



Draft 2006 – 2009 Zone Implementation Plan

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Chairman's Introduction

Over the next three years, the Rural Regeneration Zone will be improving the economy and quality of life for those that live in the rural west of our region.

The funding will come at a critical time for many. Rural areas face many unique challenges and it is up to the Rural Regeneration Zone to rise to these challenges and to find long-term and sustainable solutions to promote economic prosperity.

The very fact that a Rural Regeneration Zone exists at all flies in the face of the opinion of many that the countryside is a green and pleasant idyll where life is good for everyone. Sometimes this image masks a host of economic and social problems. For example, despite good GCSE and A level pass rates, we face a continued exodus of young people to higher paid skilled jobs outside the region because of a lack of challenging and high-skilled employment in our towns and villages. Relatively low unemployment also masks the fact that average pay is poor. We must endeavour to attract into the Zone the sort of high skill employment that can reverse this trend.

Over the past 18 months we have made a good start in addressing some of these issues. We have funded industrial units at the Rotherwas Industrial Estate, which are creating many new jobs. The Industrial Estate Learning Zone also in Rotherwas, is looking at new and flexible ways to address the skills needs of local employers. In Highley, Shropshire, the award winning multi-use Severn Centre is now a focal point for service delivery in an isolated community. Zone-wide schemes like *Going for Growth* and *Enterprise Experience* are providing tailored business advice to help companies compete in an increasingly global marketplace. We have considerably helped to accelerate the programme to supply Broadband across the sub-region through projects such as Switch on Shropshire.

I'm now really excited about some of the upcoming projects the Zone will be funding with our £34 million budget over the next three years. For example, the network of managed business and enterprise centres that we are currently planning to set up across the Zone will be hubs of innovation and should help many local businesses to establish themselves and then expand through access to better business support services. The recently launched Ludlow Eco-Business Park promises the creation of several hundred new jobs in high skill industries over the next 5 – 10 years. We will also be investing in improvements that make it easier for our residents and businesses to access the most important services.

The Zone approach is unique in that it delivers the collaboration of a broad cross section of society and organizations across the sub-region. I am confident that our Board, which comprises leaders from business, the public and voluntary sectors, will provide us with a valuable mix of experience and expertise, and will ensure that the needs and views of those from across the Zone are fully heard and represented as we take on this challenge.

