline in agriculture and manufacturing; enable the development of identified growth areas such as Environmental and 'Green' Building Technologies, Renewable Energies, Food and Drink, Advanced Engineering, Horticulture and the Health & Care Sector; ensuring that the county has a good balance of traditional and emerging businesses.
- To encourage economic growth and economic stability.

2.2 Testing out the findings of the Employers Survey

As part of the consultation participants were asked to respond to some of the key findings of the recent Employers Survey commissioned by the Herefordshire Council as a way of testing out the research data. Participants were specifically asked to identify any perceived anomalies or gaps in the research and to highlight findings that did not ring true with their own experiences. In response to this the following issues were raised:

Adequacy of broadband provision overstated – A significant number of participants stated that they felt the findings linked with broadband provision were underestimated and did not fully reflect the actual experiences of many businesses in the county both in terms of the limitations of the infrastructure and the restrictions that this has on many businesses. *It*

should however be noted that that since the consultation was completed it has been announced that there will be significant investment in Herefordshire to improve broadband coverage and connectivity through being one of the first Broadband pilots in the UK.

No reference to poor mobile phone coverage – Participants were surprised to note that the findings made no reference to the inadequacy of mobile phone coverage within some areas of the county and felt that this would increasingly become more of an issue with emerging smartphone technology.

Issue of lack of access to finance understated – Many businesses identified the inability or difficulties in accessing finance as being a major issue for them and were surprised that this was not reflected more prominently in the Employers Survey.

No mention of the fact that health and social care and horticulture are growth areas in the county – A number of consultees identified these sectors as being key growth areas for the county, specifically linked to the counties ageing population.

Data not reflective of the importance construction, security/defence and processing businesses in the county.

Decline in agriculture – Consultees felt that the forecast figures predicting significant job losses in agriculture seemed overly pessimistic.

Migrant Labour – It was felt that survey findings underestimated the impact of migrant labour within the county and felt that within certain sectors such as the service and agricultural sectors migrant labour was heavily relied upon. In addition there were also examples given of migrant labour being used in the manufacturing sector, and playing a pivotal role in the growth and success of these companies.

Exchange rates – It was perceived that the issue of exchange rates was more of an issue for businesses than the statistics appeared to reflect.

House prices / affordable housing – Consultees were surprised that the survey findings had not identified house prices and the availability of affordable housing as more of a key issue for businesses. Although it was felt that this may in part be attributed to respondents failure to consider the wider implications of these issues on their businesses.

2.3 Key findings from the consultation

Planning Policy

There was a general perception that the rules and regulations inherent within national planning policy are not conducive to supporting economic growth within the county. A number of times participants expressed the need for there to be more flexibility of planning regulations to support innovative or high risk business solutions.

Consultees perceived the need for the Planning Department to foster a more 'business friendly' approach and consider the economic impact of planning applications alongside environmental and ecological impact. There was a perceived need for economic development officers and planning officers to have more communication and for spatial planning including the Local Development Framework to facilitate business growth.

It was also felt that the current planning application processes is not commensurate with the size and scale of the planning request. For example the same process is followed for large scale planning issues as for requests for signage. It was also apparent from the consultation that a number of people are not accessing the advice and support that the Planning Department offers for completing applications, which means that many businesses resort to using an agent which proves costly, particularly for small businesses.

Whilst planning was raised as an issue by business across all sectors it was highlighted as a considerable constraint on those in the agricultural sector specifically in relation to; building accommodation on farmland to house farm workers and/or next generation of farm workers and erecting agricultural buildings.

Potential Solutions & Opportunities relating to planning that were highlighted in the consultation included:

- The need for better publication of the support and advice available from Planning Officers for completing planning applications.
- Increased awareness of good practice of economic projects particularly linked to supporting a growth agenda.

- The economic impact of a planning application needs to be given equal weighting to environmental and ecological considerations. (However there also needs to be recognition of the fact that currently local decisions are driven by national planning policy).
- Closer links between planning policy including the LDF and the Economic Development Strategy.

Linked Policies:

The Decentralisation and Localism Bill (November 2010)

Agenda for change: releasing the economic potential of England's rural areas -

Commission for Rural Communities (September 2010)

Business Premises & Land

A perceived lack of suitable freehold property and land was raised as an issue by a number of consultees and was identified as a factor that inhibited the growth of businesses. In addition the affordability of businesses premises, particularly the high cost of rent and the impact of this on business rates, were cited as being barriers to growth. For businesses looking to establish rurally-based premises poor infrastructure (water, drainage, electricity, broadband, and mobile phone coverage) prevented them from growing and diversifying.

Case Study - Business Rent Grant Scheme

Lancaster City Council's business rent grant scheme has been helping promising local businesses get through the economic downturn. Set up in 2008, the scheme provides a boost for new and early-stage businesses. The scheme offers grants of up to £2,500, an amount based on 50 per cent of the first year's basic rent on commercial premises in the district. To qualify, businesses must have been trading for less than three years, employ no more than 10 full-time staff, and should operate in key strategic business sectors. They must also be able to show the potential for employment growth.

Housing

The imbalance of house price: wage ratios and a lack of affordable housing, particularly in some rural areas, continue to present significant issues for the county and particularly impact on businesses ability to attract people to relocate into the county.

