



Shining a light on Herefordshire Council's  
**Big Economic Plan**

Where's the beef?

This paper is a response to the Big Economic Plan (BEP) released recently by Herefordshire Council. It draws on the work of the Herefordshire 2030 Group – a project staffed by around three dozen volunteers from Herefordshire and beyond, with deep expertise in business, the environment and in the third sector. The three appendices, which summarise the results of their work, speak directly and add significant context to the aspirations of the BEP.

The paper itself has been written largely by the H2030 Group leaders: Mark E Thomas and Jeremy Stanyard.

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Jeremy is one of the UK's most experienced project and programme managers, having led the Project Management Practice at PA Consulting Group (as well as holding other senior roles). His clients included many of the world's largest banks and pharmaceutical companies and his government projects included the multibillion-pound Thames Gateway regeneration programme.

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# 1. INTRODUCTION

Like many counties in the UK, Herefordshire has faced significant challenges in recent years. Since 2000, we have seen almost no economic growth (stripping out inflation), inequality has risen steadily and we have experienced increasingly serious environmental problems - not just climate change but also the severe pollution of the Rivers Wye and Lugg.

Unlike other UK counties, Herefordshire has some unique characteristics which make these challenges particularly difficult to resolve:

- **Economically:** the county has a very challenging demographic structure – a shortage of people of working age relative to the size of our population – and poor connectivity in terms of physical transportation, in addition to a lack of readily available investment capital to fund business development and stimulate economic growth. The loss or downsizing of several large companies' headquarters (notably Bulmers) over the last 20 years has reduced job opportunities and hollowed out managerial and technical expertise. We also have a significant and very stubborn skills gap.
- In terms of **Equity:** although we have a lower percentage of the population in poverty than many parts of the UK, Herefordshire contains some of the most intense pockets of deprivation in the country. Our poverty is higher than that of our neighbours and less tractable than other UK counties, as much of it is geographically dispersed and rural in nature;
- **Environmentally:** whilst Herefordshire is not an outlier in terms of consumption of goods and services which create greenhouse gases, it produces almost double the national average of these gases on a per capita basis, despite having little heavy industry. Animal agriculture is a bigger part of our economy than many other counties in the UK and it produces (what, to many, will be surprisingly) large greenhouse gas emissions, as well as being a major contributor to well-publicised river pollution. With the phasing out of CAP grants, our farming community is losing the ability to mitigate these issues effectively and to move towards more sustainable models of production.

The Council has recently launched a **Big Economic Plan (BEP)** which aims to tackle these challenges. The plan sets out a vision for 2050, by which time it anticipates positive changes in relation to:

- People;
- Environment and Climate Change;
- Infrastructure;
- Community and Partnerships;
- Enterprise; and
- Investment.

The plan is a welcome contribution to a much-needed debate about the future of Herefordshire and it represents an important starting point for the development of solutions to our problems.

The BEP does not, however, face the reality of the deterioration in crucial aspects of Herefordshire's life over the last 20 years – particularly in the three critical areas of **Economy, Environment and Equity** - and stops short of a detailed set of short and medium-term targets with actions to deliver them.

Herefordshire urgently needs a strategy which is rooted in the hard facts of where we are now. The BEP is a *visionary wish-list* rather than a *credible implementation plan*. It contains a plethora of initiatives (all of them worthy) but fails to identify those which are likely to have the biggest impact and which should therefore receive most of the attention and most of the available resources.

While the proposal to develop an Economy and Place Board is a welcome acknowledgement of the need for stakeholder collaboration, the proposed structure and preliminary Terms of Reference fall well short of what our county needs and what has been proved to work in other UK geographies with the scale and range of challenges that we face.

This paper aims to answer the question:

**What is needed to develop the BEP into a credible plan that can solve our county's problems?**

In essence, the answer is simple. To make the vision of the BEP a reality, we need:

- to develop it into a credible and deliverable strategy and implementation plan;
- to do this in a way which builds widespread support within the county; and
- to create a delivery mechanism with the power to deliver the solution.

## 2. DEVELOP THE BEP INTO A DELIVERABLE STRATEGY AND IMPLEMENTATION PLAN

A complex strategic problem can only be solved, if those with the power to effect change:

1. accurately identify and quantify the problem;
2. develop an understanding of its root causes and the inter-relationships between the issues
3. develop practical solutions which:
  - address the root causes;
  - are of sufficient scale to resolve the problems:
    - clear, quantified outcomes related to the actions;
    - clear costing of the actions;
    - clear business case;
  - Have a workable action plan for delivery:
    - clear actions, broken down into manageable tasks, linked to the required outcomes;
    - properly costed and resourced;
    - properly governed, managed and staffed;
    - prioritised, so that resources are focused on the actions which will have the biggest impact
4. command widespread support.



	Economy	Environment	Equity
Have they identified the right issues qualitatively?			
Have they quantified them accurately?			
Have they identified the root causes?			
Have they set SMART targets? (Specific, Measurable, Achievable, Realistic and Time bound)			
Have they come up with solutions of the required scale to meet these targets?			
Have they created an action plan (with actions, timings and responsibilities to deliver against these targets?)			
Have they shown where the resources will come from?			
Have they defined a governance process capable of accessing and deploying the resources and monitoring and managing the actions?			
Have they shown a 'business case' for the project?			

The BEP starts the process of developing such a solution but our county requires a much more comprehensive and credible strategy, if it is to address its many weaknesses and to achieve its full potential.

The table on the previous page breaks down our assessment of the further work required in each area to develop a complete strategy and implementation plan. It illustrates that there are a number of significant and surprising gaps in the Big Economic Plan.

Taking the first row, “Have they identified the right issues?” as an example:

- On the **Economy**: the BEP does not mention Herefordshire’s long-term economic underperformance, compared with other counties\* (218 out of 232 UK Local Authorities since 1998), nor does it acknowledge significant anecdotal evidence that the county is not currently viewed as an attractive or competitive place to do business, even by large companies already located here. Understanding the reasons for this is critical, as is learning the lessons of successful regeneration from elsewhere.
- On the **Environment**: the BEP does not mention Herefordshire’s single largest source of greenhouse gas emissions, namely the high concentration of animal agriculture in the county (responsible for methane and nitrous oxide emissions which, respectively, have 25 and 300 times the global warming impact of CO<sub>2</sub>);\*\*
- On **Equity**: amazingly, the BEP does not contain the word ‘poverty’; and inequality and deprivation are only mentioned briefly in the context of health inequality; while this is important, it is a small part of a much bigger picture.\*\*\*

There are numerous similar gaps in other rows.

Plugging these gaps is clearly a vital step towards developing a comprehensive and credible solution.

But important as that is, a sound strategy and implementation plan are not sufficient on their own; a solution to our problems will only succeed if it has widespread support within the county.

\*Appendix 2 of this report contains a detailed description of these issues.

\*\* Appendix 2 of this report contains a detailed description of these issues.

\*\*\* Appendix 3 of this report contains a detailed description of these issues.

### 3. BUILD COLLABORATION WITHIN THE COUNTY

Building and sustaining meaningful collaboration, across the county and its many communities, will be critical to the success – or failure - of the **Big Economic Plan**.

The **economy** of Herefordshire cannot be fixed unless the fixing is done largely by the business community, working in a meaningful partnership with the Council, building the confidence, environment and infrastructure that businesses, large and small, need before they will invest.

The **environment** cannot be fixed without the active engagement between the Council and the farming community.

**Equity** cannot be tackled without a sustained and mutually supportive partnership between the Council, the Third Sector and those who are suffering or who are at risk of suffering from deprivation.

The publication of the **Big Economic Plan** is an important starting point but it will need to be followed up and developed through intensive engagement and collaboration with all of those who must define and deliver the solutions that we urgently need.

Without meaningful collaboration, we will fail – and continued long-term underperformance will be inevitable.

- The Council alone does not have the budget, staff, experience or track record to develop and deliver viable solutions, particularly given the scale of the challenges that we face as a county. Central government grants (including retained business rates) were cut by 37% in real-terms\* between 2009/10 and 2019/20. Like other councils, Herefordshire Council has not been able to make up the difference through increased Council tax;
- The Third Sector alone is too fragmented and under-resourced to develop and deliver viable solutions; and
- The Business Community alone does not have the cohesion, power, governance or resources to deliver economic solutions.



## 4. CREATE AN ORGANISATION WITH THE POWER TO DELIVER THE SOLUTION

The Council has proposed the creation of a Herefordshire Economy and Place Board (HEPB). This will include our two MPs and representatives from the Council, the Business Community, academic institutions and the Third Sector to oversee the implementation of the Big Economic Plan. This idea is sound but the scale and power of what has been proposed so far is inadequate for the task at hand.

The HEPB is intended to meet only five times per year and it is not clear:

- what processes it will adopt to refine the vision into tangible outcomes;
- what powers of remedial action it will have in relation to failure or delay of delivery against target;
- what resources (manpower and cash) it will be provided with;
- how it will whittle down the wish-list of initiatives into a portfolio of high impact projects.

To be confident of success, a Board or steering group for a major programme of this nature should meet at least monthly. One of its members with experience of multi-faceted change initiatives should be designated as the Programme Director.

The Board will need to appoint – and hold to account:

- a dedicated, experienced and highly skilled programme manager, supported by a small programme office, who will define a set of projects with clear objectives and defined timescales, budgets and responsibilities;
- well-resourced and highly skilled project managers to deliver those projects.

\*(Institute for Government, 2020)

# 5. NEXT STEPS

The diagram here sets out the steps needed to develop the BEP into a comprehensive and credible strategy and implementation plan and then to create a viable programme with a realistic prospect of target delivery.

With focussed effort, we believe that it should be possible to launch such a programme in around eight months.



## 6. CONCLUSION

Like all UK counties in 2023, Herefordshire faces a number of very significant challenges in the years ahead. The Big Economic Plan represents an important first step in addressing and tackling those challenges but much more work is needed, starting with an acknowledgement of the scale and unique nature of the task ahead.

To ensure that it delivers on its aspirations, we will need to fill in some very significant missing pieces of the jigsaw (defined in Section 2), build a high level of consensus within the county (particularly among those who will be needed to deliver the solutions) and create a sufficiently empowered and resourced programme management and governance organisation.

With sustained and focussed effort, we believe that all of this can be achieved in around eight months and that a credible implementation programme with realistic hopes of success can be launched.

Without it, we are likely to remain one of Britain's worst-performing counties on almost all measures.

## 7. APPENDICES

- Appendix 1: "What the hell happened?." Report on Herefordshire's economic performance
- Appendix 2: "Clean it up: facing up to Herefordshire's real Environmental challenges"
- Appendix 3: "Making Herefordshire fairer: addressing inequity in the county"

# WHAT THE HELL HAPPENED?

## The Herefordshire 2030 Project: Economy Stream Initial Report

*“We are now faced with the fact that tomorrow is today. We are confronted with the fierce urgency of now. In this unfolding conundrum of life and history, there is such a thing as being too late. This is no time for apathy or complacency. This is a time for vigorous and positive action.”*

*- Martin Luther King*



# INTRODUCTION

On 1st April in 1998, the experiment of Herefordshire's 24-year administrative union with Worcestershire was abandoned and a new unitary authority, the historic county of Herefordshire, was reborn. We now have two decades of data from the Office of National Statistics (ONS) with which to evaluate Herefordshire's economic performance as an independent county.

Sadly, the overall message from the data is unequivocally clear, consistent and bad. If economic performance was measured in the same way as that of a school or a hospital, the historic county of Herefordshire would almost certainly now be in special measures. If this trend is allowed to continue, we believe that Herefordshire will have the worst performing economy in the UK by 2040.

**Between 1998 and 2018, Herefordshire's per capita Gross Value Added (GVA)\* grew by 54% in nominal terms (compared to a UK average of 83%) ranking it 218 out of all of the UK's 232 local authorities (including London) over the same period.**

\*Gross Value Added (GVA) is a measure of economic productivity

It didn't have to be this way. In 1998, Herefordshire's per capita GVA was 7% higher than that of Worcestershire (£13,326 vs £12,450); by 2018, it was 10% lower (£20,460 vs £22,766).

The purpose of the Herefordshire 2030 Economy Project is to look at what went wrong with Herefordshire's economy between 1998 and 2018 and why; to look at how we could close the economic gaps, not just with Worcestershire, but with the rest of the West Midlands and the UK (outside London); and to look at the likely long-term costs of apathy, complacency and continued underperformance.

Although Herefordshire is one of the smaller counties in Britain, this is not a trivial matter. The GVA gap with the UK (ex-London) average is around £5,000 per head of population. Closing that gap would increase the size of the county's economy by around £1 billion from £4 billion to £5 billion, with significant benefits to consumption, to fiscal viability, to community care and cohesion and to the UK's overall economic performance.

Perhaps most damning of all is the fact that, although the county's unemployment rate is relatively low at around 3.5%, 10% of Herefordshire's population - including 9,500 children - now live in conditions of deprivation. If economic performance continues to falter, deprivation will only increase.

Most of us who live and work in Herefordshire love its spirit of independence and authenticity, its balanced quality of life, its creative, tolerant and resilient people, its wild landscapes, its dramatic history, its charming market towns and its fabulous artisan food. But many of us also have a strong feeling that we could be doing so much better and that we should be doing everything we can to build a more inclusive, sustainable and prosperous future for the people who live here. We feel that the time has come for vigorous and positive action. We feel the fierce urgency of now.

## SO WHAT DID HAPPEN EXACTLY?

The twenty years between 1998 and 2018 was a real box of delights for the world economy.

Starting with the Asian Financial and LTCM Crises in 1998, this was a period when you couldn't move for "once in a generation" events: the NASDAQ boom and bust, the Global Financial Crisis, the Eurozone Crisis, a commodity super-cycle, record low interest rates and historically high levels of debt were the defining economic landmarks of a geopolitical trajectory punctuated by 9/11, trillion dollar military misadventures in Afghanistan and Iraq, the explosive appearance of China on the world stage, the Arab Spring, unprecedented technological advances, Brexit and Donald Trump - to name but a few.

For the UK, it was a period in which per capita GVA nearly doubled in nominal terms from £15,531 to £28,729, driven in large part by the emergence of London, almost as an independent city-state, whose nominal per capita GVA rose from £24,913 to £50,547.

But as the Resolution Foundation points out in "The UK's decisive decade: The launch report for The Economy 2030 Inquiry", the UK's recent past has also been marked by "stagnant living standards, weak productivity, low investment and high inequality".

In only a few places in the UK has this been more true since 1998 than in the county of Herefordshire. In this report, we are using nominal data, as published by the ONS. In real terms (adjusted for inflation), Herefordshire’s economy saw almost no growth in two decades and its per capita GVA has slipped from slightly below the middle of the pack of UK local authorities to close to the bottom. The fact that Shropshire has performed as poorly as Herefordshire is hardly a cause for celebration.

**Table 1: Per Capita GVA by region between 1998 - 2018**

Per capita GVA	1998	2003	2008	2013	2018	20 year change	20 year CAGR	Rank
<b>UK</b>	£15,531	£18,892	£23,265	£24,812	£28,725	+85%	+3.3%	
<b>UK ex London</b>	£14,049	£17,243	£20,549	£21,894	£25,346	+80%	+3.0%	
<b>Worcestershire</b>	£12,450	£14,799	£17,482	£20,041	£22,766	+83%	+3.1%	86/232
<b>Shropshire</b>	£12,218	£14,203	£16,574	£17,374	£19,333	+58%	+2.2%	218/232
<b>Telford + Wrekin</b>	£16,331	£18,705	£21,251	£20,582	£27,505	+68%	+2.6%	183/232
<b>Herefordshire</b>	<b>£13,326</b>	<b>£15,491</b>	<b>£16,956</b>	<b>£18,311</b>	<b>£20,463</b>	<b>+54%</b>	<b>+2.2%</b>	<b>218/232</b>
<b>Gap - UK average</b>	<b>13%</b>	<b>18%</b>	<b>29%</b>	<b>26%</b>	<b>29%</b>			
<b>Gap- UK ex London average</b>	<b>5%</b>	<b>11%</b>	<b>18%</b>	<b>17%</b>	<b>19%</b>			

Source: ONS. GVA = Gross Value Added (measure of economic productivity). CAGR = Compound Annual Growth Rate

In fact, breaking the twenty years down into four consecutive five-year periods (see Table 2), it is true that Herefordshire and Shropshire have been vying with each other for the role of ugliest sister but that in only one period - the five years after the Global Financial Crisis – did Herefordshire outperform its neighbour. Worcestershire meanwhile has left its erstwhile partner trailing far behind and, in the last ten years, the West Midlands as a whole has caught up with the rest of the UK in high style.



**Table 2: Sequential breakdown of Per Capita GVA Growth by region between 1998 - 2018**

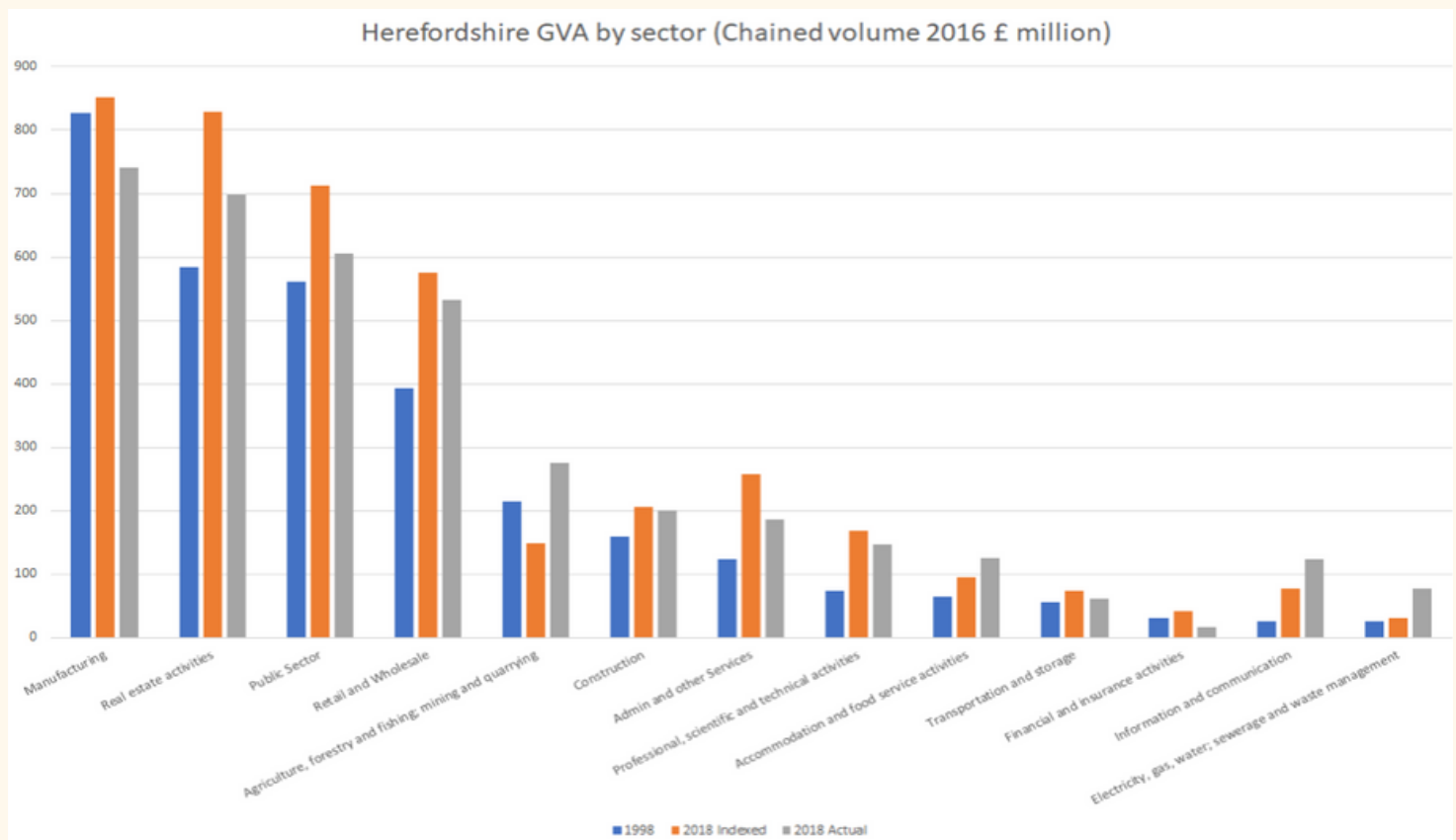
Per capita GVA Growth Ranking	1998-2002		2003-2008		2009-2013		2014-2018	
	CAGR	Rank	CAGR	Rank	CAGR	Rank	GAGR	Rank
<b>Herefordshire</b>	+3.0%	191/232	+1.4%	228/232	+3.3%	34/232	+0.7%	218/232
<b>Worcestershire</b>	+3.0%	183/232	+3.4%	146/232	+3.4%	17/232	+2.3%	146/232
<b>Shropshire</b>	+2.7%	212/232	+3.1%	168/232	+2.2%	106/232	+2.2%	160/232
<b>Telford + Wrekin</b>	+2.4%	217/232	+2.6%	209/232	+0.6%	208/232	+7.0%	4/232
<b>West Midlands</b>	+3.3%	166/232	+2.7%	196/232	+3.0%	48/232	+3.8%	33/232

Source: ONS. CAGR = Compound Annual Growth Rate

## HOW DID THIS HAPPEN?

The chart below breaks down Herefordshire’s GVA by economic sector, with the blue bars showing the actual sterling (£) value of each sector in 1998 and the grey bars showing the actual sterling value of each sector in 2018. The orange bars show what would have happened if Herefordshire had performed in line with the national growth rate for each sector.