Peter Pawsey

Executive Chair, Rural Regeneration Zone Board

1. Strategic Framework

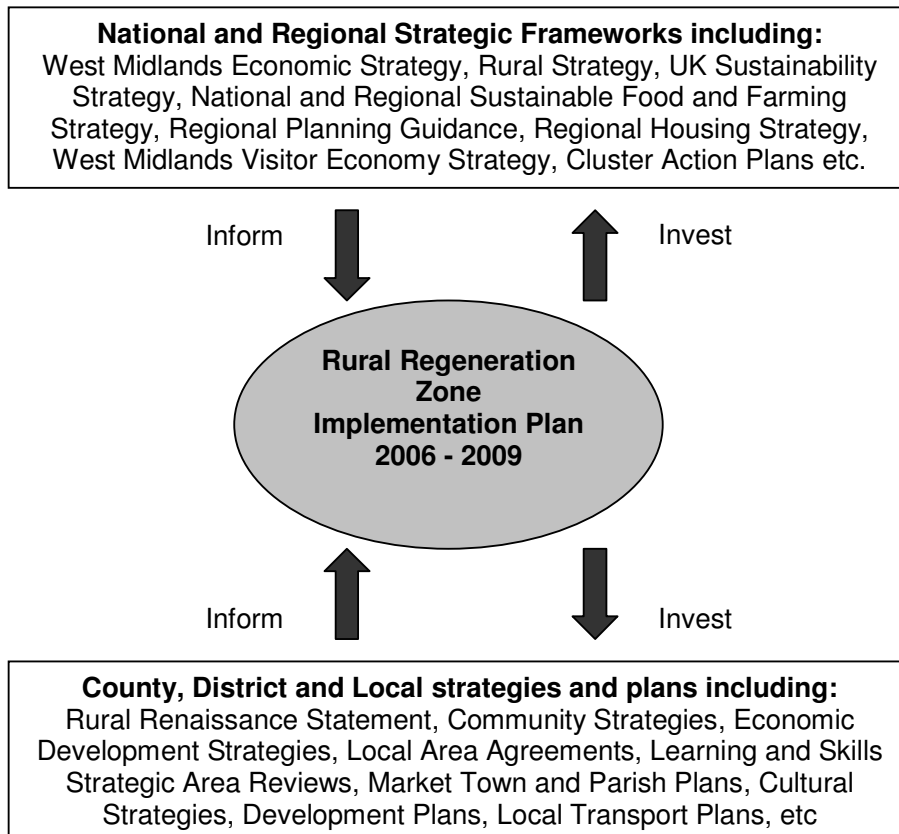
Vision

- 1.1. Despite the recent changes in the way in which the Rural Regeneration operates the Vision, Strategic Focus and Key Priorities for the Board remain largely unaltered.
- 1.2. The Vision for the Rural Regeneration Zone (RRZ) as set out in the 2001 Stage 3 Prospectus is that by 2020, the designated area will be “*a connected rural area with a strong identity, a rich quality of life for all, a healthy environment and a strong economy*”.
- 1.3. In 2005/2006, the RRZ Board simply wishes to alter the emphasis of this statement creating a greater focus on the area’s economy. Therefore, the Vision for the 2006 – 2009 Zone Implementation Plan will be:

By 2020, the Rural Regeneration Zone will be a connected rural area with a strong economy, a healthy environment and a rich quality of life for all”.

Strategic Context

- 1.4. The Rural Regeneration Zone does not operate within a strategic vacuum. There are many existing and developing strategies that impact on the daily lives of those who live and work in the rural west of the Region. The most significant of these are shown below:



- 1.5. The Challenge for the Rural Regeneration Zone is to add value to these strategies and plans by being the catalyst for change within the designated area. In other words, it is not for the Board of the Rural Regeneration Zone to develop and impose a further strategy in an already over crowded environment.
- 1.6. The value added by the Rural Regeneration Zone is the ability to invest in a series of interventions that contribute to the achievement of a number of these strategies and by doing so, help achieve our Vision. In this respect, the RRZ Board see the 2006 – 2009 Zone Implementation Plan as an enabling plan.
- 1.7. This approach is typified in the Rural Renaissance Action Plan where the Rural Regeneration Zone is identified as a key partner and funder in a number of actions spanning the West Midlands Economic Strategy pillars.

Strategic Objectives

- 1.8. The strategic environment within which the Rural Regeneration Zone operates has altered significantly since the 2005 – 2008 Implementation Plan was finalised. For example, each constituent Local Strategic Partnership has developed an Economic Development Strategy and is the process of developing a Local Area Agreement. In addition, all are currently reviewing their own Community Strategies.
- 1.9. Whilst there are consistent strategy themes emerging in each County i.e. low wage economies, poor access to HE/FE, insufficient affordable housing, etc., each has chosen to define those objectives using differing terminology. For example, Worcestershire has identified in its Economic Development Strategy a 'delivery' objective of *Developing a Knowledge Driven Economy*. Whereas Herefordshire has chosen to include a 'key' objective *'To attract and support entrepreneurial businesses in sustainable high value sectors such as environmental technologies and knowledge based activities'*.
- 1.10. In the light of these local variations, the fact that Local Areas Agreements are still some way off being finalised and the economic conditions within the Zone have not altered significantly in the past 12 months, the Zone Board has decided that the Strategic Objectives for 2006 – 2009 should remain focussed on the objectives from previous years i.e. the economy, the environment, skills and social inclusion.
- 1.11. More specifically:
 - To develop a strong, diverse and sustainable rural economy
 - To develop a thriving economy through environmental excellence
 - To raise the skill levels of the workforce and those entering employment;
 - To reduce poverty, value diversity and promote social inclusion and community cohesion by allowing full access to services and opportunities
- 1.12. In addition to these Strategic Objectives, the 2004 – 2007 Zone Implementation Plan introduced the principle of 'flagships' as coherent groups of projects, around a unifying theme'. In the 2005 – 2008 Plan, the flagships were re-focused into seven integrated cross-pillar activity themes. In responding to the feedback from the Agency on the 2005 – 2008 Plan, the RRZ Board has decided to simplify the link between strategic objectives and projects. To this end, the principles of both flagships and cross pillar activity themes have been removed.