Case Study - Miller Road Project

The Miller Road Project is a unique project based in Banbury to provide affordable housing for local young people and training opportunities for young people currently not in education, employment or training. The project is run by a partnership of Cherwell District Council, Southwark Habitat for Humanity, Oxford & Cherwell Valley College (OCVC), Connexions and Sanctuary Housing Association. The Homes and Communities Agency (HCA) provided £520,000 of funding from the National Affordable Housing Programme to enable the scheme.

The homes will be built with a mixture of skilled sub-contractors and young people, who will work towards a national Open College Network Level 1 Award with a tutor from OCVC and a life skills coach/mentor from Connexions. When completed the homes will be sold to Sanctuary Housing Association and let via a nominations policy to local young people in housing need.

Craig Forsyth

Communications Officer

Craig-forsyth@cherwell-dc.gov.uk

01295 221 639

Broadband & Mobile Phone Coverage

N.b. Since the completion of the consultation south of Herefordshire has been named as one of 4 rural areas to take part in a scheme funded through the Department of Business, Innovation and Skills to pilot the next generation of high speed broadband.

Insufficient and inadequate broadband and mobile phone infrastructure were consistently identified as presenting significant issues for businesses across the county. Many businesses said that whilst they were able to work with what level of broadband they had they were aware of the limitations of the infrastructure and recognised that this limited their businesses potential to use the available technology to its full potential. There was a common perception that without significant improvement in broadband speed and capacity the county would find it difficult to attract larger businesses into the area.

In addition consultees from the property sector highlighted that good broadband and mobile coverage were increasingly regarded as 'essential services' for many people looking to buy or rent residential property in the county. This significantly reduces the market for some properties in specific areas of the county and was cited as being an increasingly common reason for house sales falling through. It was felt that this was likely to become an increasing problem due to the growing number of home-workers and families moving into the county.

Linked Policy and Strategy:

'Britain's Superfast Broadband Future' (December 2010)

Rural Mobile Phone Coverage – issues and recommendations report, The Commission for Rural Communities (November 2010)

Skills, Training and Recruitment

Consultees highlighted management skills and specialist skills as being the primary gaps in the market. Both these skill sets were identified as being difficult to recruit to and were skills that were often imported from outside of the county. It was felt that this issue was compounded by the lack of free or affordable training, particularly management training courses, available locally. Businesses also reported problems in recruiting local people to undertake un-skilled positions leaving some sectors still heavily reliant on migrant labour. A number of businesses said their preference was to take on migrant workers to fill vacancies, rather than young people on training schemes, as they felt within the current economic climate migrant workers were cheaper and were easier to 'pick up and let go'.

Many businesses said that they struggled to find the time and resources to train their staff and that this often resulted in staff going without basic training and not being up skilled.

Young People

Consultees reinforced the findings of the Employers Survey that many young people were generally not 'work ready' on leaving school or college and did not have the appropriate skills, social or practical, or attitude towards work, required by employers. There was a feeling that expectations needed to be managed on both sides, with young people needing to be realistic about the types of jobs and level of pay they were likely to secure on entering the jobs market and employers needing to manage, and be clear about, their expectations of young people.

There was a consensus that there was a lack of opportunities for young people to gain work experience and that there were insufficient apprenticeships schemes locally. Many businesses, specifically SME's, said that they did not have the time or capacity to take on apprentices and those that had considered it had been put off by the regulations and the lack of funding to support apprenticeships. There was also seen to be a disconnection between careers advice and other business and training support providers and that a more collaborative approach to supporting young people into work would be beneficial.

Consultees felt that there was an over emphasis on young people gaining university qualifications and not enough value placed on vocational training. There was a strong feeling that once young people left the county to further their education it was difficult to attract them back and that this contributed to the counties outflow of knowledge and skills. Consultees agreed that whilst there was little that could be done to retain young people in the county consideration should be given to how young people could be encouraged to re-settle in the county. Although it was felt that the more important issue was to ensure that there were sufficient training and employment opportunities for young people that remained in the county.

The potential solutions and opportunities relating to Young People raised in the consultation were:

- Local businesses and economic development partners need to work in partnership with local schools and Further Education providers to develop opportunities for young people to gain work experience and encourage the take up vocational courses and diplomas.
- Training for businesses on employing young people and/or taking on apprenticeships should be provided.
- There needs to be investment in local apprenticeship schemes and initiatives e.g. 'Grow with Wyre' forestry apprenticeship scheme and grants for SME's to encourage them to take on apprentices (see below for good practice examples). Also apprenticeships for graduates would be a good way of attracting young people back to the county.
- Many consultees made reference to the benefits of having a university in the county and that this should be a goal for Herefordshire.

- Integration of support provided by schools, Connexions, apprenticeships and NEETs with business needs.

Supporting Evidence

2010 National Strategic Skills Audit for England

Access & Transport

Many consultees felt that the geographical location and rural nature of the county, combined with poor roads and infrastructure, had a detrimental impact on their businesses and resulted in a net loss of trade and income. Many businesses, particularly larger manufacturing companies, stated that they felt they were just too far away from many of their larger potential clients and that this limited the market they could reach. Poor access to the motorway network was seen as a significant barrier by businesses in the west and north of the county; however this was less of an issue for businesses in the south due to the proximity of the M50. Conversely, however, it was perceived that the county's location and the lack of infrastructure also helped to retain many of the traditional features of the county that make it distinct.