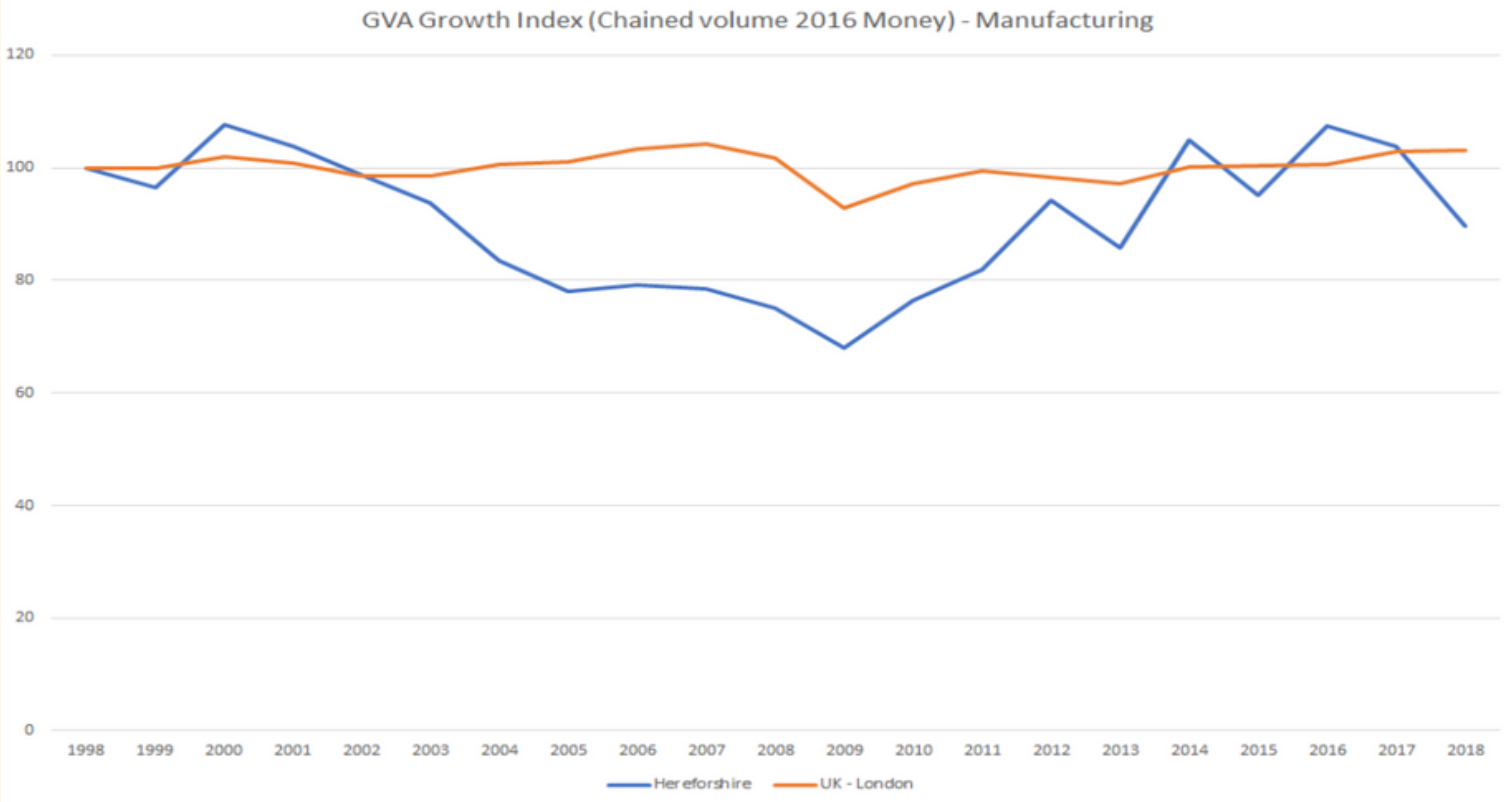
**Chart 1: Herefordshire GVA broken down by sector**



In 8 out of 13 sectors - manufacturing; real estate; the public sector; retail and wholesale; administration and other services; professional, technical and scientific services; transportation and storage; and financial and insurance services - Herefordshire underperformed the UK, in some cases dramatically. In only four sectors - agriculture; accommodation and food services; information technology and communication; and utilities - did Herefordshire outperform. Growth in the county's construction sector was pretty much in line with the national average.

Of course, not all sectors behaved in the same way at the same time, in the same way that not all companies conformed to their broader sectoral trend. For that reason, we have broken down the twenty year charts into year-by-year performance for the top four economic sectors (which account for around 60% of the county's economy) and for five smaller sectors whose performance has had a material impact on the county's absolute or relative economic performance (thereby excluding construction; transport and storage: professional, technical and scientific services; and administration and other services). Although no official data is available for the economic impact of the Defence and Security sector, we have also included anecdotal evidence of its significance. The blue lines represent Herefordshire's performance, while the orange lines represent the UK's performance.

### Chart 2: Manufacturing

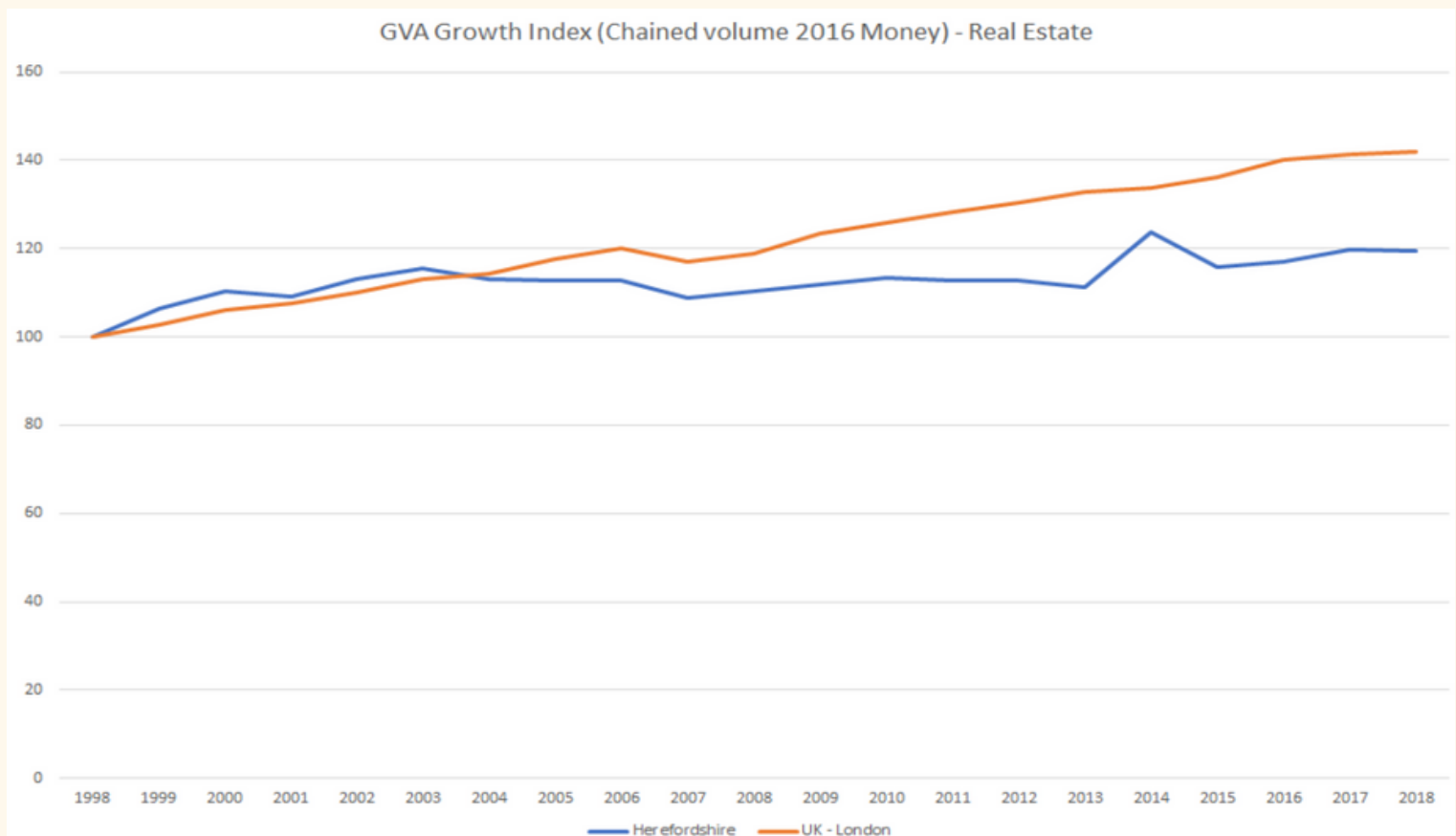


Manufacturing is Herefordshire’s largest economic sector, accounting for around 18% of the county’s economy and 11,273 jobs (12.4% of the 90,237 economically active people in the county) at the time of the last census in 2011 (source: ONS). Between 1998 and 2018, the sector’s GVA contracted by 11% - or £86 million - compared to growth in the UK’s manufacturing sector of 3%.

The chart above illustrates that the period between 2000 and 2009 was the period of greatest absolute and relative weakness, confirmed by anecdotal evidence of closures and redundancies during this period, caused by the sale of Bulmers (resulting in the loss of around 100 high value jobs in management, sales, marketing and R+D on top of the closure of its inhouse transport fleet) and redundancies at Wiggins Special Metals (more than 2,000 jobs lost), Thorn Lighting (300 jobs lost), Sun Valley, Denco Air Conditioning and others.

This underperformance came to an abrupt halt in 2009 and, in the ensuing six years, Herefordshire’s manufacturing sector staged a strong recovery, driven by inward investment, existing business expansion and new business formation on the Rotherwas Enterprise Zone, Leominster Industrial Estate, Moreton Business Park and elsewhere. This recovery gave way to another period of sharp absolute and relative contraction between 2016 and 2018, erasing around half of the progress over the previous six years.

### Chart 3: Real Estate

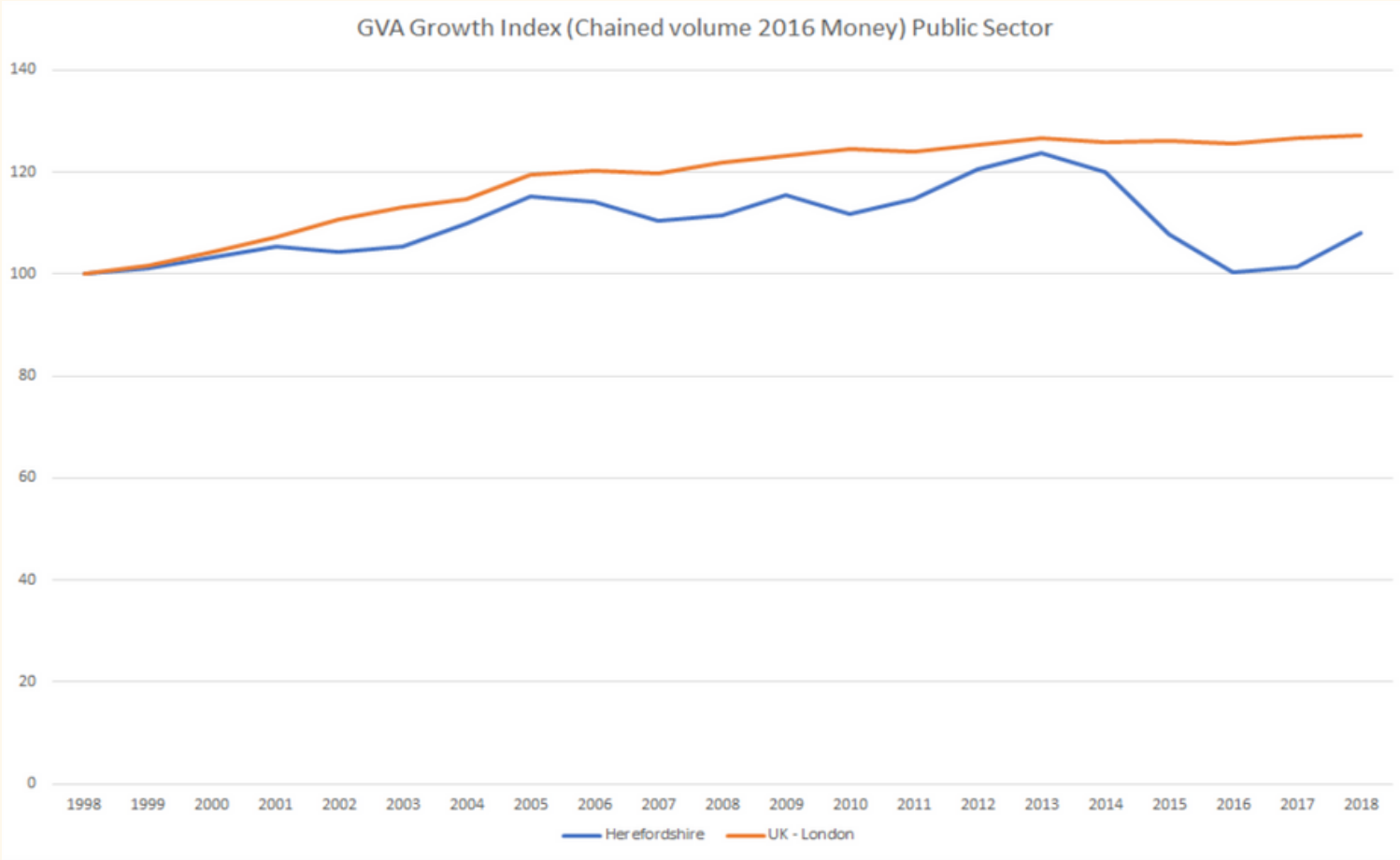


The GVA of Herefordshire's Real Estate sector grew by £114 million - the single biggest contribution to growth between 1998 and 2018 - and was worth £698 million by the end of the period. Accounting for 17% of total, it was the county's second largest economic sector at that point, ranking it only slightly behind Manufacturing and accounted for 1,446 jobs (1.6% of total) in 2011.

Although average property prices in Herefordshire rose by around 300% between 1998 and 2018, the relative gap with the rest of the UK opened up significantly after 2003, reflecting a narrowing of job opportunities in the county, a deteriorating relative demographic profile and limited inward investment.

With an average house price of £301k in June 2021, property prices in Herefordshire rank 24th out of 55 counties in England and Wales, making home ownership all but impossible for the majority of new entrants to the market.

### Chart 4: Public Sector

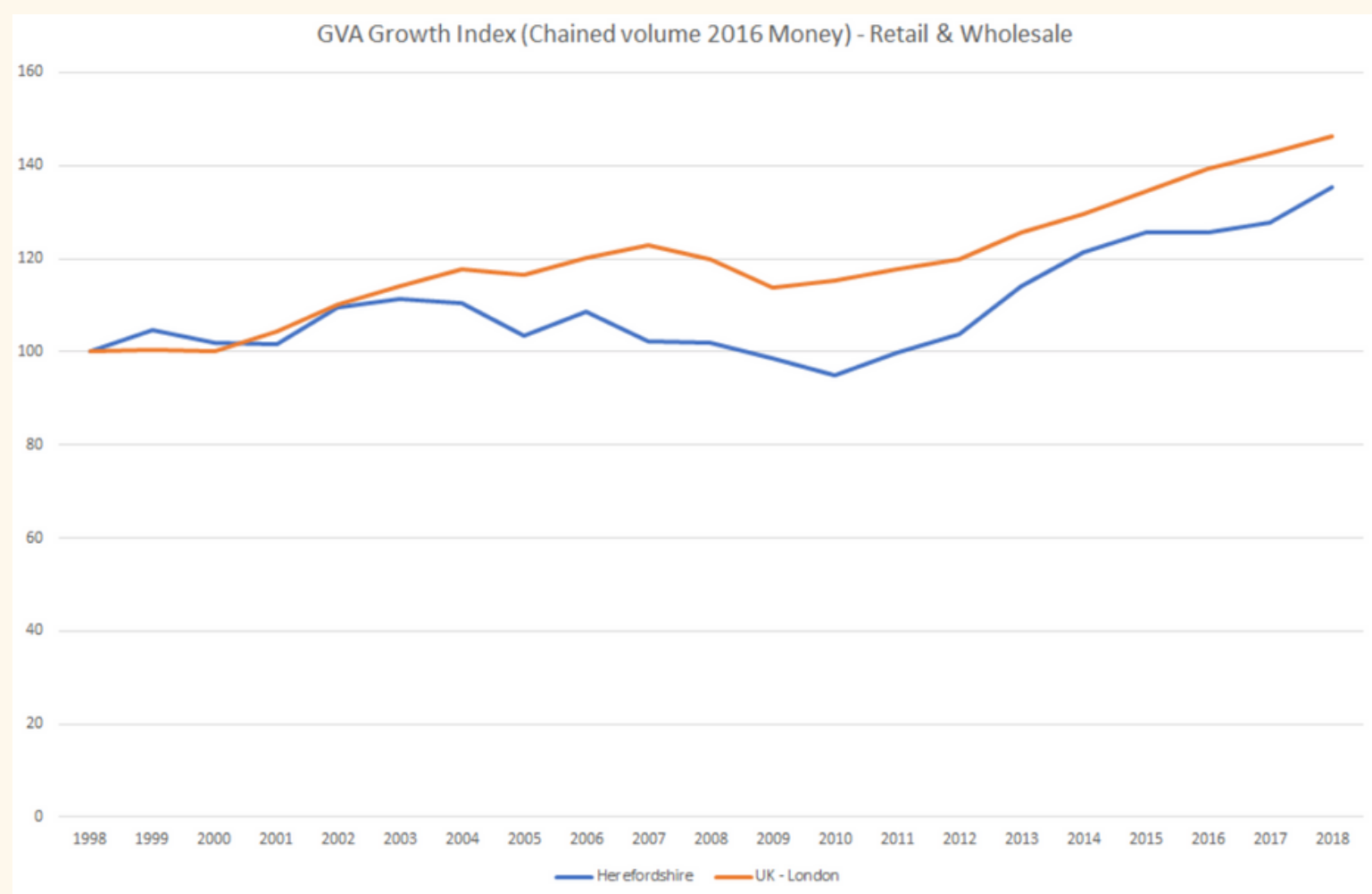


The Public Sector (Education, Health, Public Administration and Defence) was Herefordshire's largest employer at the time of the 2011 census, accounting for 24,846 jobs (27.5% of total). The GVA of the sector rose by around £50 million during the period. After tracking the UK average fairly closely between 1998 and 2012, the sector was hit hard by the austerity measures implemented after the Global Financial Crisis, reflecting cuts to Central Government direct grant-funding and across the board cuts to policing, health, education and tourism budgets.