2 **Priority Activity**

- 2.1 Our focus over the Plan period will not only be to ensure the successful and timely delivery of all contracted activity but also the continued development and implementation of a robust programme of projects all of which will contribute to the achievement of our Vision and Strategic Objectives.
- 2.2 The majority of new projects within the RRZ will be developed within the context of Strategic Investment Frameworks.
- 2.3 To date, the RRZ board has endorsed the development of three such frameworks:
 - Enterprise Centre Network
 - Multi Use Community Facilities
 - Environmental Economy
- 2.4 Each framework is developed by a short life task/finish group comprising representatives of each of the sub regional Local Strategic Partnerships supported by further co-optees.
- 2.5 Further frameworks will be developed addressing issues such as Employment Land, Creative Industries and Business Support. However, it should be noted however that the RRZ Board has no desire to develop frameworks for themes where sufficient strategic context exists at a sub regional level. This is likely to include the Social Economy where local plans existing for Worcestershire and Herefordshire as well as Shropshire and tourism where the sub regional Destination Management Partnerships are charged by West Midlands Tourism to develop new project activity.
- 2.6 The following section outlines the current priorities for investment over the plan period.

Strategic Objective 1: To develop a strong, diverse and sustainable rural economy

- 2.7 Whilst there are variations across the Zone, the economy can still be typified as a low wage, low skill one, heavily reliant upon the traditional employment sectors, where under employment rather than unemployment is a key factor. For example, in Herefordshire, the proportion of employees in the manufacturing sector at 19% is, perhaps counter intuitively, higher than the national average. Whereas employment in higher salaried, higher skilled knowledge intensive industries is lower than both the regional and national average at 14.4% (source ABI).
- 2.8 The challenge for the Zone during this plan period is to invest in activity that supports the diversification of the economy towards higher waged, knowledge intensive employment whilst continuing to develop the more robust aspects of the existing economies of Food and Farming, Tourism and the Creative Industries.
- 2.9 Better links will be established with the region's Further and Higher Education Institutions to maximize the opportunities for knowledge and technology transfer with the commercial sector. We will also provide choice to those who currently have no option but to leave the area both for higher wages and higher and further education opportunities.

2.10 Investment in 2006 – 2009 will be focused on:

- Procurement and implementation the Zone-wide Enterprise Centre Network with 25,000 – 30,000 sq ft hubs at Rotherwas and Shrewsbury and 10,000 – 15,000 sq ft spokes at Ross, Leominster, Ludlow, Bridgnorth, Oswestry and Market Drayton;
- Evaluating the success of Going for Growth and Enterprise Experience projects and other Zone business support schemes and, in the context of the Enterprise Board regional review of business support activity, develop a programme of support in collaboration with Central Technology Belt and Wolverhampton and Telford High Technology Corridors;
- Working with local authorities, private developers and land owners to promote a programme of land assembly to bring forward a supply of employment land to address sub regional demand;
- Increasing the take up of Selective Finance for Investment (SFI) and Grants for Research and Development (GRD) within the Zone;
- Allowing the take up of Broadband by the business community through working with the Regional Broadband Access Project, Switch on Shropshire, Herefordshire in Touch and West Mercia Business Link;
- Engaging with Herefordshire Council, through non Executive Directorship of the Edgar Street Regeneration Company, to ensure that the benefits of the Edgar Street Grid development are accessible to Zone residents and businesses alike. This may include a direct investment in the project.
- Contributing to the achievement of the Regional Food and Farming Action Plan through capital intervention in 2 – 3 key projects.
- Assessing the feasibility of the Ludlow Food Centre at Bromfield.
- Working with the Arts Council of England to undertake research into the supply and demand for workspace for Creative Industries;
- Reviewing the impact of the Redundant Building Grants programme and, if appropriate, extend the initiative;
- Investing in social economy activities identified as priorities within the Social Economy Strategies of Shropshire and Herefordshire and Worcestershire.