There was a consensus amongst businesses that poor accessibility by road into Hereford city, particularly from south of the river, was an issue that needed resolving as a matter of urgency.

Business Support

Consultees perceived that there was a lack of support for small businesses within the county and sector specific support such as the manufacturing advisory service run by Business Link and that this would be compounded by the closure of the Regional Development Agency, AWM, and Business Links. Consultees felt there was a particular need for:

- Succession planning support
- Capital investment funding
- Research & development funding linked to the development of new products and innovation
- The facilitation of networking opportunities and brokerage between businesses in the county to encourage collaborative working

There was a great deal of support for the idea of encouraging collaboration between businesses and it was felt that this was something that the new Local Enterprise Partnership could encourage. For example there was a lot of support for the idea of encouraging local businesses to trade from each other rather than with out of county companies. Although it was felt that any proposals emerging from the new Economic Development Strategy relating to Business Support needed to be tailored to reflect the diversity of need across the sector (e.g. taking account of size and sub sectors), there was a general feeling that business support needed to encompass the following:

- Business start ups,
- Diversification into new markets,
- Advice and support for tendering and patents,
- Employment advice

The need for Research and Development funding to enable the development of new products and exploration of new markets was strongly expressed. This type of funding was seen as a way for businesses to test out innovative ideas whilst reducing risk and encouraging growth.

In a rural county such as Herefordshire the importance of micro businesses was recognised. The availability of rural community Business Centres was seen as an appropriate way of supporting these businesses.

Potential Solution

- Re-introduce the Business Booster Grant and Training Voucher operated in the county in 2009/10 (ceased due to funding being withdrawn).

Case Study - Kickstart

Kickstart is a micro-finance scheme providing loans of up to £10,000 to businesses under 3 years old with growth potential throughout the county. The project is funded by Lancashire County Council's economic development company, Lancashire County Developments Ltd and is operated by Business Venture Group Ltd.

Kickstart offers loans for up to five years, with a repayment rate of 4 per cent above base rate. As well as funding, supported businesses can get help in preparing business and marketing plans. They can also access details of available sites and premises in the local area. All profits from the Kickstart fund are reinvested to ensure that other Lancashire businesses can benefit in the future.

Martyn White
01772 422242

Identity & Branding

There was a consensus amongst consultees that whilst Herefordshire had a significant amount to offer both in terms of its natural assets and rich cultural heritage the county lacks an identity and has failed to establish its place in the market unlike its neighbouring counties e.g. 'The Cotswolds' and 'The Malverns'. As a consequence many businesses said they found it difficult to attract clients/customers from outside of the county because people either did not know where the county was or perceived it to be a 'backwater' with little to offer. It was felt that the county needed to establish a clear and distinct brand which would set out the county's offer and would be supported by a county wide marketing strategy.

Consultees also felt that the county failed to make the most of high profile events and festivals located in or on the county's borders e.g. The Big Chill, Three Choirs festival, Hay-on-Wye and that there was no clear association in the marketing of these events with Herefordshire.

Potential solutions & opportunities relating to branding that were mentioned in the consultation were;

- The development of a strong brand and identity for Herefordshire based around the county's unique natural and cultural assets, its reputation of traditional high quality local produce, and the diversity of its economy.
- Closer collaboration between the tourism sector, local producers and the agricultural sector.
- High profile events and festivals should be marketed to ensure that the connection with Herefordshire is clear and to maximise the opportunities afforded by these events. It was suggested that a 'Herefordshire App' could be developed for use with 'smartphone' technology.
- The Herefordshire brand should be based around the concept of the GREEN ECONOMY. The possible development of a centre for excellence for green technology and renewable energy, for example sheep wool insulation and developing green products for the construction industry.

Linked Strategy

Herefordshire Tourism Strategy (2010 – 2015)

Income & wages

Attracting people into the county was cited as problematic due to wages in the county being below the national average making it difficult to compete with other areas. This is also compounded by the wage to house price ratio. Businesses also felt that the artificial depression of wages made it more difficult to offer attractive salaries as a means of encouraging people to move into the county. There was a strong feeling that the county needed to find ways of increasing peoples earning potential in order to increase spending locally.

Local Enterprise Partnership

The creation of Local Enterprise Partnerships (LEP's), their ability to determine local economic priorities and increase strategic engagement of local businesses were seen by consultees to offer potential opportunities for the county. Consultees felt LEP's also offered a mechanism through which to strengthen and establish more positive relationships between local businesses and the council. Concerns were raised however about the potential 'watering down' of local priorities due to the sub-regional nature of the partnership and how the wider business sector would be able to influence the priorities and direction of the LEP.

Supporting Policy:

The Local Growth White Paper (October 2010)

SECTION THREE – Perspectives about the economy in Herefordshire

As part of the events participants were asked to complete an exercise designed to gauge their personal perceptions about the economy in Herefordshire as it is currently and how they would like to see the economy in 2020. This exercise revealed a consistent perception that the current economy in Herefordshire is:

DIVERSE

The diversity of the county was referred to specifically in relation to the broad range and scale of businesses based within the county from the plethora of small micro-businesses operating from home to world renowned global manufacturing companies – there was a consensus that this was a real strength of the counties and that it made the county an interesting and unique place to live and work. People felt strongly that this diversity was something that needed to be retained, celebrated and encouraged.