As a county, Herefordshire has a relatively low Council Tax base resulting in a widening gap with the UK as the trajectory of property prices diverged.

Although it is hard to quantify, ongoing investment into SAS capacity at Credenhill and Pontrilas likely acted as a significant offset to weak investment flows into other areas of the public sector during the period.

## Chart 5: Retail and Wholesale

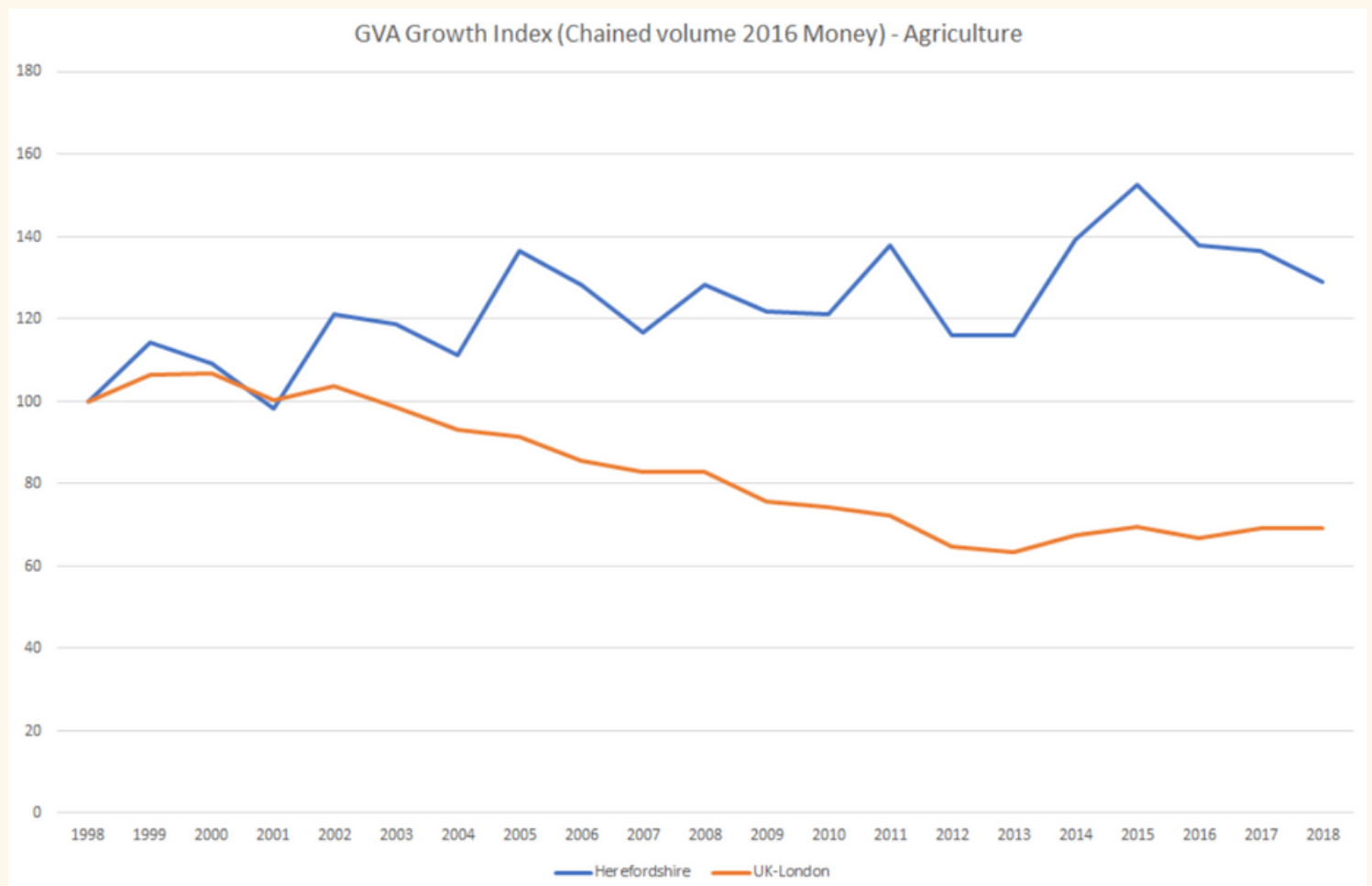


Herefordshire’s retail and wholesale sector performed broadly in-line with the UK average during the period, despite some relative weakness between 2003 and 2009, caused by the closure of Chadds in Hereford in 2008, with the loss of more than 120 jobs. In 2011, the sector employed 15,054 people (16.7% of total).

The opening of the Old Market retail and leisure complex in 2014 was a landmark for retail in Herefordshire - proving the maxim that “if you build it, they will come” - with footfall exceeding British Land’s initial expectations of four million annual visitors by 25% or more in every year since launch except 2020 and a recapture of regional market share for the first time in more than fifty years.

However, the success of the Old Market could not offset the structural decline of Hereford’s more traditional high street offer in High Town and the old city (resulting in more than fifty empty retail units), a trend which was echoed in Herefordshire’s five market towns.

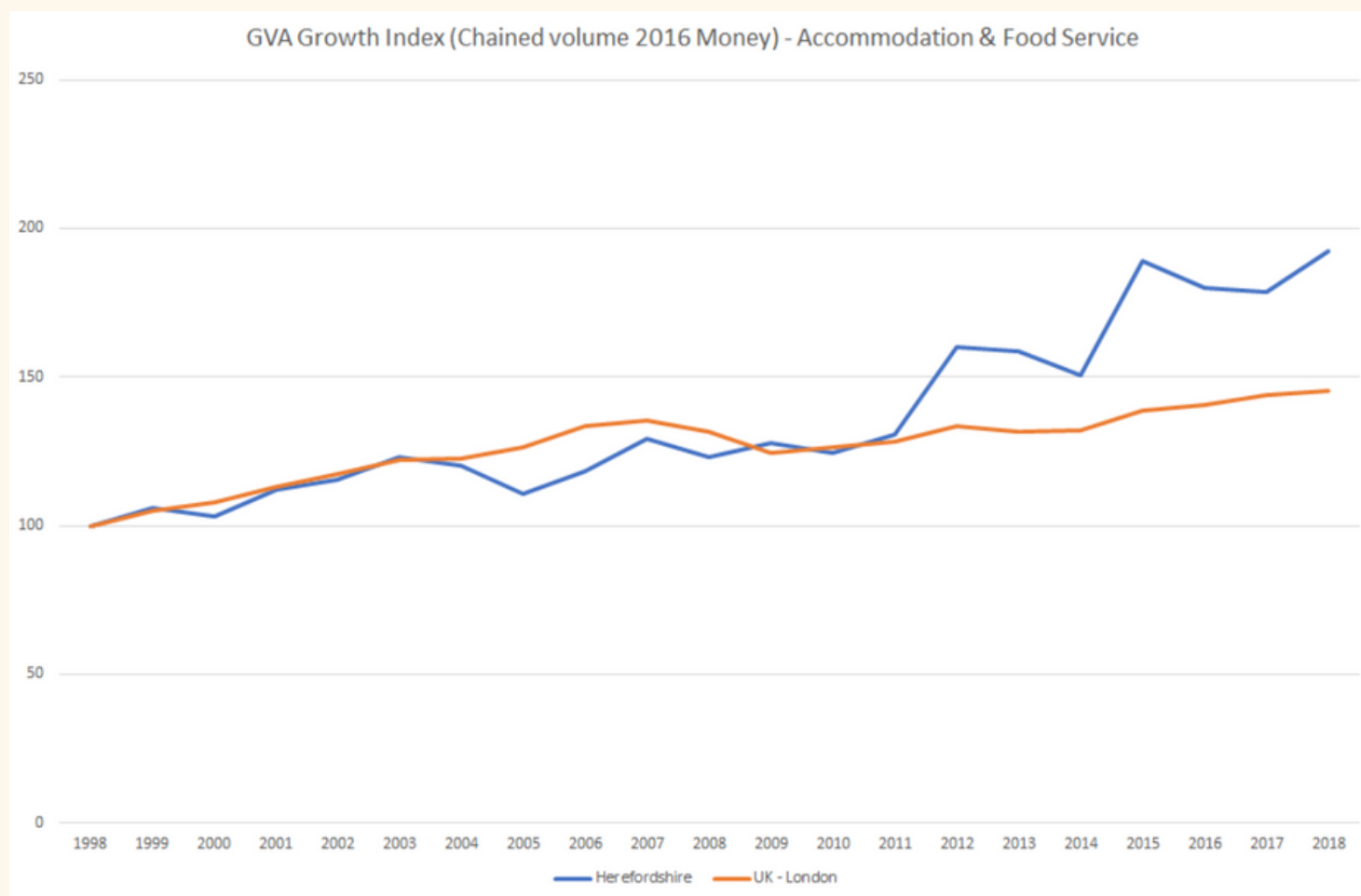
## Chart 6: Agriculture



Agriculture was Herefordshire's biggest relative outperformer during the period, growing by nearly 30% compared to a contraction in the UK average of nearly 30%. The consolidation and rationalisation of the sector created a county-wide presence in the UK supply chain for soft fruit and high-end vegetables (e.g., raspberries, cherries, asparagus) which complemented traditional strengths in cattle and sheep, where the opening of the new livestock market outside Hereford in 2011 created a nationally competitive county asset which has attracted buyers and sellers from all over the country.

Agricultural income diversification has been a significant driver for the emergence of Herefordshire's artisan food sector between 2010 and 2018 and the county is now home to more than 100 independent food producers, according to Legges of Bromyard.

### Chart 7: Accommodation and Food Service

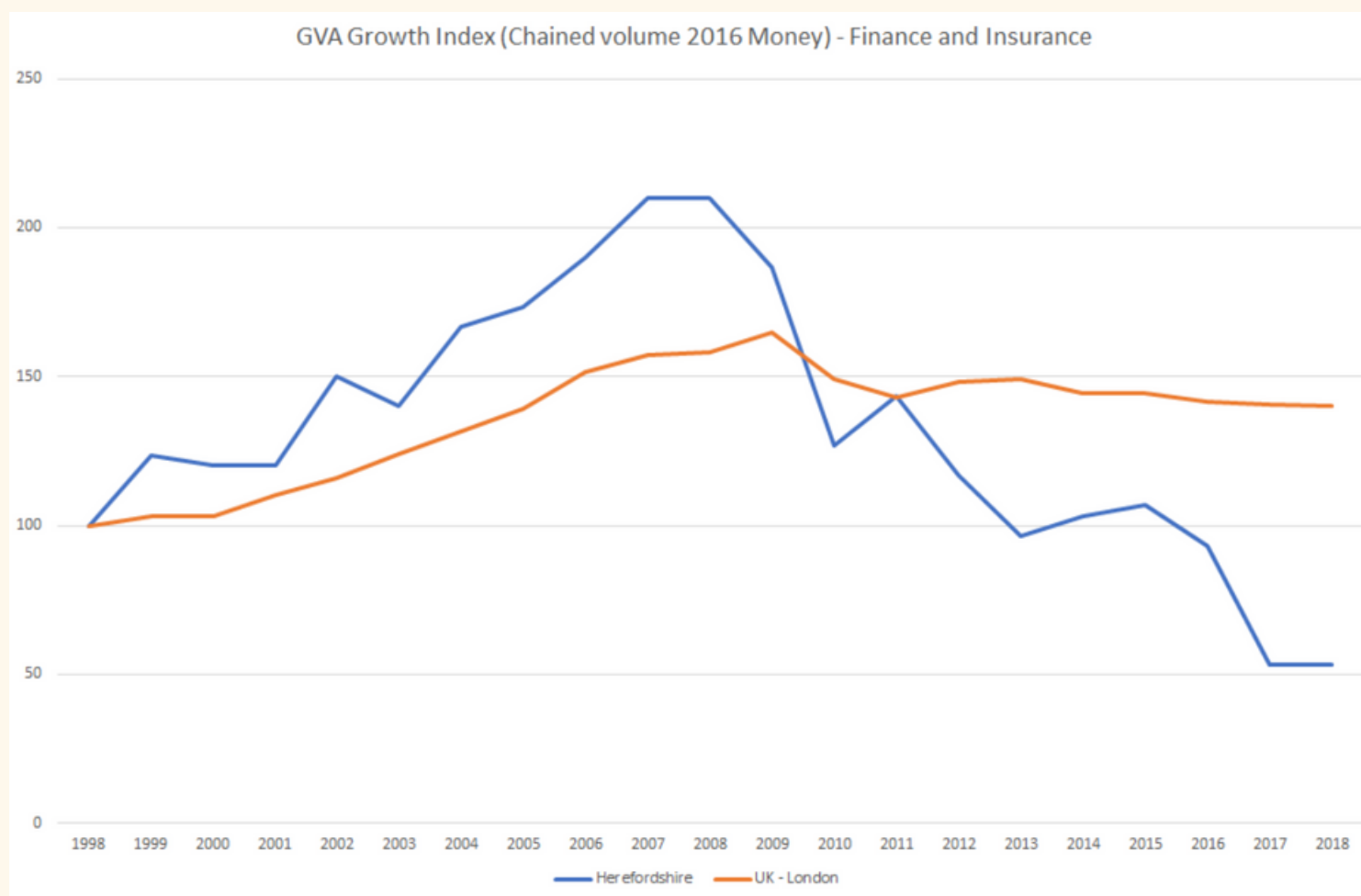


The performance of the county's Accommodation and Food Services sector GVA - a relatively narrow proxy for tourism - appears to conflict with data included in the most recent and much broader STEAM report for Herefordshire (produced in 2015) which indicated significant underperformance relative to UK averages. In 2011, the sector employed 4,334 people (4.7% of 2011 total), the vast majority on minimum wages.

The emergence of Herefordshire as a staycation warm-spot predated COVID with the Marches now containing one of the highest concentrations of glamping facilities in the country, alongside a wide range of holiday lets, B+B's, caravan parks and camping sites. However, the range of functional 3 star+ hotel bed-stock is probably still not wide enough to attract higher-spending visitors in transformational volumes.

Although the county plays well to its strengths as an idyllic rural getaway, the city of Hereford's visitor offer is weak compared to some other UK cities of a similar size.

## Chart 8: Finance and Insurance



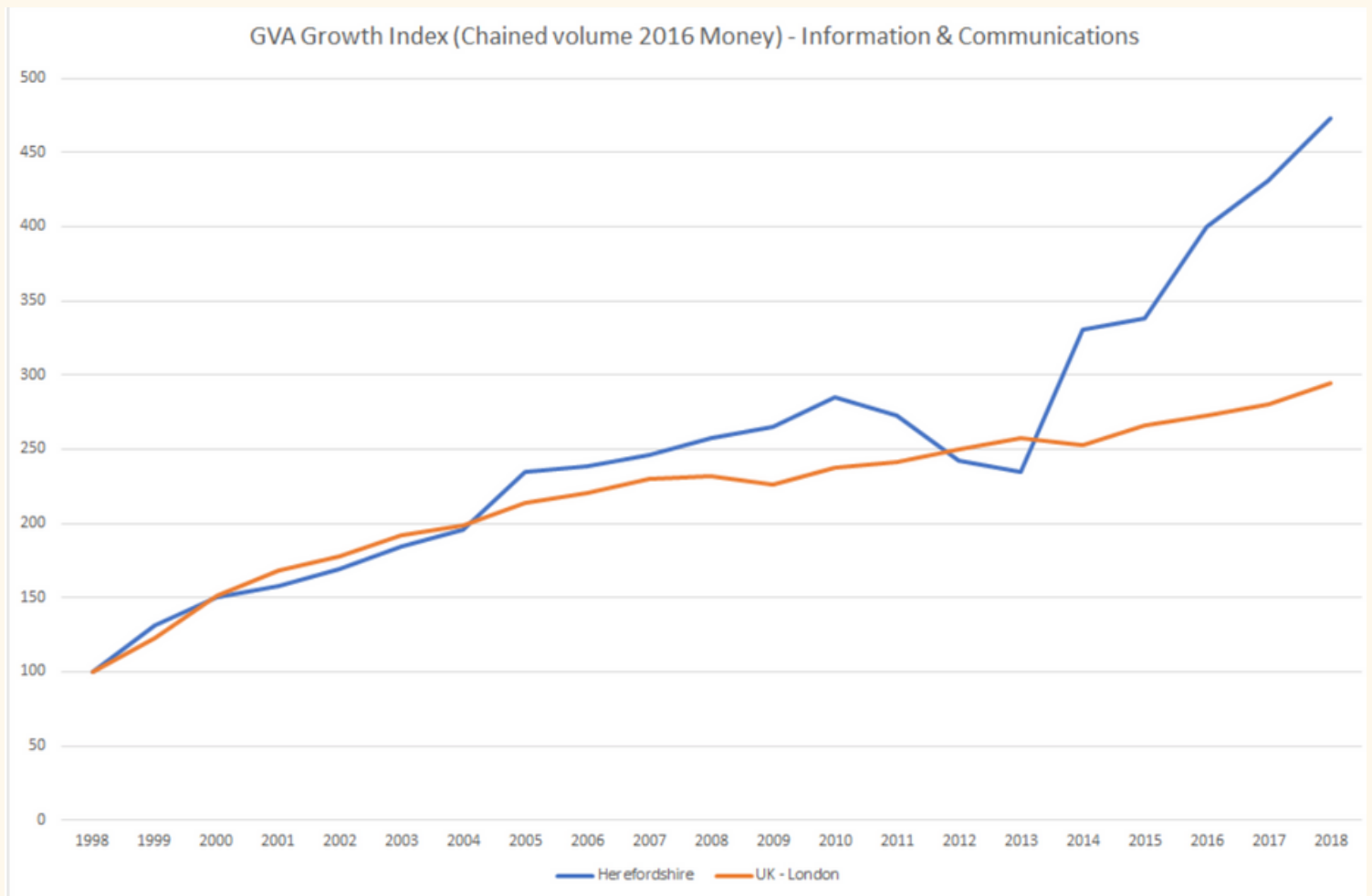
The county's Financial sector was one of only two sectors which contracted in absolute terms during the period (the other being Manufacturing), reflecting the closure of banks in the market towns, the downsizing of management functions in Hereford, migration to online banking and relocation of lending decision-making to Birmingham and elsewhere, following the Global Financial Crisis in 2008.

Although there is no data which demonstrates the statistical impact of this structural adjustment, anecdotal evidence suggests that access to business loan finance has become more challenging during this period, particularly for smaller companies.



In 2011, 1,565 people in Herefordshire were employed in the Finance and Insurance sector (presumably in relatively high-value jobs). Given the decimation of the sector during the period, it is almost certain that many of these jobs have now gone for good.