2.11 The overall success, or otherwise, of the Rural Regeneration Zone in achieving this Objective will be assessed using the following Indicators of Change

- Increase in average earnings (by residence and by workplace);
- Increase in employment in Technology and Knowledge Intensive Industries;
- Increase in supply of employment land;
- Increase in consumption of locally sourced food and drink

Strategic Objective 2: To raise the skill levels of the workforce and those entering employment

- 2.12 To support the achievement of Strategic Objective 1, we will raise the level of knowledge and skills of those looking to enter work and those already in employment. In doing this, we will overcome the typical barriers to learning within a rural area such as high incidence of self employed and micro businesses, the levels of seasonal and part-time employment as well as the lack of high quality Higher and Further Education Institutions.
- 2.13 We will ensure that the skills needs of employers are paramount when considering our specific interventions.
- 2.14 Investment in 2006 – 2009 will be focused on:
- The development of the Hereford Learning Village;
 - The implementation of the recommendations of the HE in the Marches study;
 - Develop further Industrial Estate Learning Zones building on the successful projects at Rotherwas and Telford;
 - Supporting the FE/HE sector and businesses to improve workforce skills
- 2.15 The overall success, or otherwise, of the Rural Regeneration Zone in achieving this Objective will be assessed using the following Indicators of Change:
- Increase in working age population with higher level skills (NVQ3 and above);
 - Increase in learners accessing FE/HE provision within the Zone

Strategic Objective 3: To develop a thriving economy through environmental excellence

- 2.16 The “Environmental Economy of the RRZ” report previously identified a range of activities which could be taken forward to develop the environmental economy of the RRZ. These involved activities which
- Aim to protect or improve the environment;
 - Generate income through environmental good practice; and / or
 - Are dependent on a high quality environment
- 2.17 The RRZ Board has established a short life task-finish group to explore these opportunities further and develop a Strategic Investment Framework for the Environmental Economy.
- 2.18 Investment in 2006 – 2009 will be focused on:
- Exploiting the use of Wind Technologies to provide sustainable sources of electricity;
 - Reducing the level of carbon usage in residential and business communities by, for example, investing in the engagement of the business sector in the Bishop’s Castle to Active Decarbonisation (BC to AD) programme;
 - Increased adoption of Combined Heat and Power plants. For example, we will work with Bulmers to develop a low carbon solution to the generation of heat and power for the site at Plough Lane.
- 2.19 The overall success of the Rural Regeneration Zone in achieving this Objective will be assessed using the following Indicator of Change

- Reduction in carbon usage and resultant economic benefit to the public, private and residential sectors

Strategic Objective 4: To reduce poverty, value diversity and promote social inclusion and community cohesion by allowing full access to services and opportunities

- 2.20 Improving access to services and facilities remains a key feature of the Zone's priorities. The RRZ Board has established a short life task – finish group to develop a Strategic Investment Framework for Multi Use Facilities. It is expected that the effect of this framework will be the development of a number of facilities; some new build, some refurbishment, across the Zone that will improve the ability of previously excluded communities to access core service provision such as training, health, community safety, etc.
- 2.21 The lack of affordable housing is a major issue for the Zone and has been identified as such within each of the Market Town Strategic Action Plans. This shortage has contributed to the migration of young people and skilled workers to perhaps more affordable urban settings. This has the combined effect of reducing the entrepreneurial spirit of the rural west and removing a layer of skilled individuals that would make commercial investment in the area a more attractive proposition.
- 2.22 We recognise the need for an effective voluntary and community sector as key deliverers of user-focused services and supporters of communities. They encourage people to continue to be involved in community activity and in particular raise the capacity of the most dependant groups. We will endeavour to secure resources to support the sector.
- 2.23 The Zone will also work closely with the Herefordshire Partnership to ensure the development and implementation of a robust Forward Strategy for the SRB programme in South Wye focusing in particular on residents accessing the skills and employment benefits accruing as a result of the development of Edgar Street Grid, Hereford Learning Village and Rotherwas Enterprise Centre.
- 2.24 Investment in 2006 – 2009 will be focused on:
- Implementing a network of Multi Use Facilities;
 - Working with local authorities, developers, land owners and Registered Social Landlords to develop a number of mixed use developments that increase the stock of affordable housing throughout the Zone
 - Launching a small grants programme to address the needs of market towns in particular in contributing to the achievement of their Strategic Action Plans. This may, for example, include support for social enterprise and community buildings.
- 2.25 The overall success, or otherwise, of the Rural Regeneration Zone in achieving this Objective will be assessed using the following Indicators of Change:
- Improved access to services;
 - Increase in levels of affordable housing within mixed use developments;