TRADITIONAL

The majority of consultees equated the economy in Herefordshire with traditional sectors such as manufacturing and agriculture and a reputation for retaining traditional crafts and skills associated with the rurality of the county. This perception of the county was cited as both a positive and a negative. Generally people viewed the counties over reliance on manufacturing and agriculture as being a potential weakness of the counties economy, particularly in light of the predicted decline in both of these industries. However they also acknowledged that the county was home to some world class manufacturing companies and that the abundance of agricultural activity within the county significantly contributed to the counties rich landscape, high levels of productivity and employment. There was a consensus amongst businesses that the county needed to further exploit the counties 'traditional' aspects as a means of attracting potential visitors and residents to the county.

ENTERPRISING / OPPORTUNISTIC

There was a strong sense amongst participants that the county had a strong culture of enterprise and was opportunistic in its approach to business development. This was regarded as a real strength and asset of the economy and was largely attributed to a deep rooted culture of self sufficiency and the fact that historically businesses have had to be creative in response to external circumstances and in lieu of significant external support.

DISCONNECTED

One of the biggest weaknesses associated with the current economy in Herefordshire was a perception that the counties economy is disconnected. This was referred to a number of ways; a sense that the county was insular and looked inward as opposed to outward; a lack of connectivity with its neighbouring counties / country; a disconnection between local businesses and between businesses and the council.

UNAMBITIOUS

Many people perceived the county to lack ambition in relation to its economic growth and associated this with its traditional industries and its tendency to be inward looking, insular and risk averse.

When asked to consider what they would like the counties economy to look like in 2020 many consultees chose to highlight the words diverse, and enterprising repeating their earlier choices and providing the same rationale for their selection. Unsurprisingly many people also chose words such as buoyant and thriving reflecting their desire for a stronger more vibrant economy. Significantly many people also selected progressive or dynamic indicating a need for the county to be more forward thinking in its approach to the economy

and the types of businesses it should be encouraging and to 'move out of its comfort zone'. It is worth noting however that consultees felt strongly that any investment in developing new industries should be undertaken in tandem with support for existing more traditional and established businesses.

What should we be building on? – Opportunities and Strengths

- Good quality of life – the feedback is that Herefordshire is a good place to live / work
- Good reputation for high quality education up to 18. The county has a lot to offer to families
- Herefordshire's natural environment and it's rural location, beautiful unspoilt countryside
- Historical connection to the land and its associations with local produce organic farming and small farm producer processors resulting in the production of a wide variety of high quality food products e.g. cattle, hops, apples, soft fruit, rare breed meat
- Traditional nature of its main city as a Market City
- Heritage of the county and its cultural assets e.g. Mappa Mundi, festivals, traditional events
- Associations with green products, sustainability and environmental technology
- The central location of the county – particularly important for those transporting goods to both the north and south of the country
- Good rail links and motorway (M50) access in the south of the county
- Low wages keeps overheads for companies low
- Affordability of business / residential property in contrast to other parts of the country
- Staff retention is generally good once people are here
- Strong sense of community and good local networks
- Local people's loyalty to the county
- Maximising the opportunities associated with having an ageing population – an extended work force engagement of retired professionals – high % in the county
- The wealth of skills and knowledge of its population particularly in relation to agriculture
- Build on existing partnerships and successful collaborative working
- Wealth of local artisans undertaking modern and traditional crafts
- Capitalising on businesses reputation for successful diversification, responding positively to change and identifying opportunities to move into new markets
- Build on the counties associations with locally based global companies e.g. Tyrrells, Kingspan

- Specialist high technology industries supporting military purposes
- Council's commitment to support Social Enterprise development.

The following were highlighted as things that we could improve upon as a county:

- That fact that rural activities are still practised in the county e.g. ploughing matches etc, needs to be better exploited
- Local skills and jobs need to be more highly valued
- Policy changes need to take account of current trends and statistics rather than use out of date data
- Need better services in rural areas e.g. affordable housing and childcare
- Need to value the contributions of small businesses to the Herefordshire economy.

SECTION FOUR - Accessing Employment – The client journey into work

As part of considering how the economic conditions of Herefordshire could be improved, this piece of work has also examined some of the barriers people may experience of entering the work place, this has involved;

- A workshop held at a county wide conference to consider the root causes of worklessness
- Discussions with key individuals in the county
- Identifying key learning points from the 'steps' programme that has been operating in South Wye.