### Chart 9: Information and Communications



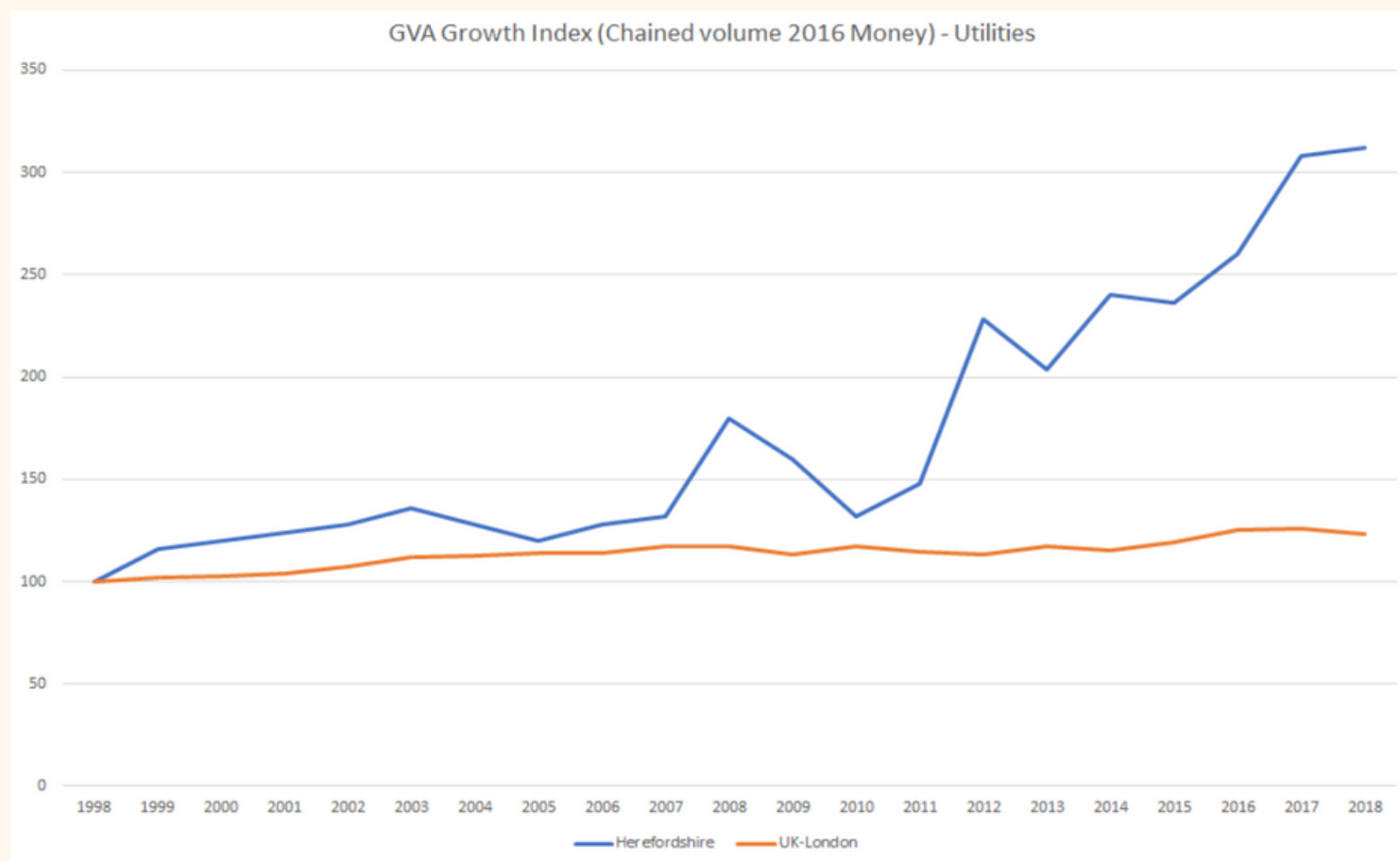
Herefordshire’s Information Technology and Communications sector is the county’s brightest economic hope. Although it was Herefordshire’s smallest economic sector in 1998, it grew by £97 million - a compound annual growth rate of 8.1% - in the ensuing twenty years, comfortably outperforming the UK sector growth and more than offsetting the £86 million contraction in Manufacturing. If this had not happened, Herefordshire would likely have been at the very bottom of the UK Local Authority growth league table for the period.

In 2011 - the beginning of its period of very strong outperformance - the sector employed just 1,935 people (2.1% of total). It would be very interesting to know what that number is now.

Although it is hard to quantify, anecdotal evidence suggests that the sharp outperformance of the sector after 2011 is attributable in part to new business formation by ex-members of the SAS Signals Regiment, with some estimates of up to 70 companies - almost certainly supporting relatively high-value jobs - now operating in the sector.

Although this cluster has happened almost by accident, it has the potential to transform Herefordshire's long-term economic trajectory.

## Chart 10: Utilities



The GVA of Herefordshire's utilities sector was one of the county's strongest performers during the period, reflecting inward investment by Western Power and Welsh Water and the rollout of broadband, improving the relative competitiveness of the county as a remote working location, albeit from a very low base.

# CONCLUSION

The sectoral breakdown of Herefordshire's economic performance between 1998 and 2018 raises a number of important questions about the county's future.

In some ways, our economy has become more balanced than it was at the time of the split with Worcestershire, with the top four sectors accounting for 60% of total in 2018 vs 75% in 1998, theoretically adding both more resilience and more gearing to areas of high growth such as technology.

The current profile of the county's manufacturing sector is also more diverse and balanced than it was, suggesting that big job losses at a small handful of employers are unlikely to recur (because those jobs have already gone) and would likely have a less significant impact if they did.

The emergence of a distinctive Defence and Security IT cluster - linking the SAS Signals Regiment with the Cybercentre on the Enterprise Zone, GCHQ at Cheltenham and QinetiQ in Malvern and placing Herefordshire at the heart of the Cyber Valley, the second largest concentration of cyber-related activity outside London - is a good example of what can happen when this county joins the dots, even if it happens by accident. There is no current data on the number of people employed in the IT and Communications sector but it is very likely that it has grown significantly since 2011, with the creation of high-value, home-grown jobs.

The success of Hereford College of Art, Hereford and Ludlow College, Hereford Sixth Form College and the promise of NMITE as centres of learning, creativity and innovation point towards a sea-change in the way we think of ourselves, while entrepreneurial artisan food and drink producers have created a new brand identity which has the potential to create a whole new narrative for the county.

And yet... and yet...

There is not yet any statistical evidence to suggest that these unquestionably positive developments are feeding through to an improvement in Herefordshire's overall economic performance. In the period between 2016 and 2018, Herefordshire's compound annual GVA growth rate slipped from the twenty year average of 2.2% to 0.5%. If anything, the most recent numbers point towards a deterioration rather than an improvement, most likely driven by the downturn in the manufacturing sector during that period.

And, time and again, in conversations with Herefordshire's business community, "the mentality", "the reluctance to embrace change", "the lack of confidence", "the lack of vision", "the lack of support", "the lack of joined-up thinking" come up as explanations for underperformance, whether it's the bypass or the no bypass or the skills gap or the reluctance to shout about ourselves.

It is said that in the months before the split from Worcestershire in 1998, our erstwhile partners took full advantage of their relative dominance to asset-strip property and capital equipment and to cherry-pick council officers from Herefordshire. It is also said that they encountered surprisingly little resistance.

More than twenty years later, there is evidence to suggest that nothing much has changed and that many successful businesses in Herefordshire achieve their success despite their location rather than because of it.

Nothing tells that story more powerfully than the recent experience of a family company with deep roots in our county. It has developed cutting edge and highly scalable technology which will be at the very heart of the UK's economic sweet spot in the decades ahead. Based on current demand, they anticipate that their annual revenue could grow from £600k to £25 million in five years time and that their staff numbers could grow from seven to one hundred, with around 30% located in Herefordshire on entry-level salaries of around £30k.

Their head office is in Hereford and they have a branch in Malvern. In the last nine months, they have applied for two funding grants from Herefordshire's Business Growth Programme ([www.marchesgrowthhub.co.uk/funding/business-growth-programme](http://www.marchesgrowthhub.co.uk/funding/business-growth-programme)) - one was rejected and the process of securing the other (for £3,000) was so painful that they will never do it again. In the same period, they have applied for and won four grants totalling around £100,000 from Worcestershire's Technology Accelerator Programme ([www.beta-den.com/about-us](http://www.beta-den.com/about-us)) in addition to rent-free offices and active and meaningful support to help them grow their business.

They are highly committed to staying in Herefordshire but Worcestershire Council is doing everything they can to entice them to relocate. Sooner or later, they might just ask themselves "Why not?".

WHICH BEGS ANOTHER QUESTION:

**WHEN WILL THE SLEEPING BEAUTY  
FINALLY WAKE UP?**

THANK YOU FOR READING THIS REPORT.

An aerial photograph of a river winding through a lush green forest. A large group of people is gathered on a wide, light-colored gravel bank in the foreground, forming a large circle. Some people are holding up their phones or cameras, suggesting a group photo or a community event. The river flows from the top right towards the bottom left, with a small weir or dam structure visible in the middle ground. The surrounding area is densely wooded with tall trees and green foliage.

# CLEAN IT UP

Facing up to Herefordshire's real Environmental challenges

**How can we produce food, tackle climate change, grow the agricultural economy and reduce poverty in the county all at the same time?**

Herefordshire has a rich landscape and renowned heritage. Occupying nearly 1% of the UK's land but with less than 0.3% of the population, one of Herefordshire's greatest assets is its countryside. However, despite its reputation as a wonderful place to live, the county has major environmental problems.

This report focuses principally on the issue of greenhouse gas emissions as these contribute most directly to climate change. However, the County also needs to address the issue of pollution of the great rivers through agricultural run-off of manure, chemicals fertilisers and pesticides and loss of biodiversity – as described most recently in The Times's "Clean It Up" campaign\*. – over recent decades.

Whilst the County Council suggests that Herefordshire is not an outlier in terms of consumption of greenhouse gas-emitting goods and services, we have to recognise that it produces almost 2 megatonnes of CO<sub>2</sub>e emissions of the UK total of 326 megatonnes every year (perhaps surprisingly, that's 7.25 tonnes CO<sub>2</sub>e per person compared to the national average of 4.9 tonnes CO<sub>2</sub>e\*\*). Ignoring production issues would be rather like saying that the Oil Majors have little impact on climate change: they merely produce the fuels – it is others who consume them. Meeting a target of net zero by 2040 will not be straightforward when looked at through the lens of production.

Our assessment of the challenge is that, though extremely demanding and requiring a systemic solution, it is possible for the County to meet the challenge of carbon-neutrality, as long as all involved recognise the scale and nature of the problems:

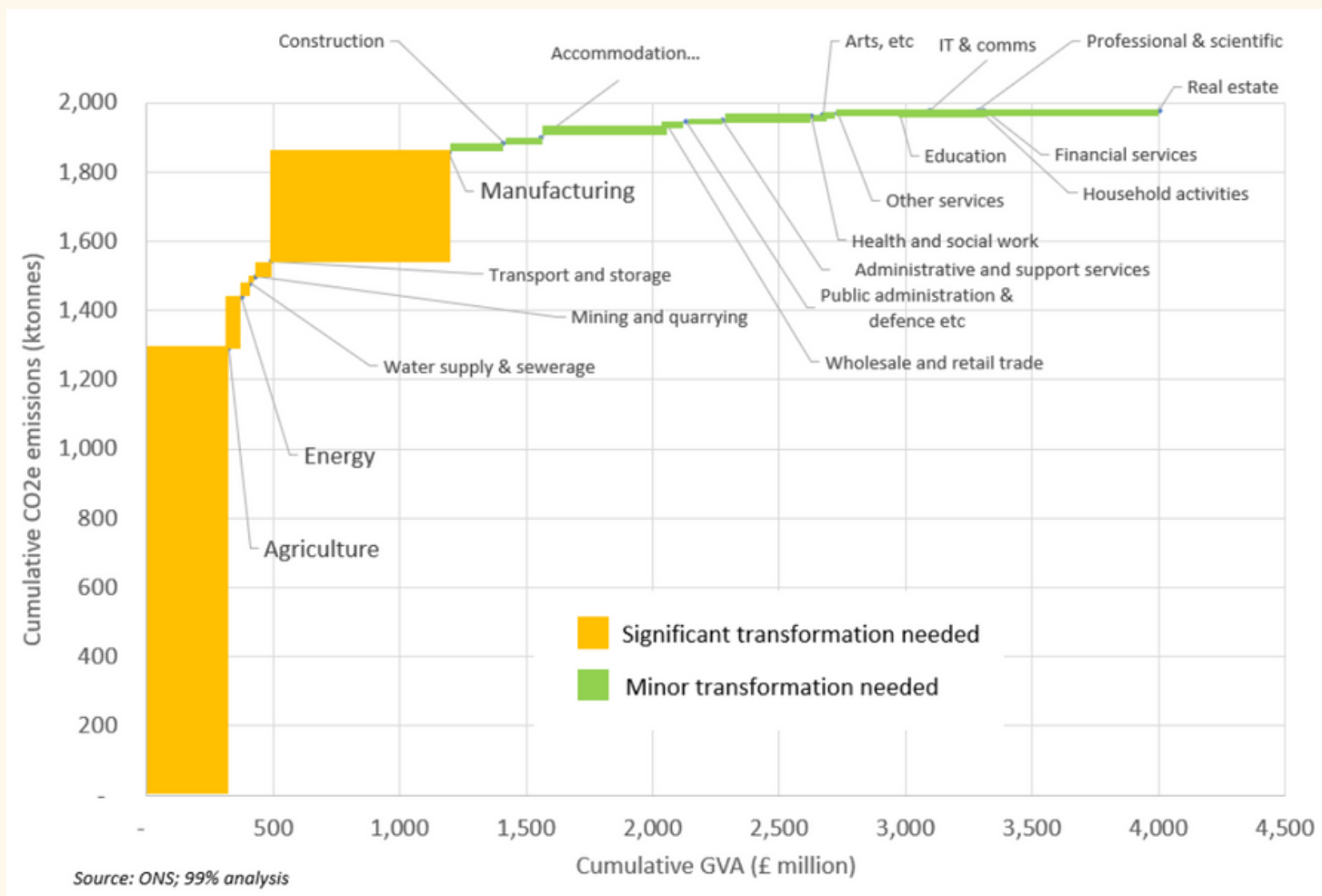
- The County's greenhouse gas emissions are largely produced by two sectors Agriculture and Manufacturing;
- Agriculture faces systemic problems, but in principle could achieve carbon neutrality;
- Manufacturing is a significant contributor but more easily tractable.

\*(The Times 14 February 2023)

\*\* (Office for National Statistics, 2021)

# THE COUNTY'S GREENHOUSE GAS EMISSIONS ARE LARGELY PRODUCED BY TWO SECTORS

Our analysis shows that two sectors dominate the environmental footprint of the county – Agriculture and Manufacturing.



The horizontal axis shows the contribution of each sector to the county's economy (its Gross Value Added or GVA)\*; the vertical axis shows the greenhouse gas emissions in kilotonnes of CO2 equivalents produced by each sector.\*\*

The data above come from the Office for National Statistics; we can better understand the agricultural emissions from animals if we estimate them bottom-up.

\* (Office for National Statistics, 2021)

\*\* (Office for National Statistics, 2021)



Type of animal farmed	Number in the County	Emissions per animal	Total Emissions (KT of CO2e)
Cattle	105,000	3.87	203,000
Sheep	560,000	0.14	76,500
Pigs	33,500	0.36	12,000
Chickens	10,700,000	0.06	627,000
<b>Total</b>			<b>918,500</b>

Combined, Agriculture and Manufacturing account for over 80% of greenhouse gas emissions; they are also the source of much of the pollution of Herefordshire’s great rivers and contribute to loss of diversity. If together we can find ways to transform the environmental performance of these two sectors, we will be well on the way to achieving the county’s overall net zero goal.

There is some good news. Whilst climate change, pollution and loss of biodiversity are major challenges, they also represent a significant economic opportunity. Capturing a tiny percent of the forecast investment in UK/Global net zero transition has the potential both to transform our economic performance and create the employment opportunities that will help drive down poverty levels in the county.

## AGRICULTURE FACES A SYSTEMIC PROBLEM

As part of this project, we have spoken to many farmers and others involved in agriculture. All were deeply concerned about climate change; but they also wanted to make clear the financial and other constraints under which they were operating and the limited freedom of action they have unless wider systemic issues are tackled. As one farmer put it:

**“It’s income before carbon in Herefordshire – you can quote me on that”**

Transforming Agriculture to a profitable, low-emission model will require changes in all aspects of supply and production at a time when farmers' options are severely limited by a combination of government policy and the price stranglehold exerted by the supermarkets.\*

For agriculture to become, once again, positive for the environment, innovation, energy and resources are needed on four fronts:

- Building a sustainable agricultural economy
- Incentivising farmers to reduce emissions
- Changing our food consumption habits
- Reducing chemical residues in the environment

## BUILDING A SUSTAINABLE AGRICULTURAL ECONOMY

To make Herefordshire's agriculture sustainable financially and environmentally, the county cannot ignore wider systemic issues such as government policy and subsidy regimes and people's eating habits.

Agriculture has been a mainstay of the county's activities for generations. It employs some 10,000 people and several times that in related sectors, generating 8% of the county's GVA. However, the farming community, which relies on a healthy environment for its long-term sustainability, has been hamstrung for decades as a market has been allowed to develop whereby the major suppliers and retailers have driven down the prices paid for farm outputs below the level at which they can be produced.

Under the EU Common Agricultural Policy, UK farmers have been receiving around £3.5bn a year in subsidies. 80% of this was paid as 'Pillar One' Direct Payments based simply on the land area farmed, and the remaining 20% was 'Pillar Two' Rural Development Payments for environmental benefit and rural development. Overall, these government payments have made up around 9% of UK farm revenue, which equates to an average of 61% of farm profits. But for farmers of beef cattle and sheep with large, relatively low output farms, these payments have historically made up between 91-94% of their profits.\*\*

\* See the World Wildlife Fund report of Feb 2022: British Farmers must reduce their production of meat and dairy by a third in the next 10 years if scientific advice on limiting greenhouse gases is to be met

\*\* (DEFRA, 2021)

Post Brexit, as the UK withdraws from the Basic Payment Scheme of the EU's CAP, the government has already produced detailed figures showing how these subsidies will reduce progressively to zero by 2027.\* The CAP's replacement, the Environmental Land Management Scheme (ELMS) which will have three components: Sustainable Farming Incentive, Local Nature Recovery Programme and Landscape Recovery Scheme was finally published in February of this year. Its implications are still being absorbed by the farming community, but significant concerns are already being expressed, including:

- While it is anticipated that the overall sums available might be similar to those under CAP but with a larger number of people eligible able to claim payments, the result could well be that individual farmers receive reductions in subsidy of 30-50%.
- There is still a focus on inputs rather than results – a missed opportunity
- The amount of form-filling and bureaucracy attached to the scheme may be even more onerous than the EU scheme it is replacing!

In the county of Herefordshire, where 47% of the land area is used for cattle and sheep and therefore is highly dependent on subsidy for income, the consequences of these cuts are potentially catastrophic. Should the cuts drive a wave of bankruptcies, they will lead to more consolidation of land ownership and more industrial farming. This is not Sustainable Farming.

These issues are taken up in detail and expanded in the accompanying report, entitled "Farming, Food Production and Land Use in Herefordshire 2030".

## INCENTIVISING FARMERS TO REDUCE EMISSIONS

As we have seen, the taxpayer currently subsidises farmers to use methods of agriculture which generate nearly 65% of the county's 1.98 megatonnes of CO<sub>2</sub>e, much of it from cattle and other livestock, fertilisers and the cereals grown for animal feeds.

Organisations such as the NFU and the Herefordshire Green Network have made proposals which contain elements of the strategy needed to turn the situation around and which are aligned with the goals set out DEFRA's paper \*\* 'A Path to Sustainable Farming',

\* (Institute for Government , 2021)

\*\* (DEFRA, 2021)

Herefordshire can now grasp the opportunity to become a leader in sustainable agriculture. If we can drive improvement in diets and we start to waste less food, themes we develop in the next section, we will be able to make progressive changes to the way we use our land, freeing up space for a mix of:

- Increased native broad leaf and mixed forestry for carbon capture and biodiversity (until BECCS technology is perfected, is the only proven way of repeatedly capturing carbon from the atmosphere)
- Increased area for cereal, fruit & vegetable crops to maintain food energy output (some of these crops can produce up to 20 x the calorie output per hectare compared to food animals)
- A further increase in crop area to allow for reduced intensity farming while restoring the soil and sequestering carbon as organic matter
- Increased photo-voltaic technology to generate electricity (depending on local grid capacity)
- Rewilding for natural capital enhancement & biodiversity (NB this can also have a net beneficial effect on local employment & GVA)

The average farm size in Herefordshire is small; many employ only a few people who are often family members. They will need support - financial, administrative and logistical – to help them reintroduce genuinely sustainable methods that emphasise the food quality and environmental welfare for which Herefordshire can once again be famed. That said, there is growing evidence that the impact of rewilding can be very positive for both employment and the local economy.\*

Local and national government and the third sector all have important roles to play.

## OUR EATING HABITS: DIET CHOICES AND FOOD WASTE

To enable the ‘supply’ side to make the sorts of changes that will be needed, transformation is also needed on the ‘demand’ side of the picture. UK consumers have become conditioned to being sold cheap, often ultra-processed food while farmers are reliant on huge subsidies merely to survive. The average spend on food is 9% of household income in UK; in France it is 14%, in Italy it is 16% - a situation in which food in UK is undervalued and more readily wasted.