Summary

- 2.26 To draw the previous sections together, Appendix 1 identifies the key strategic documents and plans that will shape the achievement of the Zones Strategic Objectives.
- 2.27 The Zone enters the 2006 – 2009 plan period with a level of legal commitments against existing projects. Appendices 2 and 3 provide a summary of the estimated financial and output profiles by theme over the plan period and is based on existing contractual agreements in addition to estimated spend and outputs resulting from projects currently being developed and other priority initiatives. Both Appendices are indicative only.
- 2.28 Appendix 2 assumes that a budget of £12 million would be available to the Zone in 2008/2009 on the same capital/revenue profile as 2007/2008 ie £10.3 million capital and £1.7 million revenue. The profiles identified are correct at the end of September 2005 and will be updated as part of the final Plan. Currently the Zone has already committed 45% of the total budget available for 2006/2007 including 75% of the revenue budget.
- 2.29 With regards to outputs, Appendix 3 currently reflects the outputs the Zone would be required to achieve on a pro-rata basis with the Agency's 2005 - 2008 Corporate Plan targets. Again, these figures will be updated in the final Plan.

3 Implementation Programme

- 3.1 The Project Implementation Schedule included as Appendix 4 identifies the timetable of development for all projects currently being promoted by the Zone.
- 3.2 The Schedule currently lacks project detail emerging from the Multi Use Facilities and Environmental Economy Strategic Investment Frameworks as the Zone Board has to endorse the relevant programme of activity.
- 3.3 As mentioned previously in this Plan, a significant proportion of Zone funded projects will be developed within the context of Investment Frameworks. However, where sufficient existing strategic context exists, the Zone will also support non Investment Framework projects that contribute to the achievement of our Strategic Objectives. Examples of this during the plan period will include:
- Projects addressing the Food and Farming Strategy Action Plan;
 - Projects emerging from the Business Transformation Review
 - Projects underpinning existing sub regional Economic Development Strategies
- 3.4 All activity will be developed in accordance with the Agency's project development, assessment and implementation procedures.

4 Management Arrangements

- 4.1 The Rural Regeneration Zone has undergone a considerable transformation during the past 9 to 12 months, the purpose of this change being to re-focus the initiative on delivery.
- 4.2 In summary, the changes have been to:
- Reduce the size of the Board and to re-enforce the importance of the Local Strategic Partnerships in setting strategic direction;
 - Recruit an Executive Chair;
 - Reduce the size of the Secretariat from 10 to 4 with all staff being employed by the Agency;
 - Replace the Pillar Groups with short life task-finish groups;
 - Delete the Programme Management Group from the organizational structure
- 4.3 The new Board has developed and adopted a set of Operating Principles that define the respective roles of the Agency, the Board and the Executive Chair. A copy of this is attached as Appendix 5.
- 4.4 A list of the Board Members is included as Appendix 6.
- 4.5 The Board has also considered and endorsed a review of Governance initiated by the Audit Committee of Advantage West Midlands. The key finding was the need to introduce a Register of Members Interests and the inclusion of a Declaration of Interest item at each and every Board meeting.

5 Risk Management

- 5.1 The Risk Register for the implementation of the 2006 – 2009 Zone Implementation Plan is included as Appendix 7.