The barriers which prevent individuals from entering the workplace are well documented and are made up of a combination of complex mix of social and environmental factors. The results of the workshop held in Herefordshire in July 2010 show that local organisations perceive the root causes of worklessness as being:

- Economic inequality
- Lack of opportunities
- Low pay
- A high incidence of part time / casual & seasonal work
- Lack of access to affordable childcare
- Debt
- Lack of affordable housing / homelessness
- Transport and rurality

- Low aspirations through generations
- Low self-esteem and lack of confidence
- Family breakdown
- Poor health / mental illness
- Lack of integrated solutions
- Mismatch between skills and jobs available
- Recession – economic downturn
- Heavy reliance on manufacturing and agriculture

Participants identified the following as possible solutions needed to address the causes of worklessness:

- More better paid employment opportunities
- More better quality affordable housing
- Encourage volunteering to increase confidence, develop new skills
- Turn the ageing population into an asset – potential growth area?
- Ensure people are job ready
- Better more effective partnership working
- Look for opportunities and provide support to set up projects – home grown food opportunities
- Keep people out of debt through access to info, advice and guidance and education – credit unions
- Integrated affordable transport solutions
- Review benefit levels to encourage people back into employment
- Increase local access to services
- Business support for employers
- Advice on income maximisation
- Raise aspirations

Programmes to address worklessness and increase the levels of employability of the individual have focused on the following key stages:

- Engagement
- Assessment of the range of needs to enable the individual to be successful in obtaining and retaining employment. This may support to address education or training needs, hidden learning difficulty, or housing and finance issues.
- Employability / pre-employment support involving the delivery of an appropriate package of support

- Transition to Work - Gaining & sustaining paid employment including the provision of continuing access to training and support.

Addressing worklessness in South Wye

Herefordshire Partnership working closely with the South Wye Regeneration Partnership, commissioned the Neighbourhood Support for Localities team to deliver THE STEPS programme to help address worklessness in South Wye.

Steps to Excellence for Personal Success (STEPS) is a developmental programme which has earned a reputation as a powerful tool for individual and community regeneration. For individuals, it is an opportunity to take a fresh look at their lives. The programme helps them to see how much they are truly capable of achieving and offers the tools to make it happen. In communities, STEPS increases participation and ownership of local initiatives, provides a common language for articulating a vision of a better future and offers a proven approach to making the vision a reality.

The aim of the programme is to help reduce and overcome the problem of entrenched worklessness in deprived neighbourhoods by addressing root issues of low aspirations and confidence to help unemployed individuals and groups to see how much they are truly capable of achieving.

In addition to the STEPS programme SWRP, working with Herefordshire Council's lifelong learning team, looked at other ways of addressing worklessness in South Wye. As a result a Neighbourhood Employment and Skills Plan has been written for South Wye. This plan provides a micro level analysis of worklessness and a plan of action to support people into employment, and give service providers a picture of worklessness and barriers to work. Through producing a detailed profile of worklessness within the neighbourhood, based on local knowledge and data collected from key partners such as Jobcentre Plus, SWRP and Herefordshire Council are better able to develop appropriate solutions and target resources to tackle the root causes of worklessness.

Both the STEPS programme and the production of the Neighbourhood Employment and Skills Plan provide useful insights into the barriers faced by the county's unemployed population. Such partnership based programmes ensure that the county develops a shared agenda to addressing worklessness and takes a multi-agency approach to addressing its causes. With this in mind the county needs to consider how it supports these types of programmes in the future and should ensure that they are firmly embedded within the county's plans for economic growth.

Case Study - Barnardo's Works Service – NETworks

NETworks is a unique partnership between Barnardo's Scotland, North Edinburgh Trust, Muirhouse Housing Association and participating employers which aims to give long term unemployed young people aged 16 to 24 the chance to gain comprehensive waged work opportunities, training and industry related accredited qualifications, leading to independent employment.

NETworks aims to provide young people with work experience and training in a range of industry sectors including hospitality, security, waste management, utilities, housing associations and local businesses. NETworks is funded by the European Structural Fund and Wider Role, Capital City Partnership, Fairer Scotland Fund and the Scottish Building Federation Charitable Trust.

NETworks gives young people a chance to gain employment and provides local and national companies with trained and motivated staff.

Case Study - Green Scheme

This innovative new scheme, based in Denbighshire, aims to tackling unemployment through involving young people in community-based environmental projects. The scheme which is part of Rhyl City Strategy's Future Jobs Fund programme, is delivered through a partnership of British Trust for Conservation Volunteers (BCTV) and Denbighshire Countryside Services. Through their involvement in the programme BCTV are offering 25 18-24 year olds a 6 month employment opportunities resulting in environmental improvements within local 'green' sites used by the local community. The partnership with Denbighshire Countryside Services means work opportunities can also be offered on over 24 environmental sites within the county. The partnership with Rhyl City Strategy has also opened up the potential for an 'organic food growing' social enterprise in the area.

The key aim of the initiative is to increase the number of local people in work, provide opportunities for individuals to participate in community environmental projects and also to provide pathways to self employment, co-operatives, community businesses and the establishment of social enterprises. As part of the project, those taking part are also offered ongoing support, advice and training to overcome long-term barriers to employment

Case Study - Jobs, Enterprise, Training (JET) in Stoke-on-Trent

Stoke-on-Trent City Council developed a citywide job brokerage programme called JET (Jobs, Enterprise, Training) targeted at those who are currently not obliged to sign on as unemployed i.e. those in receipt of incapacity benefit-ESA and lone parents.

JET works with local employers in a range of programmes from engineering to care, offering Apprenticeships and subsidised jobs. Employers are encouraged to offer claimants guaranteed interviews and once employed to continue training. JET offers wage subsidies and helps to broker the training. There is a mapped out approach from engagement of clients, through to assessment, pre-employment support and support on housing, debt, childcare and transport issues. The JET service gets people trained and ready for employment according to employer demand. The council acts as strategic lead, ensuring that work to support the unemployed is linked to skills, training and wider economic development.