\*See Savills [research report](#): (Over a period of 10 years rewilding led to a 54% increase in jobs and a thirteenfold increase in volunteering positions)

If intelligent beings from elsewhere in our universe were to land in the UK of the early 21st century, they might question why we have a system which subsidises the agricultural industry to produce food that is damaging to the health of their customers and the long-term environment of the planet. And they would be even more amazed that this system results in 6.4 million tonnes of the food produced being thrown away each year\*. The (unconvincing) answer to our bemused visitor is that we are heavily conditioned by our history and our politics, by commercial incentives and the tastes to which we consumers have become accustomed.

As a county renowned for its agricultural produce, Herefordshire is in a prime position to complement the changes it could make to farm production by taking a lead in the national and international drive towards sustainable food consumption – and do it in a way that creates jobs and prosperity.

Opportunities for locally-driven initiatives exist on a number of fronts. Amongst those which we suggest should be given serious consideration are:

- A programme of education and incentives to reduce food waste at every stage of the path, from field to fridge (or ‘farm to fork’). Halving the 70% of food waste that occurs in the home would reduce the carbon emissions by some 4%\*\*
- The promotion of an affordable plant-rich ‘Herefordshire Diet,’ (based on the EAT-Lancet diet proposed in 2019)\*\*\* with the help and support of local celebrity chefs. This diet does include meat (albeit much less than we eat now) and still has a place for the high-quality beef for which Herefordshire is famed. (Recent research indicates that field crops, eg wheat, potatoes and apples, produce up to 100 times the calorie output per hectare of beef and lamb, 10 times that of dairy and 5 times that of poultry and pork)\*\*\*\*

This second initiative aligns with the National Food Strategy and the trends in food consumption over the last 10 years. That said, it will need a carefully designed education programme to show that it is a practical way to help people to save money while eating better and improving their health.

This is both feasible and affordable.

Indeed, the local initiatives in this move to healthier eating will provide a boost to the service sectors in the local economy which in turn will create much needed jobs to reduce poverty levels in the county.

\* (WRAP, 2021)

\*\* 43 million tonnes of food are purchased in UK each year, of which 9.5 million tonnes (22%) are wasted, generating 25 million tonnes of greenhouse gases (7.5% of UK total) - (WRAP, 2021)

\*\*\* (EAT Lancet Commission, 2021)

\*\*\*\* Joseph Poore and Thomas Nemeck (2018) and Our World in Data

# REDUCING CHEMICAL RESIDUES IN THE ENVIRONMENT

The scandalous behaviour of certain major organisations with regard to pollution of groundwater and the rivers has now become an issue taken up by the media. The poultry industry is a major employer (2000 people work at Avara alone) but appears to show scant regard for the impact that its 15 million chickens have on the quality of the environment. And there is evidence of pollution from other sources, including repeated 'dumping' of raw sewage into the Wye and Lugg.\*

Although the problems are well-documented and is the subject of mounting protest by community groups, enforcement of the law is practically non-existent. A combination of resistance from vested interests and an under-funded and ill-resourced Environment Agency has led to a situation in which the polluters have every incentive to carry on with their destructive practices. It is time for the public sector, industry, and voluntary bodies to come together and act to stamp out these practices.

The legal framework is there to stop this. Resources and political will are needed to enforce the regulations.

## MANUFACTURING IS A SIGNIFICANT CONTRIBUTOR BUT MORE EASILY TRACTABLE

We have yet to look at the Manufacturing sector in the same depth as we have Agriculture, however there is a wealth of evidence to show that:

- The bulk of emissions come from using unsustainable energy sources;
- For many businesses, there is already a positive investment case from tackling their emissions;
- Most businesses in the county already expect to be carbon neutral by 2030.

\* (UK Centre for Ecology and Hydrology, 2016)

## THE BULK OF EMISSIONS COME FROM USING UNSUSTAINABLE ENERGY SOURCES

Manufacturing, much of it related to processing the agricultural produce of the county, generates 20% of Herefordshire's GVA, but in doing so also creates 15% of its greenhouse gases. The bulk of these emissions comes from the energy used in processing and heating the manufacturing facilities.

The manufacturing sector has a major opportunity to improve both its bottom line and the environment by changing its present pattern of energy consumption. It will need a combination of renewable sources of energy the introduction of cleaner and greener processing methods and tighter energy management. One particular technology application which merits detailed investigation pasture is the creation of large-scale photo-voltaic cell 'farms'.

## FOR MANY BUSINESSES, THERE IS ALREADY A POSITIVE INVESTMENT CASE FROM TACKLING THEIR EMISSIONS

Furthermore, we have seen in our report on the Herefordshire economy\*, published in July 2021, that new technologies are driving growth in jobs and income. Exciting new businesses, focused on 'green' technology have been established and, if the right conditions for innovation are fostered, substantial investment in this sector of the local economy should be possible.

As the UK travels down its pathway to net zero new "Green Industries" will grow such as battery manufacture, heat pumps, hydrogen fuel cells, electric and hydrocarbon vehicles, plant and building control systems, solar generation – and the list goes on.

Herefordshire only needs to attract a few successful companies active in the Net Zero transformation journey to significantly boost GVA and catch up with the rest of the UK.

The establishment of NMite as a centre of "green engineering excellence" can help attract such companies. It could offer both the R&D centre which companies in the Net Zero pathway need for their success, as well as providing a graduate pool of talent for these companies to draw on. This could be complemented by the growth of the College of Technology and other education institutions in the county.

\*(Herefordshire 2030 Project, 2021)

# HOW CAN HEREFORDSHIRE MEET THE CLIMATE CHALLENGE?

While some of the information in this report is new, there have been reports and initiatives making similar points going back at least a decade. Many of these have been effective, but in aggregate, they have not had enough effect.

With the situation becoming ever more critical, we have to ask what can Herefordshire do now that will have a large enough impact to achieve carbon neutrality?

We believe that any solution must address:

- The need for systemic change – the entanglement between the economy and the environment and between central government policy and local players' actions is a critical driver of the problem; and
- The scale of the problem – it is easy to come up with positive initiatives which, though far better than nothing, fall far short of meeting the challenge;
- The need for collaboration – no single group, not even the CO2 emitters as a group – can tackle the change alone.

## The need for systemic change

Especially in relation to Agriculture, it is clear that achieving carbon-neutrality will require a systemic solution including not just action by farmers, but also supporting action by consumers, the Council and Central Government.

Achieving carbon neutrality will require alignment of subsidy, regulation and demand. This is easy to say, but working out the details and gaining agreement of all parties will be a demanding challenge.

## The scale of the problem

Given the challenge above, there is a temptation to say, 'that sounds too difficult – let's all just do what we can.' But as Figure 1 showed, there is no way that such an approach can even get us close to achieving carbon-neutrality.

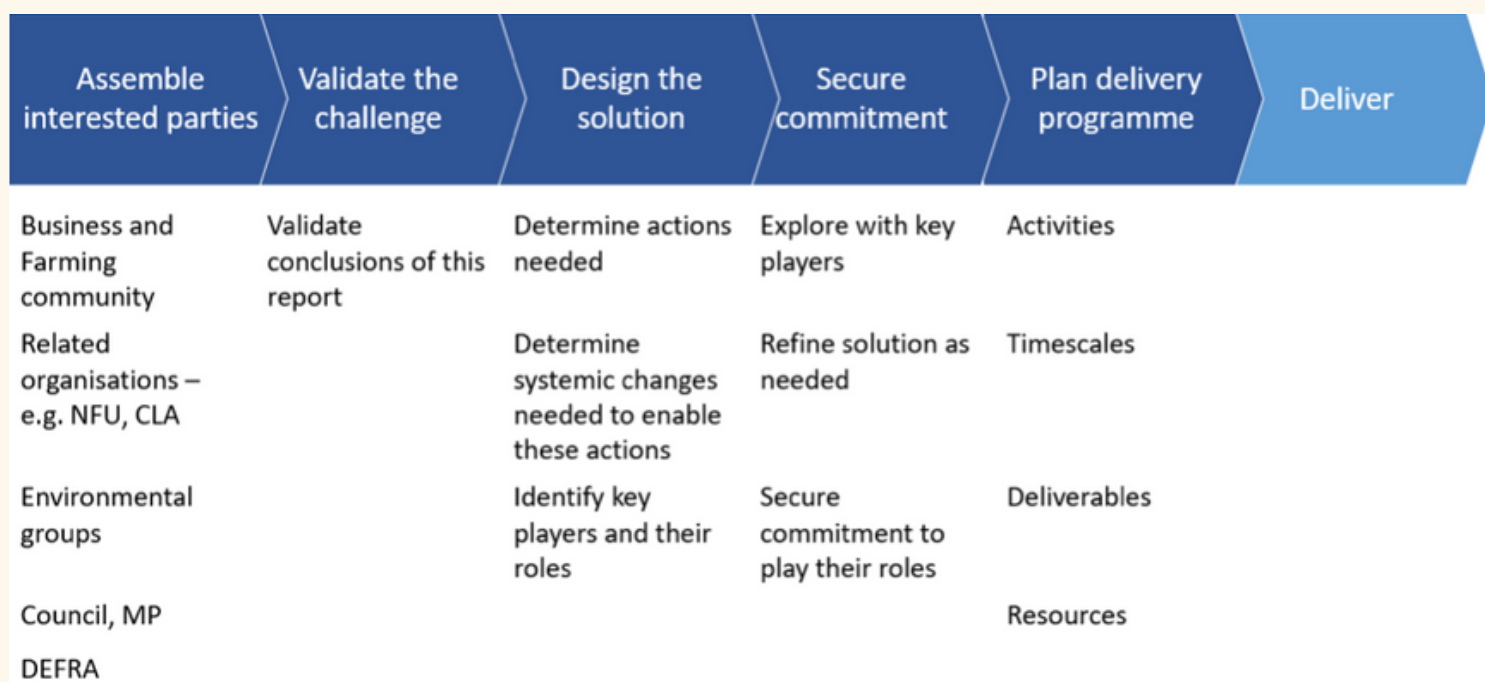
We need to acknowledge the scale of the problem and put in place a solution of equivalent scale.



## The need for effective collaboration

In his book “The Origin of Wealth,” the economist Eric D Beinhocker looked at what caused the step change in the global economic growth rate at the end of the 19th century. For thousands of years, economic performance was basically flat. However, at the end of the 19th century the economy of the world took off and has been growing exponentially since then. His research concluded that it was not simply population expansion or technological development that lay behind the change – but social innovation – the creation of the rules and regulations that enabled humans to collaborate more effectively.

It is likely that Herefordshire needs radical collaboration if it is to put all the pieces of this jig-saw in place. No single group – not the farmers, not the business community, not the Council – can assemble the conditions needed for success. To address Herefordshire’s climate challenge will require not only an unprecedented coalition of local groups, organisations and individuals but also for that coalition to help shape national policy.



Even to get to the stage of having a workable plan is a significant undertaking. The programme of work will be both substantial and complex, with multiple interdependencies and trade-offs. It will need detailed planning and budgeting and clear accountabilities for delivery. It will only be successful if all parts of the local community – the council, the private sector and the voluntary organisations – work together in partnership.

# CONCLUSION

Environmental turnaround is possible – and that the turnaround itself will also help meet the economic growth and social equity challenges faced by the county.

It may not be easy – but it is achievable if all parties collaborate effectively.

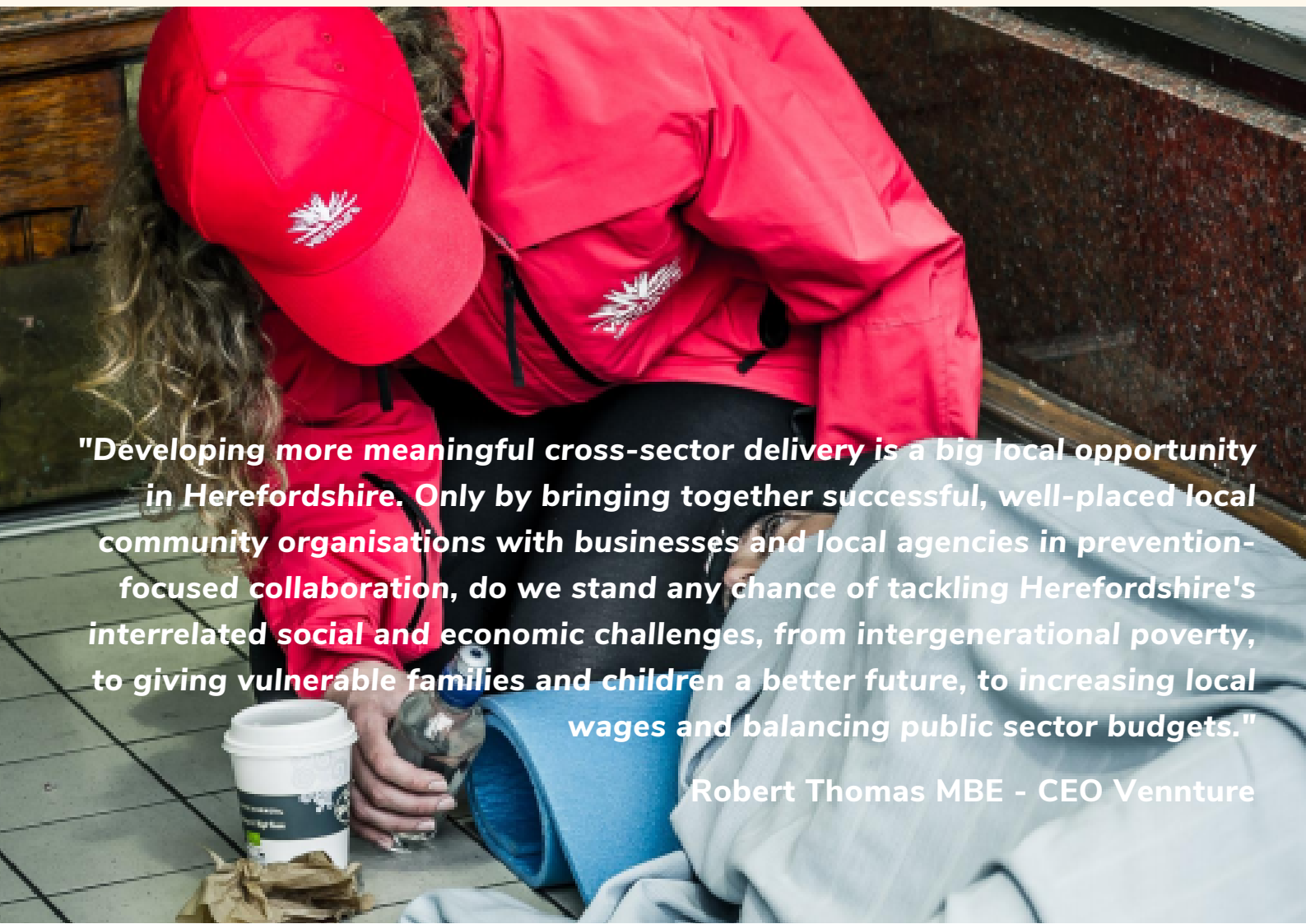
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# MAKING HEREFORDSHIRE FAIRER

Herefordshire 2030 – Addressing Inequity in the county



**"Developing more meaningful cross-sector delivery is a big local opportunity in Herefordshire. Only by bringing together successful, well-placed local community organisations with businesses and local agencies in prevention-focused collaboration, do we stand any chance of tackling Herefordshire's interrelated social and economic challenges, from intergenerational poverty, to giving vulnerable families and children a better future, to increasing local wages and balancing public sector budgets."**

**Robert Thomas MBE - CEO Vennture**

# INTRODUCTION AND SUMMARY

Like the rest of the UK, Herefordshire is currently in the grip of a serious cost-of-living crisis. And, like the rest of the country, we are focussing on helping those currently in need. This is, of course, exactly what we should focus on right now.

But there is a deeper issue that we should not forget: when the cost-of-living crisis abates, Herefordshire will still have a significant and growing issue of deprivation.

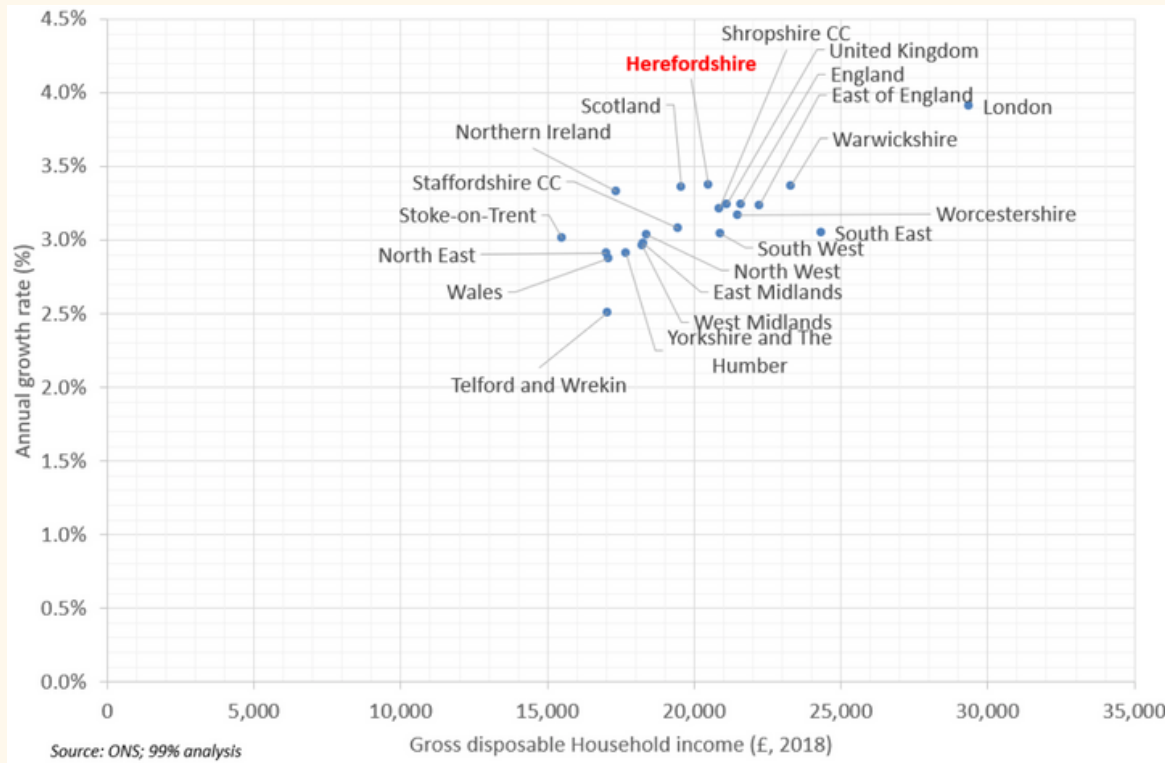
This report, which was produced by volunteers from the 99% Organisation and guided by a Steering Group representing a cross-section of concerned organisations in the county, focuses on these underlying issues. It shows that although the county has less severe deprivation than many other parts of the UK, ours is also less easily resolved – rural poverty has special characteristics which mean that what works in Tower Hamlets may not work in Hunderton. It also suggests that – even before the recent cost-of-living crisis, deprivation has been on an upward trend. Past approaches to tackling the problem have not been enough to stem the tide and without a change in strategy, we are likely to see a continued upward trajectory for poverty in the county.

The report invites us to consider what it might take to reverse the trend: to produce a 40% reduction in deprivation over the coming decade.