Individual initiatives that make up the programme included:

Build Up – a programme to link construction opportunities with local small to medium-sized enterprise (SME) supply chains and local unemployed customers

a range of self-employment programmes

the development of social enterprises with a social goal of recruiting local unemployed people

the Training and Work Guarantee programme which encouraged local companies to recruit unemployed people and provide training.

Stoke-on-Trent City Council

Civic Centre

Glebe Street

Stoke-on-Trent ST4 1RN, UK.

Telephone: 01782 234567

Email: jet@stoke.gov.uk

Appendix A – Issues from Specific Sub Sectors

The following section reflects specific sub-sector related issues repeatedly raised by businesses that contributed to the consultation either through their attendance at one of the events or through the on-line discussion forum. Engagement activity was primarily targeted at specific geographical areas however where there was an opportunity to engage sub-sectors within the timeframe of the work these were taken. In addition sub-sectors were encouraged to engage in the on-line discussion forum through relevant local sector specific networks and partnerships. Despite this not all sub-sector engaged with the work which is why some sub-sectors are not represented below.

Agricultural & Land-based Sector

Issues

- Decline in small farms.
- The availability of migrant labour is still very important for the agricultural sector for both unskilled and management roles. This is in part linked to the fact that there is a shortage of young people that want to do agricultural jobs.
- There does not seem to be the workforce with the appropriate management skills available at the local level to take on roles such as farm managers.
- Disease eg Bovine TB is the most significant problem for cattle farmers – there doesn't seem to be an agreed and effective way of tackling this problem.

Solutions & Opportunities

- Needs to be more debate at the local level re: Bovine TB and the development of an agreed strategy to address the problem.
- There needs to be greater appreciation of the contribution that rural businesses make to the economy e.g. link between farming and tourism, contribution to the natural environment.
- Needs to be more entry level stewardship schemes.
- Development of schemes to raise awareness of career opportunities within the agricultural sector and encourage young people from non-farming backgrounds into the sector.
- On-going investment of the Hub (in particular the delivery role).
- Unlike many rural counties Herefordshire has a significant amount of mixed farming, a very broad range of food producers and a wealth of specialist expertise in food production.

Social & Community Enterprises

Issues

- Lack of access to and availability of appropriate specialist advice and support in the future
- Difficulties in accessing finance and grant funding
- Lack of experienced and skilled staff – specifically with commercial / business skills
- Lack of affordable business space / facilities
- The burden of legislation
- Capacity to get business off the ground
- Knowledge about the market and how to attract customers

Solutions

- More publicity for existing advice & support services
- The provision of specialist support for SE's and more dedicated to support SE development
- Increased networking between SE's and those with generic offerings
- Establishment of an effective SE forum
- Development of an open procurement process and prioritisation of SE's in procurement strategies
- Rate relief for SE's
- Access to grant funding for SE's or low interest loans for SE's
- Attract a university or higher education facility into the county
- More reliable broadband
- Low rent on start up of social enterprise and easier in and out rental on business premises
- Set up a one stop shop for SE support
- Production of a Herefordshire SE directory to be able to trade / share skills and resources

Retail

Issues

- Business rates are too high leading to empty shops in town centres. (This was specifically raised in relation to Hereford and Bromyard town centres)
- Increasingly businesses are choosing to moving to out of town locations due to lower business rates and improved access and parking

- There was a perception amongst consultees that the retail offer in Hereford city did not match consumers desire to access both independent shops and high quality high street stores including a large department store
- Commonly consultees stated that they chose to travel out of the county to Cheltenham or Gloucester or to another local market town to shop as opposed to coming into the city centre
- The availability and accessibility of parking in Hereford City was raised as a big issue and was directly attributed to people choosing to shop in other town centre or out of town retail stores.

Solutions

- Parking should be pay on exit (or possibly park and ride scheme)
- Business rates scheme for independent shops

Tourism, Food & Drink

Issues

- The county has some unique cultural assets i.e. Mappa Mundi that could attract a significant amount of tourists to the county however these assets are under sold
- The county suffers from a lack of high quality hotels
- Better infrastructure is needed to attract visitors to the county
- Need better communication and co-ordination between the tourism board and local tourist companies
- Support and grow local food festivals – cider/ farm produce events (Food from Britain)
- Better promotion of local craft and arts events e.g. Photofest, Craft Fairs.

Solutions

- To market the traditional 'old world' feel of Hereford to tourists
- To monopolise on the local produce by developing the Butter Market into a traditional food market as an attraction.
- To create an identity to Hereford City by promoting an annual event that would attract national and world acclaim such as Hay Book Festival; Brecon Jazz Festival; Edinburgh Fringe Festival etc..
- To develop an initiative along the lines of H Art week but for local food and small producers.

Appendix B – Geographically specific issues

The following section reflects geographically specific issues raised by businesses that contributed to the consultation either through their attendance at one of the events or through the on-line discussion forum.