It suggests that such a target may be achievable if:

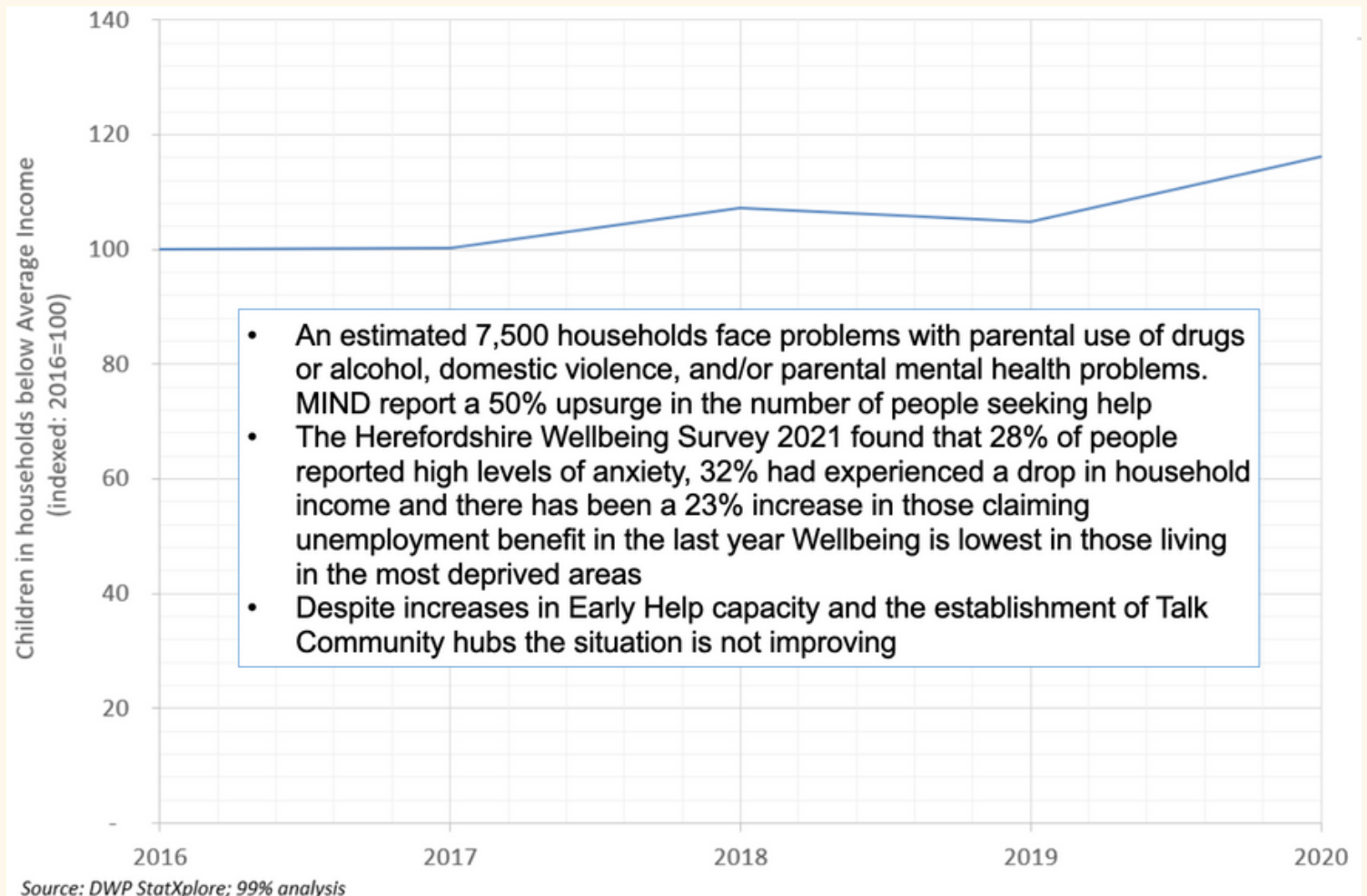
- We work together to design Herefordshire-specific solutions to meet the specific needs of those in poverty or at risk of falling into poverty, recognising both the specific challenges of rural poverty and the strong interdependence between economic, environmental and social factors;
- We build wherever possible on the great work already being done by many organisations in the county;
- We design new ways to scale-up the most effective interventions to meet the scale of the challenge, with a new system of governance to maximise access to and efficient and effective use of resources.

**Herefordshire has far from the the lowest household income/head in the UK, but it has ~19,000 people on low income, half of whom are children**

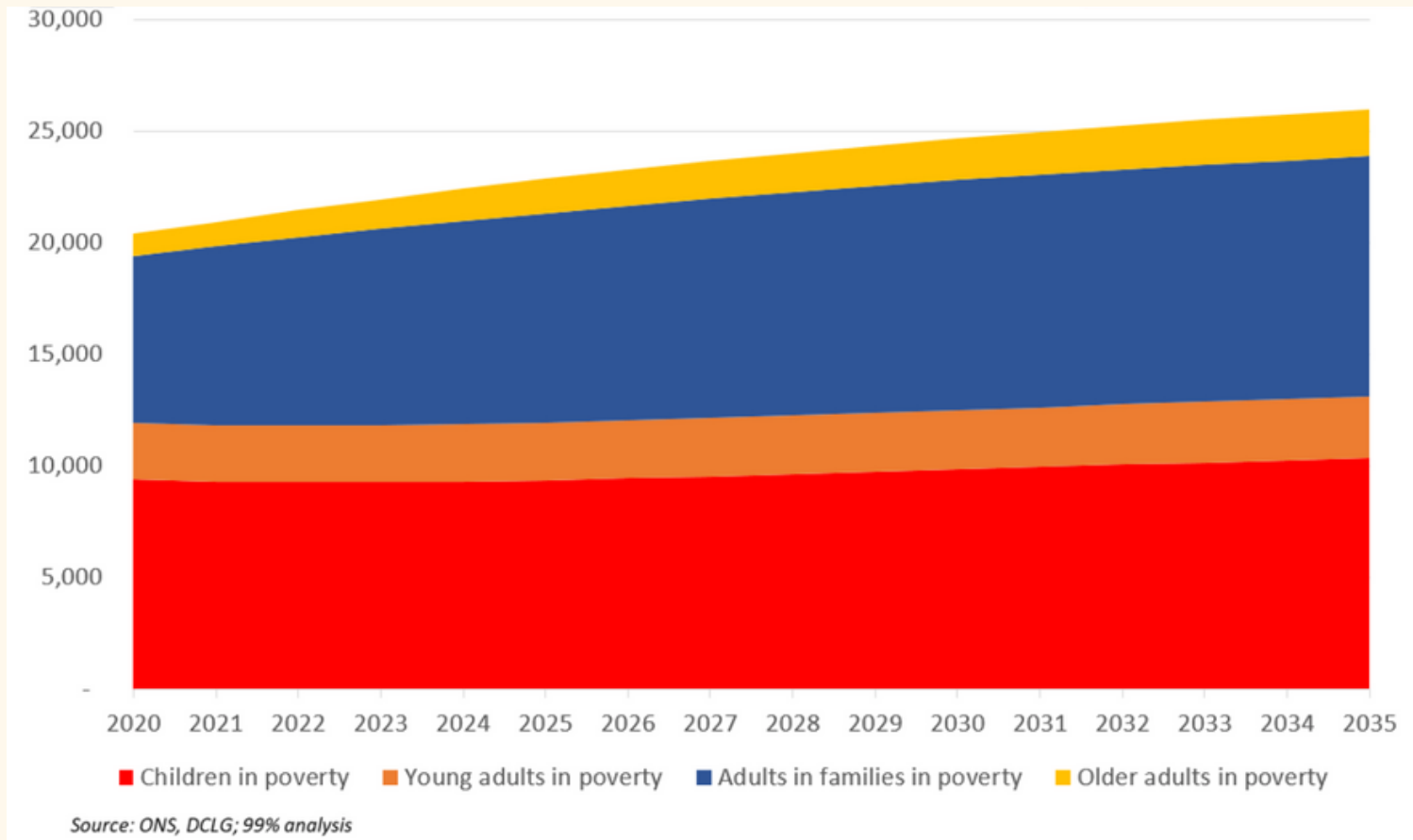


We may not be the worst in terms of deprivation – but we should improve. We are also in the bottom 20% of regions for social mobility, which suggests that deprivation is entrenched (Social Mobility Commission).

**Despite all efforts so far, the situation is not improving**



**Without a change in approach, by 2030, we could have worse poverty and even greater social problems than today (even if the £1BN 'hole' in the county's economy is fixed)**



PRELIMINARY ESTIMATES: TO BE VALIDATED

The natural dynamics of population growth and social mobility (including downward mobility) will tend to produce a worsening over time – as we have seen in the past.

**So how can we deliver a substantial reduction in deprivation in the next 10 years?**

**Suggested Target: 40% Reduction in Deprivation**

- Lift 8,000 people\* out of deprivation by 2032; that is over 800 every year; in other words, 15 people every week
- And do so in a programme that is self-funding for society in the sense that, as well as helping the individuals and their families, we avoid the multiple costs that can be associated with falling into poverty – benefits, healthcare, social care, addiction support, Justice system costs, etc

\* 40% of the 19,000 currently in poverty

**Answer: Hitting the target will need a carefully designed programme of interventions to target Herefordshire's specific problems, building on what works already, but delivered at much greater scale**

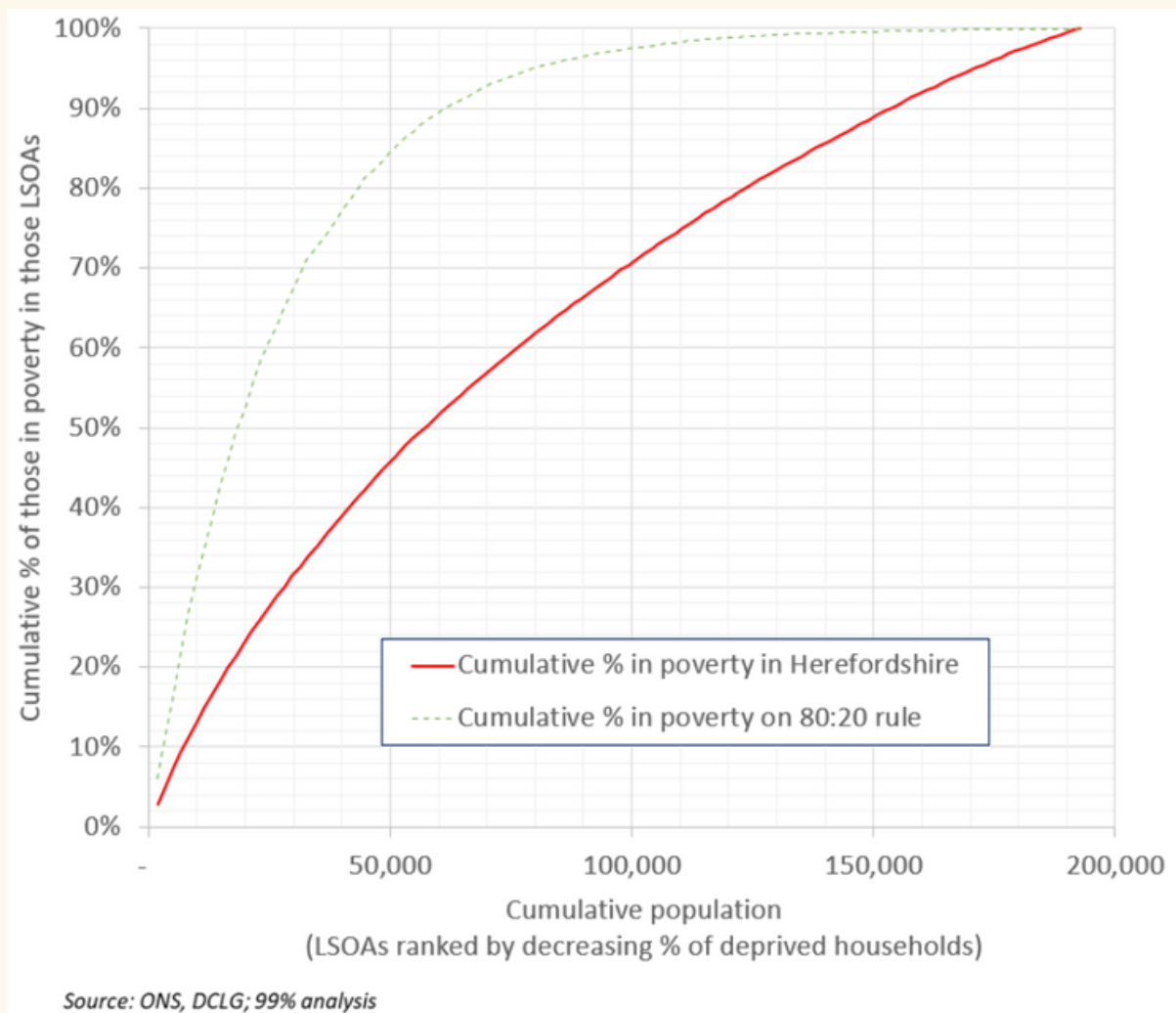
- We need to design solutions that meet the county's specific needs:
  - Poverty in Herefordshire is far more dispersed than is usual – any solution must reflect that
  - In Herefordshire, although most poverty is urban, we must address significant rural poverty with its own challenges
  - Interventions must recognise how interdependent are the challenges facing those in poverty
  - We should design early interventions around the needs of individuals, not existing organisational structures
- Where possible, we should build on what works already: there is good evidence that this kind of targeted intervention can be successful in Hereford
- And we need to find a way to scale up the most effective approaches:
  - With the right interventions at the right scale, we can hit our target 40% reduction
  - Success may require an innovative and more integrated approach to governance



**The immediate next steps should be to validate these conclusions then detail, design and implement the solutions**



## Poverty in Herefordshire is far more dispersed than is usual – any solution must reflect that

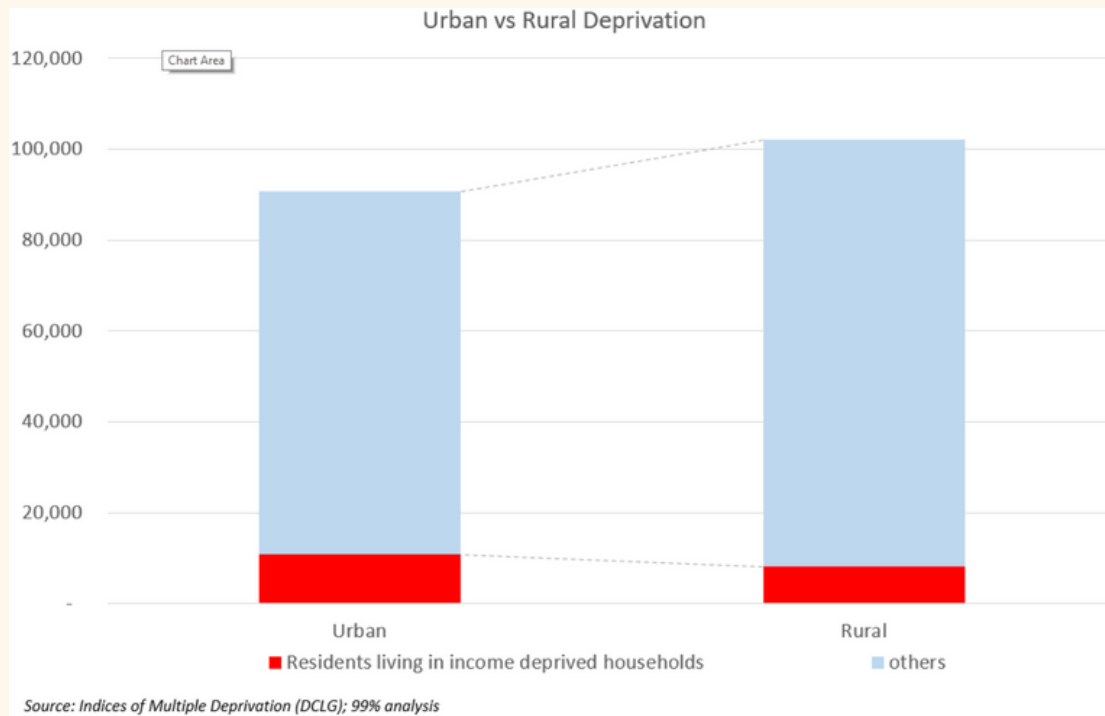


The distribution of poverty in Herefordshire is unusual. You might normally expect poverty to be concentrated – for example, following the ‘80:20 rule’ that 80% of the poverty would be found in 20% of the local areas. In Herefordshire, the distribution is much less concentrated.

This has profound effects for the type of solution which will work in Herefordshire. Focussing on the 20% of most seriously deprived areas would be very effective in most regions; in Herefordshire it would address less than half the problem.

Furthermore, since many in poverty are not mobile, to be effective we must bring support to them; they cannot come to a central hub (a problem that will only become more acute if public transport services are reduced even further).

## In Herefordshire, although most poverty is urban, we must address significant rural poverty with its own challenges

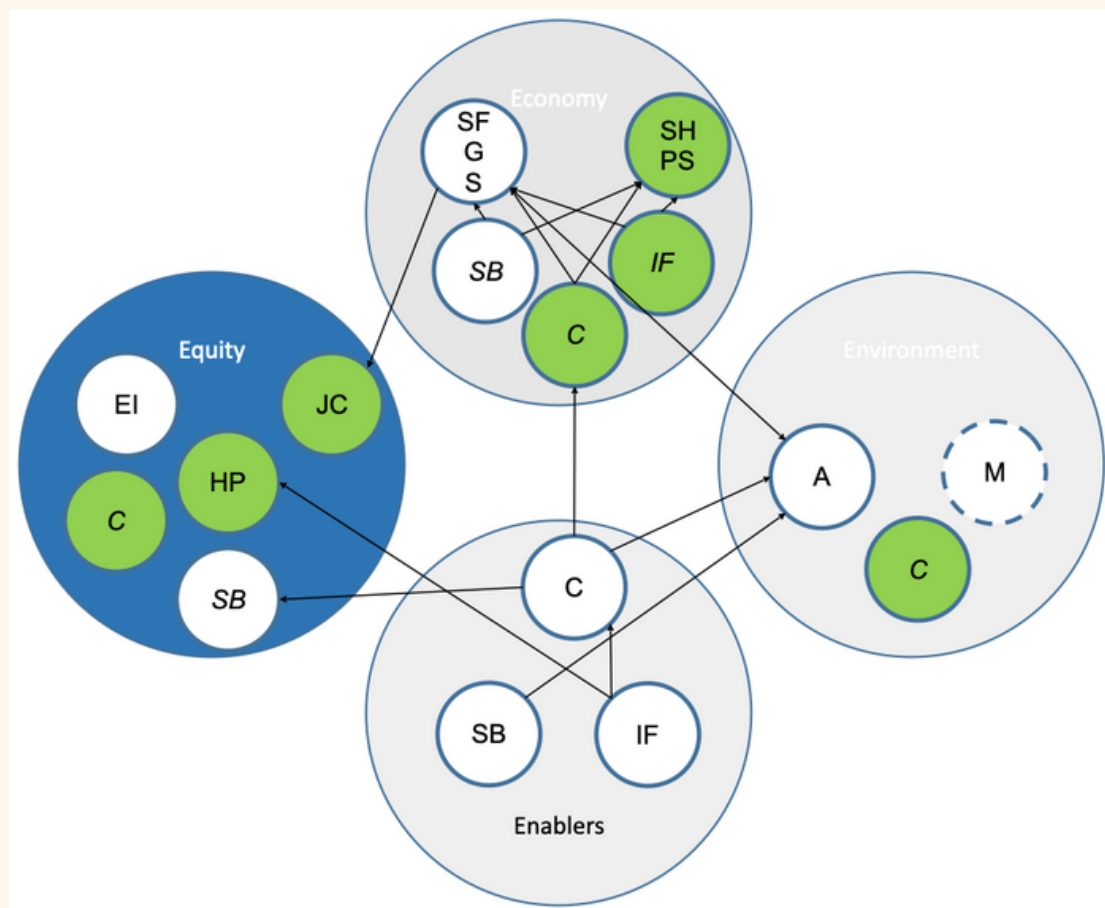


In many parts of the UK, poverty is essentially an urban issue – and many solutions have been developed with urban populations in mind.

We need solutions that do not assume easy access to town-centres or the internet

In Herefordshire, urban solutions are necessary – but not sufficient.