Hereford City

- Accessibility into Hereford city centre is poor particularly from south of the river and results in significant traffic congestion. This problem could be overcome if there was another river crossing into the city centre.
- Security on Rotherwas estate – CCTV needed on main road through Rotherwas.

Leominster

- Broadband connectivity insufficient for some businesses in Leominster
- No road name signs on Enterprise Park making businesses located on the park difficult to find by clients and for deliveries.

Bromyard

- Link Road to the Industrial Estate is needed
- Lack of car parking available in the town centre makes it very difficult for people to visit the shops
- Lack of opportunities to own land – the majority of land is owned by one (private) developer who wishes to use it for housing development and therefore this severely limits the amount of land available for industrial use
- Insufficient road links to the motorway network
- Insufficient broadband coverage and 3G coverage – this is particularly a problem for areas surrounding Bromyard
- Cost of rents (for industrial space) can be high. Some businesses have been forced to expand out of town to be able to afford the cost of rent
- Huge skills shortage (at all levels)
- Perceived lack of understanding or awareness at a county level about local issues.

What can be done about some of these issues?

- Need to designate an area of land for industrial use in Bromyard and make this affordable for local businesses to rent
- Need more appropriate transport solutions which reflect the needs of a rural community

- Need better services in the rural hinterland
- The Chamber needs to act as a 'hub' so there is a coherent view of the skills and businesses that Bromyard has
- Bromyard to have a Town centre manager
- Need a focus on 'industry' in promotional activities e.g. need to add to current website and also may be have a business website
- Need better approach to tourism e.g. advertise Bromyard Gala in Hereford.

Notes of Golden Valley consultation

- Cost of housing means that it is difficult to attract workforce to the area
- Demographic means that there is a shortage of labour - also older workforce
- No mixed housing development – need affordable homes to be built in the countryside and not just in towns
- Signage in the city to Peterchurch is very misleading – businesses have lost customers as a result. Customer base has changed from midlands to South Wales
- Mobile phone reception is very poor – this detracts people from staying in the area

Appendix C – Linked Policy and Strategy

The Local Growth White Paper (October 2010) sets out the Government's new approach on rebalancing the economy and helping drive sustainable growth by focusing on three key themes:

Shifting power to local communities and businesses, by creating dynamic local enterprise partnerships.

Increasing confidence to invest.

Focused investment, by tackling barriers to growth that the market will not address itself

The Decentralisation and Localism Bill (November 2010) includes radical changes to the planning system that present opportunities for the county to review and simplify local planning policies and ensure that future policies and procedures actively support business growth. These include:

The abolition of Regional Spatial Strategies.

Returning decision-making powers on housing and planning to local councils.

The abolition of the Infrastructure Planning Commission

The introduction of a fast-track process for major infrastructure projects.

Agenda for change: releasing the economic potential of England's rural areas - Commission for Rural Communities (September 2010) highlights the need for reforms in planning practices in order *'to reduce unjustified inconsistencies in treatment of development between places and recognise the interdependencies that exist in local economies between housing, business, transport and community development'*. Ensuring any new planning regime is *'designed to support sustainable economic growth, broaden economic choice and embrace the distinct features of many rural economies'*.

<http://ruralcommunities.gov.uk/wpcontent/uploads/2010/09/agendaforchange.pdf>

'Britain's Superfast Broadband Future' (December 2010) the national broadband strategy presents the county with a significant opportunity to address the issues relating to the insufficiencies of broadband infrastructure in Herefordshire. Specifically as it sets out actions to ensure that Rural and remote areas of the country benefit from the infrastructure upgrade at the same time as more populated areas. In addition Herefordshire will directly benefit from funding to upgrade the infrastructure in the South of the City through being one of four superfast broadband pilots.

<http://www.bis.gov.uk/assets/biscore/business-sectors/docs/b/10-1320-britains-superfast-broadband-future.pdf>

Herefordshire Cultural Strategy (2008-2018) highlights the need to increase the economic potential of the county with particular regard to higher skilled and better paid jobs. Specific objectives relating to this priority which support the findings of the consultation are:

- The need to attract companies to move to the county through promoting quality of life opportunities for employees offered by cultural services;
- Developing the economy of the county by encouraging visitors to stay longer and take advantage of the tourism offer presented by the arts, heritage, sport and the natural landscape;
- Establishing skills in young people as the workforce of the future, specifically around innovation, problem solving, teamwork and leadership

Herefordshire Tourism Strategy (2010 – 2015) reflects findings from the consultation relating to the need for Herefordshire to establish a clear identity and to create a strong brand based around the counties assets and its associations with local produce, traditional rural activities and cultural heritage. In addition the strategy identifies many of the same opportunities / solutions highlighted during the consultation:

- The need to:
- develop clear and confident branding for the county
- Build on the heritage and cultural opportunities in the county
- Develop a new approach to events and festivals
- support the development of specialist retail

http://www.herefordshire.gov.uk/docs/LeisureAndCulture/Herefordshire_Tourism_Strategy_Final_3910.pdf

Appendix D - Supporting Evidence

The following skills gaps forecasts highlighted in the **2010 National Strategic Skills Audit for England** have particular relevance to Herefordshire due to its demography and reliance on traditional business sectors

- Increased demand for intermediate vocational skills within sectors such as manufacturing, engineering, processing and construction associated with skilled trades as the current ageing workforce retires
- Increased demand for care services as a result of the ageing population with particularly significant volumes of staff in care assistant roles, that will need greater understanding of ICT to support care users with assisted living technologies
- The need for low skilled jobs is expected to persist. These jobs are important as a labour market entry point for many groups, such as those seeking to move out of unemployment for example. However, many of these jobs will be in need of up-skilling in order to make improvements in service/product quality and to meet changes in consumer demand.
- Sectorally, skill shortages predominate in health and social work. More than a third of skill shortages are in just these two sectors. In terms of 'density' they are most significant in: agriculture; electricity, gas and water; and hotels/catering.
- There may well also be increasing demand for creativity and entrepreneurship, and the need for a range of generic skills linked to these.