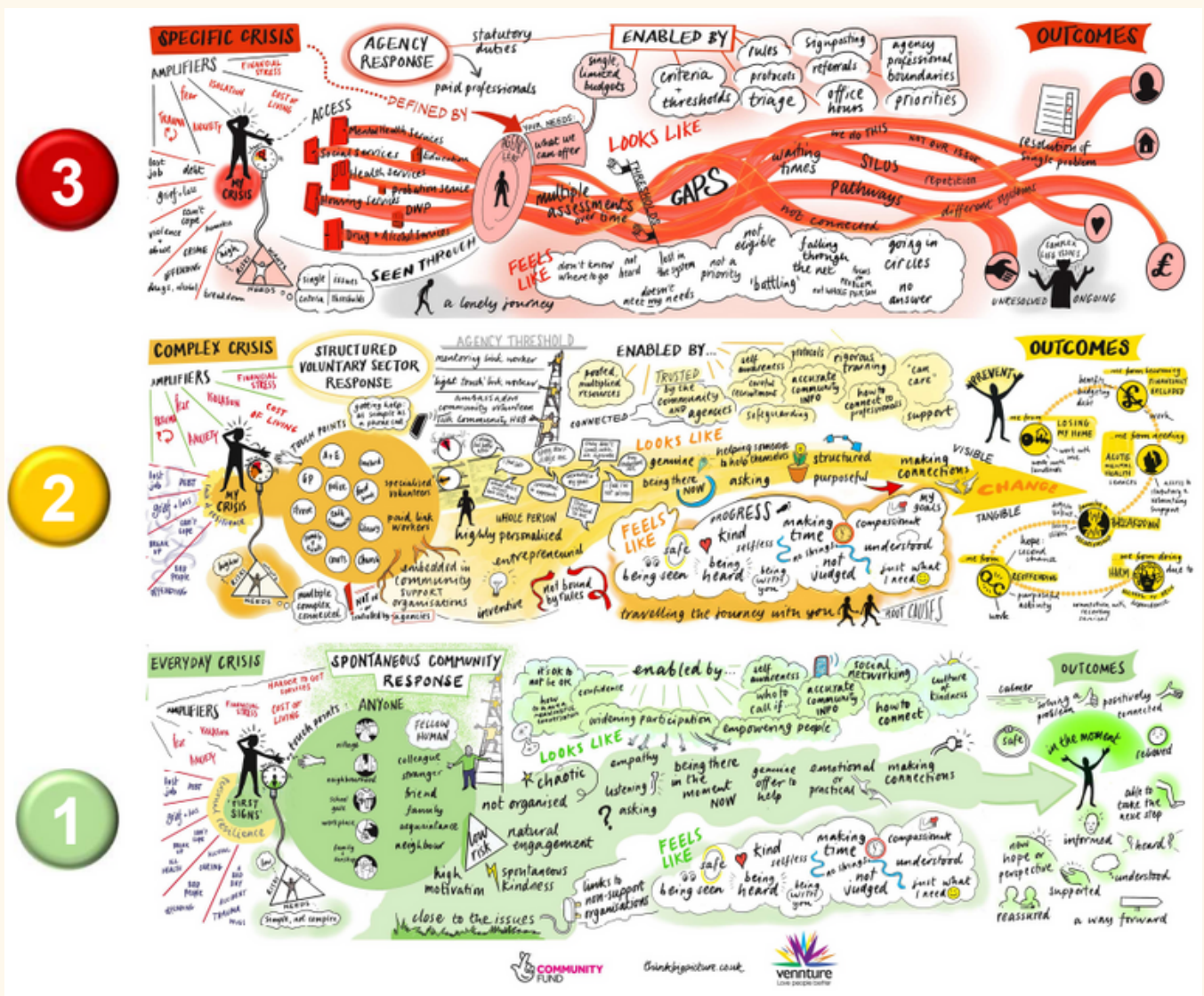
## Interventions must recognise how interdependent are the challenges facing those in poverty



SFGS: Stimulate fair growth jobs  
 SHPS: Stimulate high productivity sectors  
 SB: Skills building  
 HP: Housing & Planning  
 EI: Early intervention  
 JC: Job-creation  
 IF: Innovative Finance  
 C: Connectivity  
 A: Agriculture  
 M: Manufacturing

To be effective, any solution must be part of a more systemic approach including factors like housing, connectivity (physical and virtual), skill-building and job availability.

And it is likely that an effective solution will require a portfolio of interventions in three different tiers



We should, wherever possible, design early interventions around the needs of individuals, not existing organisational structures. At the moment it is too easy for people to fall through the cracks.

## There is already powerful evidence that targeted intervention can be successful in Hereford

### Case study from Vennture

**The Situation:** “When you came to me, the cupboard was bare - a pot noodle for three kids.

Being a single mum was hard – being haunted by dad’s addiction. Then redundancy hit and there was no help – not where I live. I was alone. No one understood. No one talked to me. I just didn’t fit anymore. Others were so well-off. I couldn’t look at them.

I counted every penny for the food. £5.70 bus fare? £1 for the school fete? Nothing for the pay-as-you-go - I couldn’t call anyone. The bills? I stopped opening the post but couldn't stop the kids being hungry.

I was desperate – down to that last Pot noodle. Then you came along. You brought the food parcel. You listened. You opened the letters. You did not judge. You were just there for me. I had nothing - you brought me hope.”

**The Intervention:** Weekly community-based mentoring home visits over a period of six months followed by lite touch support thereafter.

**The Outcome:** We supported the family to move to more suitable accommodation nearer to services [and away from danger-previously victim of domestic violence and child abuse] . We also supported her to meet with CAB to get some debt support and advice. We also supported her with day-to-day budgeting.

She is now settled in her new home with a new partner and has secured some part time work that fits in with her caring commitment for her children and her partners full time work. She worked throughout lockdown. The children are settled into their new school and doing well.

## Case Study from The Living Room

**The Situation:** “I fell through numerous gaps in our nation’s support system. I was just not homeless, but lived rough. I washed in the River Wye, collected water from downpipes, cheekily used a café’s power point to charge my phone. Universal Credit put me on their books, but wouldn’t assist with any housing allowance. Getting only the basis UC allowance meant I could just afford a swimming bath permit and the use of their shower.

Basics to get anyone onto their feet weren’t available in Hereford and still aren’t for a homeless person. Washing and laundry facilities were not available for a person like me, so that I was not presentable when applying for work.”

Even when the first frosts appeared the Council said there was nothing it could do and more accurately ‘move on’. I had reached out to everyone I could find to assist me. Some organisations had charming staff, but were not able to assist. Only The Living Room was able to persevere with my situation.”

**The Intervention:** “When introduced to the Living Room in Commercial Road, the kindness I was shown resulted in me breaking down in tears. I was given a little dignity and most importantly sustenance. A hot meal every day and sandwiches to take away to my tent, a sleeping bag, a safe space that allows access to Wi-Fi and an ability to charge your phone before having to head onto the dangerous streets of Hereford. The Living Room knows its way around the social system and was always there for me with free and knowledgeable advice through contacts with relevant authorities and moving things forward.”

**The Outcome:** “An introduction to a local vicar, a wonderful person who thought outside the box and who made introductions for me began to change my life. During winter’s worst weather his church kindly funded me to stay in a B&B and further funding from The Living Room extending my stay at the B&B. Eventually I was able to find a job and permanent accommodation. I am now back on my feet and finding the energy to fill in some of the gaps I fell through. Homelessness in our wonderful nation is a disgrace.”

## **Case Study from Herefordshire Voluntary Operations Support Service HVOSS/No Wrong Door**

**The Situation:** One 17-year-old man had been referred to Addaction (the charity). However, he had been brought to the attention of the Police for causing low level anti-social behaviour around the City of Hereford and had been referred to the Youth Support Services. He had been attending one-to-one sessions at 'No Wrong Door' but was referred once more in order that further intervention work could be considered. He was also at risk of committing criminal acts, thereby entering into the criminal justice system, with few prospects for the future.

**The Intervention:** The young man engaged in a pilot programme with a personal trainer that included six 2-hour long sessions of engagement through discussions that challenged behaviours and values, as well as positive aspects of personal fitness and well-being. The intervention with his trainer, especially through the physical exercise sessions, provided many opportunities for conversation, and more importantly perhaps the exhilaration previously provided by his drug taking habit. His training developed into group activity, most notably rugby, with the prospect of joining a team, with all its benefits including that of regularity and a daily routine.

**The Outcomes:** He talks about his friends and about his girl-friend with his trainer and also about his future. The discussions enable him to reflect on the future with the friends he currently has outside the world of fitness that cause trouble for him. Where will these friends take him in the future? He reflects on the problems that his surroundings have for him, of the difficulties of escaping from the frictions and divisions. He talks about 'climbing up a rung or two on life's ladder and of improving his confidence. His engagement enables him to think deeply about what will happen if he turned down his friends to go and train at the gym and of alternative friendships that are developing at the rugby sessions. Breaking away from groups is never easy, but the sessions provide him with routes for change, with increasing his confidence to believe in himself and to make his own choices.

The longer term benefits of this pilot programme is that, for example, the Halo leisure centre will give a 4 month free membership to anyone who has completed the 6-week pilot programme, which will help to embed a new lifestyle. The benefits of this pilot have led to consideration of different interventions, including those that have a more artistic focus.

## HVOSS/No Wrong Door 'Drifters' Project

**The Situation:** 'Drifters' is designed to engage vulnerable young people in worthwhile activities in safe non-formal environments. 'No Wrong Door' works across the community youth sector and provides a single point of access, enabling ongoing support so that youngsters are enabled to find suitable pathways by way of partner agencies to enrich their lives.

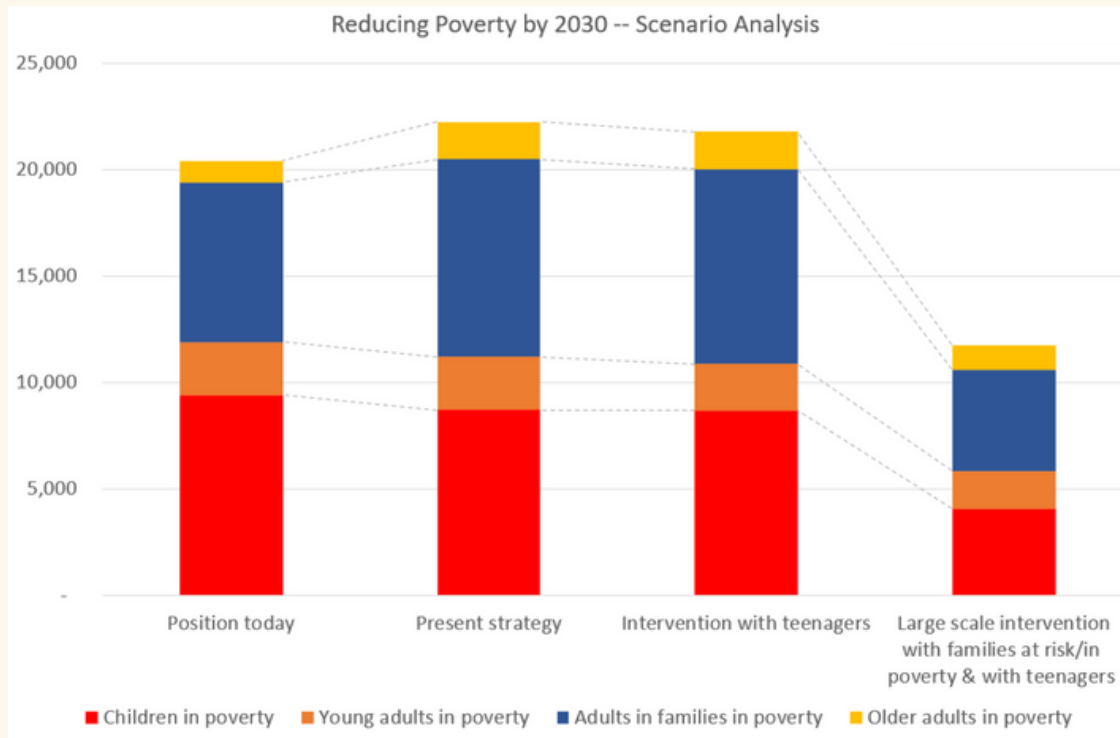
**The Intervention:** Before the pandemic of 2020, there was a two-year outreach programme, promoting social engagement through a range of fun activities and conversations at the Castle Green. Castle Green is an open space close to the River Wye. Conversations provided engagement with young people enabling them to become aware of the services that were available. The intervention was a valuable opportunity to build trust, not just of young people to the organisers, but in the other direction, too, enabling an understanding of the difficulties faced by youngsters in their lives. There were 11 outreach sessions followed by 29 weekly drop-in sessions at 'No Wrong Door'. These different venues offered opportunities around drift trikes, pool and cards and of course conversations and some fun. 57 different individuals accessed the project.

**The Outcome and (Initial) Findings:** Whilst it is too early to assess the long-term effects of these interventions, some of the youngsters referred themselves to other support services and more adults offered to assist in future programmes.

Short-term, the outcomes are reported by youngsters' comments such as 'met new friends, good to have social time with no phones, teamwork was brill, better than hanging out outside, met all staff members and really liked them, the sessions were good; nothing could make it better'. These comments are evidence that providing an opportunity that takes young people away from the temptation of criminal activity and to just enjoy themselves in a safe environment enables them to reflect on alternative life styles.

Longer-term, the finding is that of HVOSS itself. There must be a more joined up approach and a more positive response to the identified hotspots where children and young people gather and cause low level anti-social behaviour and open drug dealing, putting vulnerable young people at risk of exploitation. With sufficient resources and encouragement, the kind of activities developed by 'No Wrong Door' could develop into a more comprehensive approach to complement Early Intervention work within the county enabling these kinds of young people to engage with society in more positive ways.

# If we can scale up with the right interventions, we can hit our target for a 40% reduction in deprivation

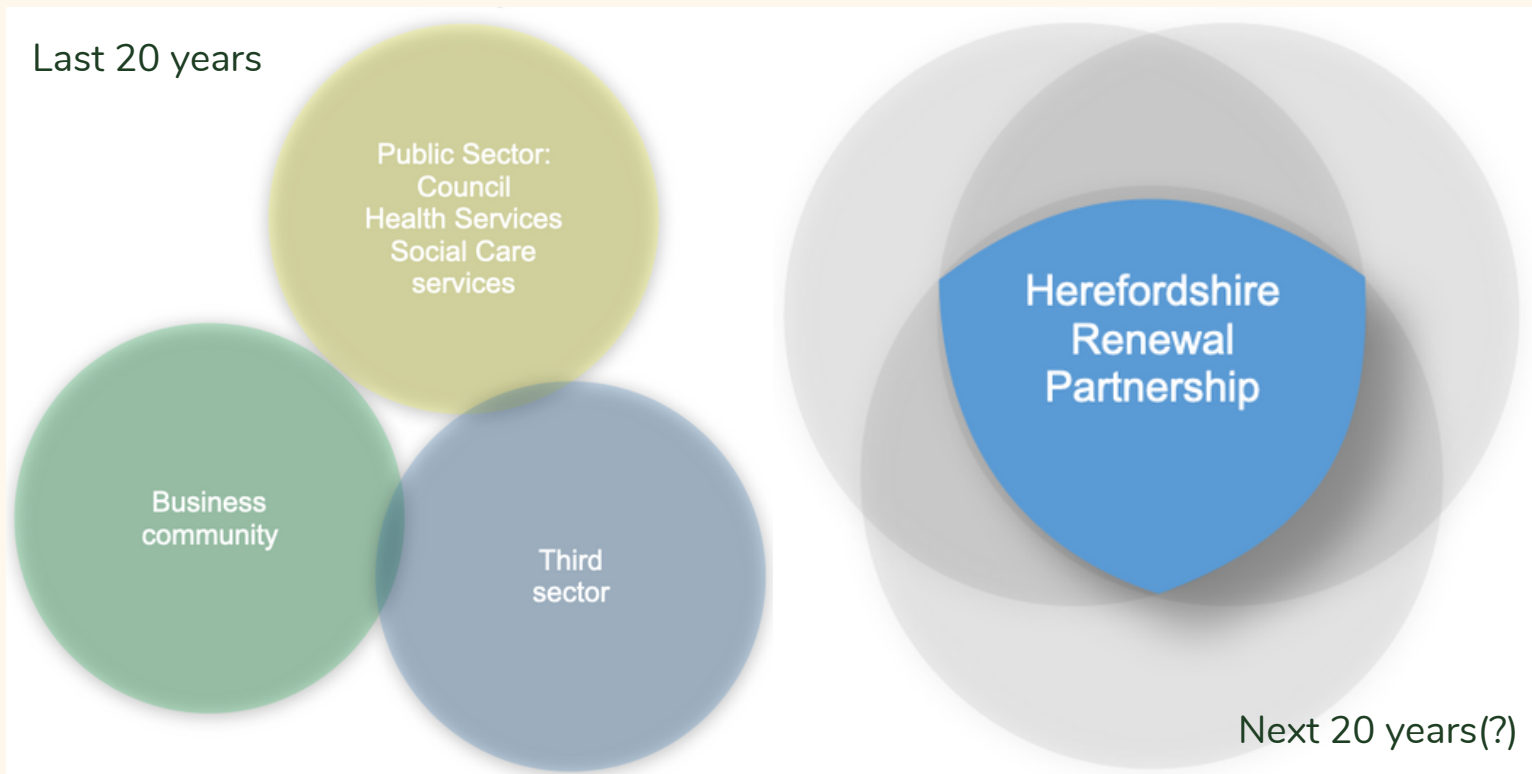


The scale of intervention needed is large by past standards, but not in absolute terms.

At any time, we might need to work with and support around 2,500 people around the county.

If we can do this with a 50% success rate, we will hit our target

## Success may require an innovative and more integrated approach to governance



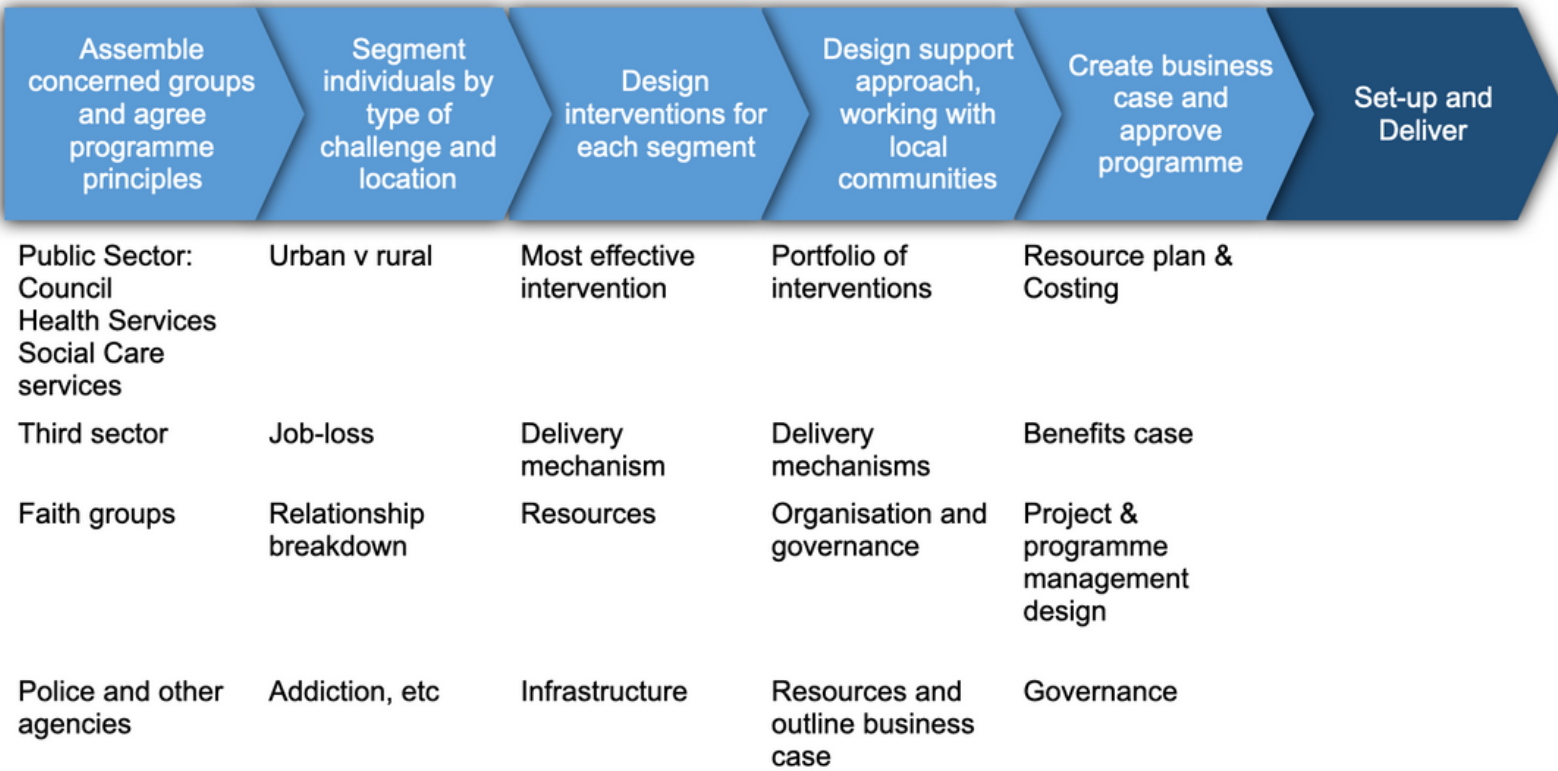
No single organisation – or even sector – will be able to deliver the type of integrated solution that is needed.

We may need a new kind of partnership with greater coordination and collaboration: and that in turn may require new forms of governance.



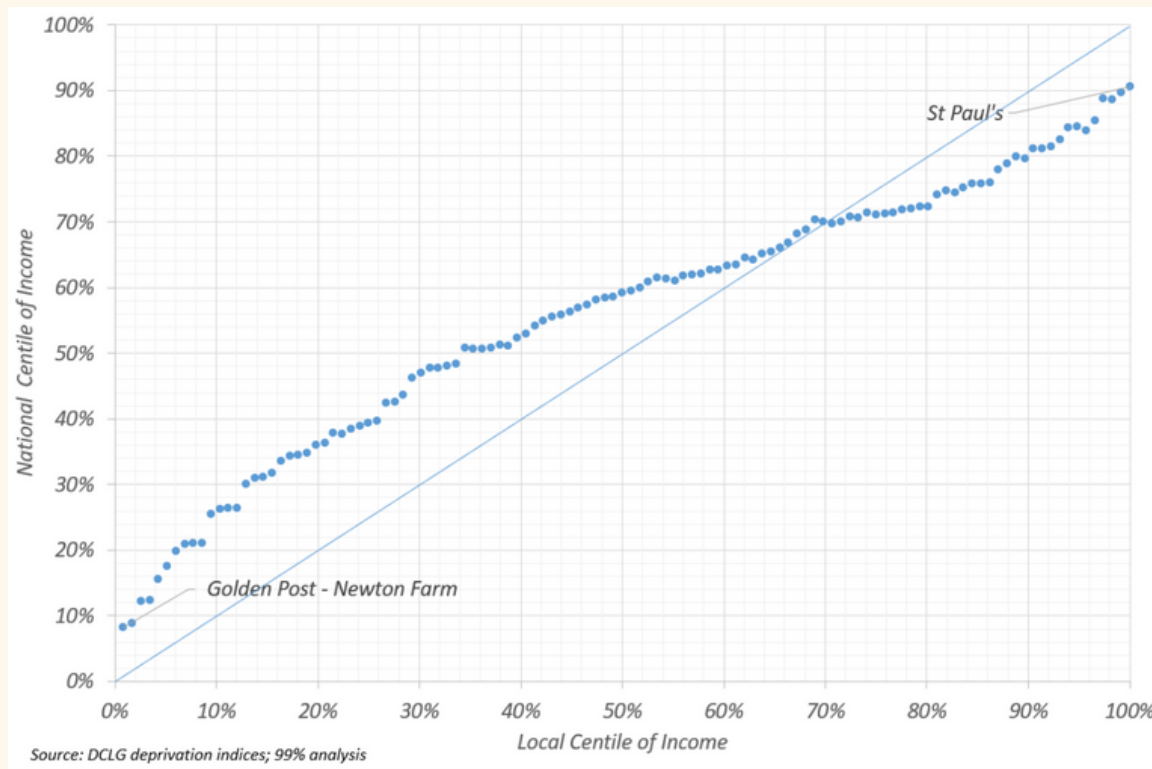
# Now we need to validate, detail, design and implement

Next six months



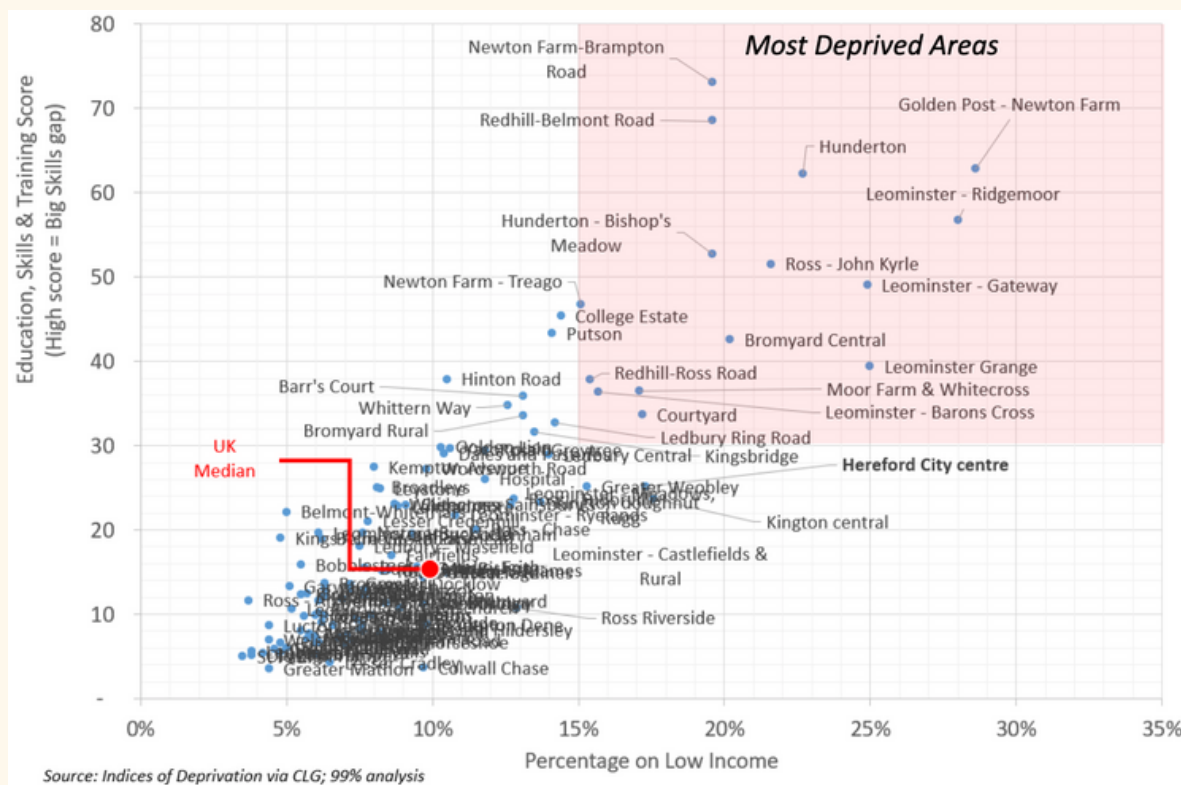
# APPENDICES

Herefordshire has fewer very rich and also fewer very poor areas than the UK as a whole



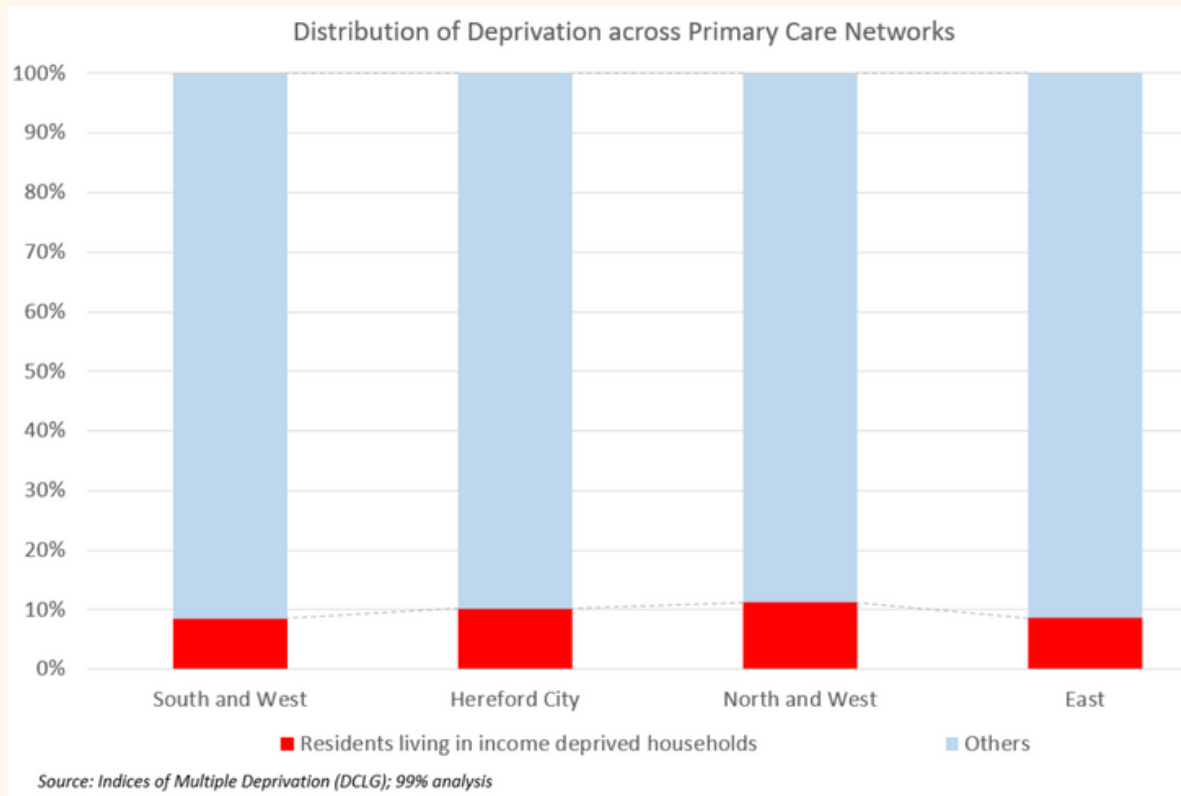
Observation:  
The richest ward in Herefordshire would just make the top 10% nationally; and the poorest would just make the bottom 10%.

And there is a clear link between low skills and low income



Hypothesis:  
As well as short-term support, we need to tackle the skills and opportunities issues.

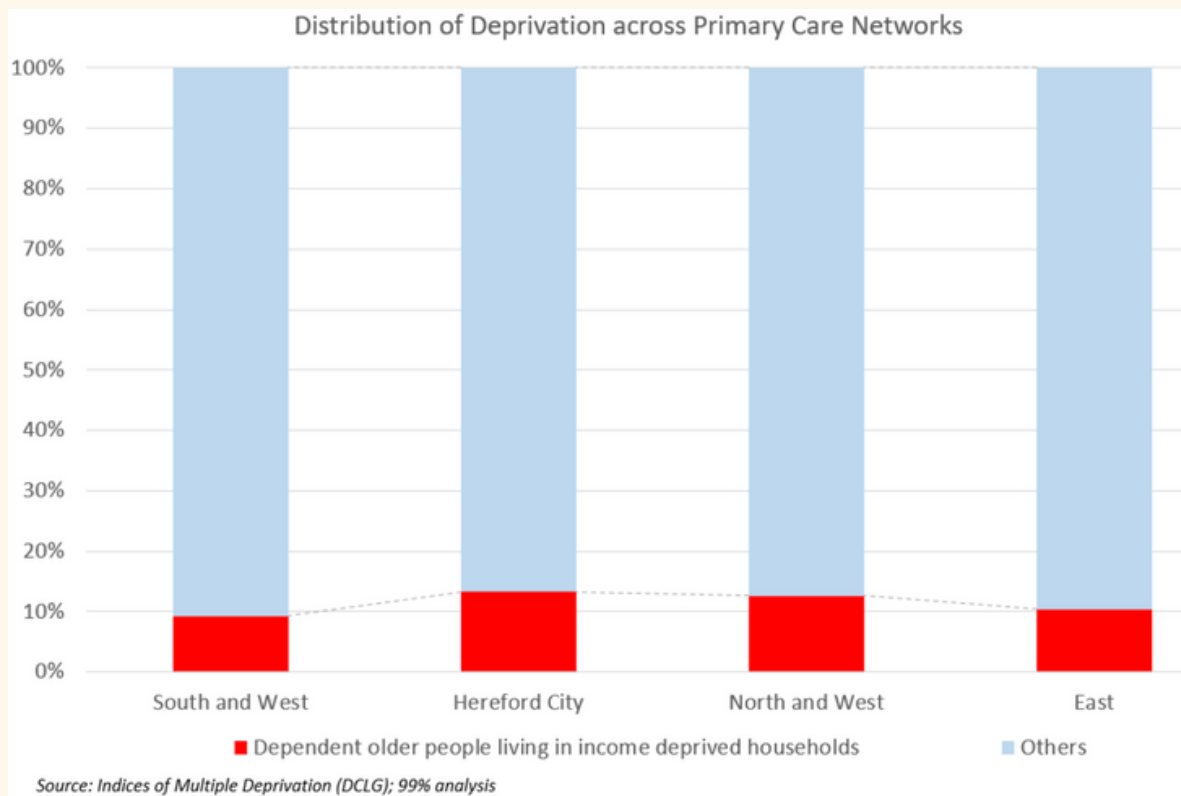
## The greatest concentration of poverty overall is in the North and West PCN



In percentage terms, the greatest concentration of poverty is in the North and West of the county.

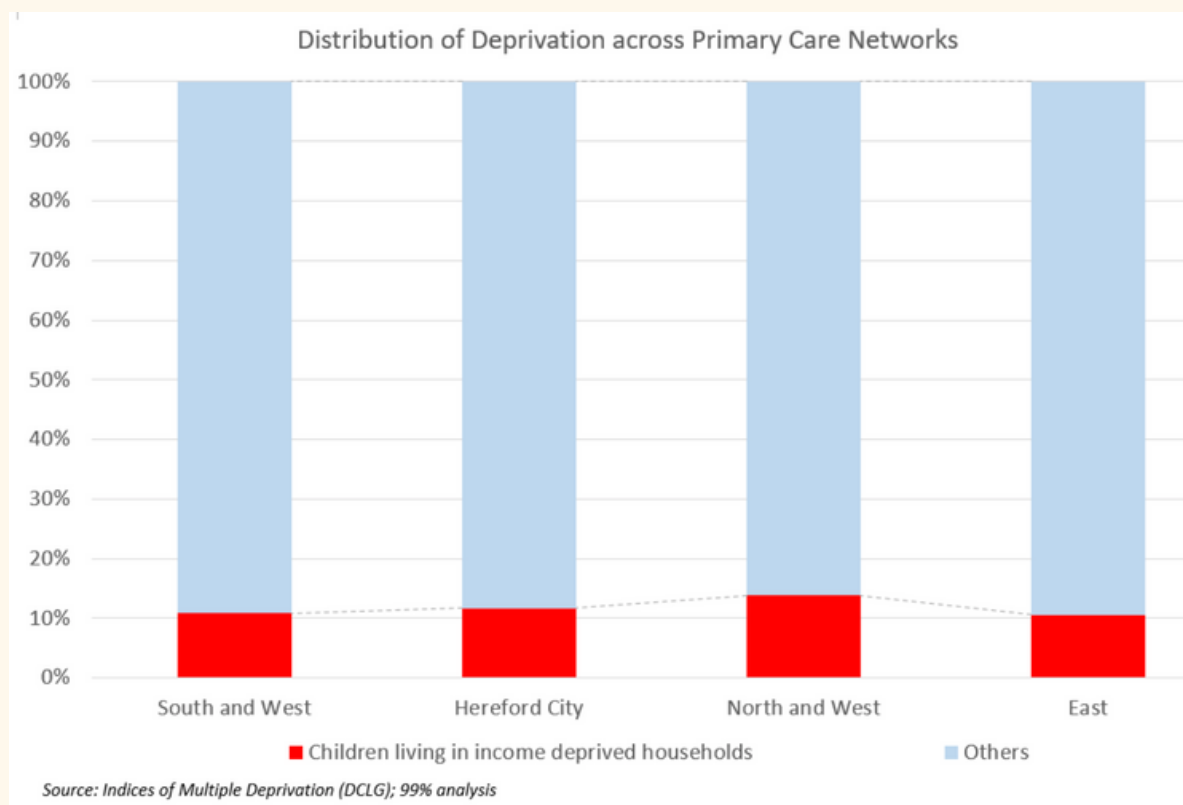
Basing solutions on the needs of those in the City will not reach these people.

## With Older people in poverty, the problem is most concentrated in Hereford itself



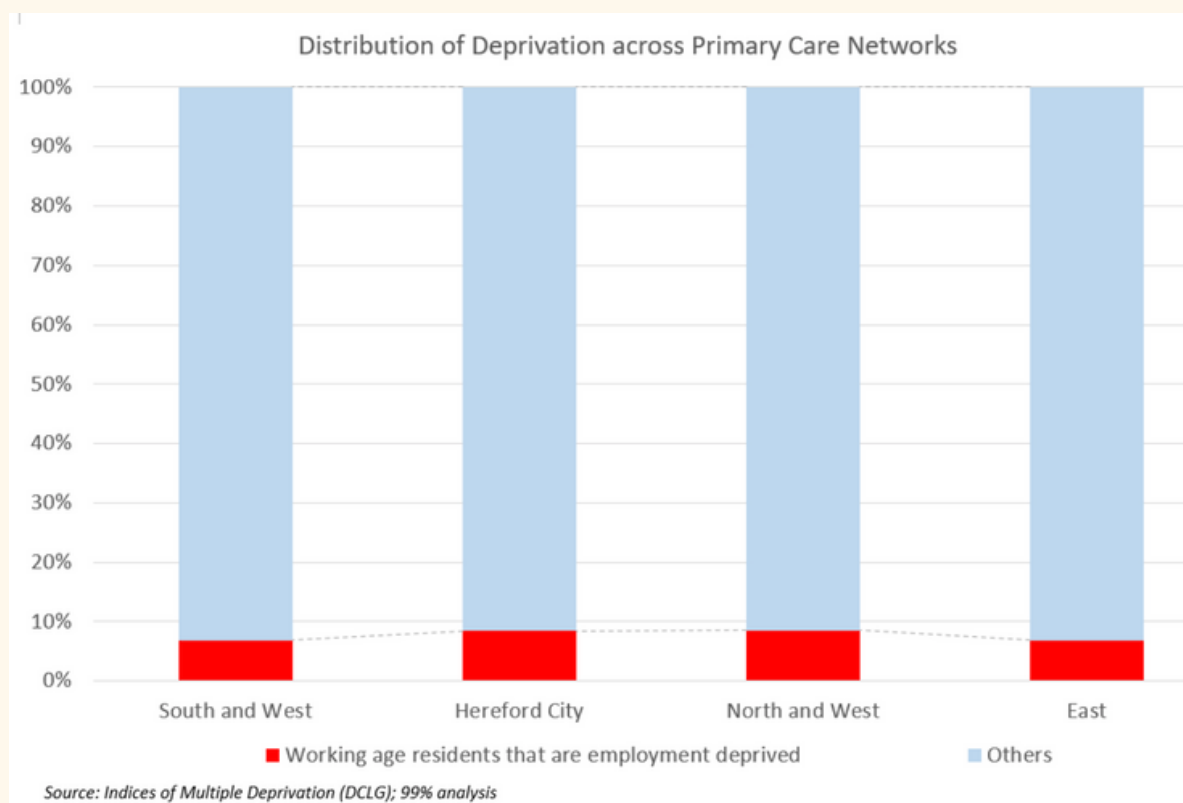
For older people, by contrast, the City does represent the greatest concentration of poverty, closely followed by the North and West.

## Child poverty is concentrated in the North and West PCN



The greatest concentration of child poverty is in the North and West – significantly more than in other areas.

## Hereford City and the North and West both have a significant employment issue



Unemployment is an important factor in all PCNs, but especially so in Hereford City and the North & West