<http://www.ukces.org.uk/our-work/research-and-policy/national-strategic-skills-audit/>

The Commission for Rural Communities **Rural Mobile Phone Coverage – issues and recommendations report (November 2010)** identified that the most commonly cited impact of poor mobile phone coverage amongst respondents was on the rural economy. Respondents said that not being easily contactable loses or deters future business and that without connectivity the rural economy lacks the flexibility to evolve or compete.

<http://ruralcommunities.gov.uk/wpcontent/uploads/2010/11/ruralmobilecoverage.pdf>

Appendix E – List of Events & Contributors

Your Business...Your Future Event & Contributors

Events targeted at other stakeholders

7th September Training and Support providers meeting at Bishop Frome Village Hall
22nd July Addressing Child Poverty, workshop looking at causes of worklessness in the county at the Kindle Centre

Events targeted at businesses

21st September at Arctic Circle offices, Rotherwas Industrial Estate
23rd September at Best Western Talbot Hotel, Leominster
7th October at Bronsil House, Eastnor
13th October at Leftbank in Hereford
15th October Agricultural focus group
16th November workshop at Social Enterprise Conference
2nd November Rural Hub AGM
3rd November Bromyard
11th November Golden Valley

Individuals that participated in the events

Toby Blythe	D3 Active Ltd
Peter Morgan	Kingspan Insulation Ltd
Angela Smith	Federation for Small Businesses
Luke Conod	Denim Nation
Heather Gorringe	Wiggly Wigglers
Andrew Haughton	Marches Group
Jamie Crawford	HFT Forklifts Ltd
Anna Roverson	HFT Forklifts Ltd
Cathy Meredith	Rural Hub
Paul Kinnard	Barrs Court Engineering
Eddie Gittoes	Arctic Circle Ltd
Allen Green	AKI
George Jones	AKI
Gary Woodhall	Chamber of Commerce
Tom Oliver	Oliver's Cider & Perry Ltd
Bill Jackson	Jackson International
Alistair Druelt	Chamber of Commerce
Robert Brimfield	Northwood Estate Agency
Stephen McMahon	Northwood Estate Agency
Lesley Whistance	NFU
Christine Hope	Hopes of Longtown
Elaine Edwards	Herefordshire Council
Natalia Silver	Herefordshire Council
Roy Walford	Mid-West Rural Enterprise
Robert Sparks	Herefordshire Technology College
Philip Broomhead	Riverside Training
Anthony Snell	AJ & CI Snell
Liz Pursey	Trevase Farm
Sven Bosley	Catley Cross
Richard Collins	Humber Court Farm
Julia Evans	Longlands

Charlotte Gibb	Herefordshire Technology College
Bruce Gilbert	Lower House Farm
Wendy Jones	Natural England
Rob Manning	Hill Farm
Jon May	HEFF
Mr Rouse	Croft Farm
Kevin Tong	Thorne Widgery
Lesley Whistance	Little Galway Farm
Russell Carrington	Bishopstone Court Farm
Phil Gorringe	Lower Blakemere Farm
Geoff Hughes	Herefordshire Council
Dorothy Coleman	Herefordshire Council
Alexia Heath	Herefordshire Council
Will Lindsay	Herefordshire Voluntary Action
Laura Tyler	Herefordshire Council
Amanda Evans,	Herefordshire Council
Harry Fitch	Herefordshire Council
Jackie O'Mahony	Herefordshire Council
Isobel Gibson	Herefordshire Council
Peter Ding	Herefordshire Council
Hilary Hall	Herefordshire Council
Tina McGrath	Herefordshire Council
Chris Baird	Herefordshire Council
David Price	
Frances Keogh	
Ian Howie	
Robin Knett	
Elwyn Brooke	
Rosemary Pritchard	
Lesley Whistance	
Edward Morgan	
Wayne Jones	
Sarah Jones	
Andrew Price Grennow	
Members of the Bromyard Chamber	

We would also like to thank the following individuals for their support in undertaking this work, either through supporting the events and/or by providing case studies for the Economic Development Strategy:

Debbie Gittoes, Arctic Circle
 Heather Gorringe, Wiggly Wigglers
 Peter Morgan, Kingspan Insulation Ltd
 Naomi Anderson, Green Hands
 Fiona Day, D3Active
 Gareth Williams, Caplor Energy
 Anthony Snell, AJ & CI Snell
 Jon Argent, Halo Leisure
 Tom Oliver, Oliver's Cider & Perry Ltd
 Christine Hope, Hopes of Longtown