



# Annual Report 2006-07



**ruralregenerationzone**  
improving the quality of life around here



# Introduction

Thriving communities



Rural Regeneration Zone

The Rural Regeneration Zone, a key Advantage West Midlands delivery mechanism, is the only one of its kind in England. It is one of Advantage West Midlands’ six regeneration zones, but unlike the others it is not based in an urban area. Established in 2002, the Zone area covers nearly all Herefordshire, most of Shropshire and some of Worcestershire.

Although the rural west of the West Midlands region enjoys a fairly high level of economic activity and low unemployment, it has largely been a low-wage, low-skill economy based on declining industries. While that is now beginning to change, many of the Zone’s young people still feel the need to leave the area in order to further their employment or educational goals. Allied to this the Zone also faces significant social challenges and difficulties in terms of access to services and opportunities along with the shortage of affordable housing.

The Zone has a budget of £36 million in the 2007-10 programme period and is now delivering, with partners, projects and programmes that are tackling some of these challenges. An economic environment that attracts high-technology, knowledge-based jobs is being created, and the Zone’s existing and future workforce is being helped to improve their skills, so that they can take advantage of the changes.

*“The Rural Regeneration Zone has contributed The Zone boundary is not a statutory one, so when it comes to investment there is enough flexibility to consider proposals from areas adjacent to the Zone, providing they will have a positive impact on people living or working within it.”*

1. Improved skills
2. Environmental excellence
3. Strong economy



The Rural Regenerations Zone’s vision for the next three years is contained in the Zone Implementation Plan 2007-10. This re-states the core objective, which is that *‘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’*.

The Zone’s strategic objectives remain:

- 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.

The Zone boundary is not a statutory one, so when it comes to investment there is enough flexibility to consider proposals from areas adjacent to the Zone, providing they will have a positive impact on people living or working within it.

Importantly, the Zone does not operate in a strategic vacuum and there are other plans and strategies affecting the area’s people. These range from national and regional strategic frameworks to county, district and local strategies and plans. The Zone’s role is in adding value to these other strategies, not competing with them. Where other strategies do not exist, investment frameworks have been developed to tackle

particular challenges. Projects will be developed to ensure complementarity with the Business Link West Midlands model, for example, while Zone activity will also need to reflect the priority areas emerging through the Regional Spatial Strategy consultation.

To date four strategic frameworks are being implemented across the Zone. These are;

- Enterprise Centre Network – A strategic network of new facilities offering businesses office and/or workspace provision along with tailored company support.
- Multi Use Community Facilities – New community facilities enabling easier access to service and opportunities for rural communities.
- Environmental Economy – A framework aimed at developing business ideas that benefit the environment and deliver economic impact.
- Land & Property – Aimed at increasing the availability of land and property for employment use.

Looking forward, further frameworks will be developed to meet the Zone’s strategic objectives and to address gaps in provision.

# Executive Chair's review

In the past year we have achieved a great deal in improving the economic prospects and quality of life for people living and working in the rural west of the Region. In many respects, the year has marked a shift from consolidation to delivering sustainable change on the ground

For example, to help new businesses development we formed a partnership with Evans Easyspace Ltd to develop and manage a network of eight Enterprise Centres across the Zone. These will provide small and growing businesses with office and workshop space on cost effective, flexible terms.

In the area of improving skills, we continue to progress with ambitious plans for Hereford Learning Village. Meanwhile, our focus on creating an environmental economy took shape through initiatives such as Low Carbon Communities and an innovative new Environmental Technology Centre in Shrewsbury.

We launched our Nexus grant programme for projects that improve access to services in rural communities. The Walled Garden Project, a charity that provides services for people with learning difficulties, was the first to benefit. It is using its £5,000 grant to buy a log cabin to facilitate horticulture and skills training. Work has also begun on building a new, Multi-

Use Community Centre in the village of Dorrington, the first of a number of such facilities that will increase rural communities' access to services.

Construction continues apace at the Ludlow Eco Business Park and several units are now completed and occupied, with the creation of new jobs, whilst interest in the remainder of the site is very strong. Similarly the Leominster Enterprise Park is also seeing increased interest and activity with a number of new occupiers in train. Also at Ludlow, the magnificent new Food Centre on the Earl of Plymouth's Estate was completed during 2006/7 creating 50 new jobs.

The Redundant Buildings grant scheme, administered on our behalf by Herefordshire Council has not only been renewed but has been extended and increased to cover the whole of the three counties, Herefordshire, Shropshire and Worcestershire.



In very few of these schemes are we operating in isolation. Our approach continues to be one of partnership and collaboration, involving a broad cross-section of organisations from business, the public sector and the voluntary sector across the Zone.

We are continuing to focus most of our investment on projects linked to our strategic frameworks while we have also flagged up some other key areas that need to be addressed. These include the development of sub-regionally significant tourism projects and the encouragement of greater use of broadband both in businesses and in local communities.

It remains imperative that we continue are able to demonstrate our effectiveness in meeting objectives, and during the year we made significant progress in identifying ways to achieve this. We asked the West Midlands Regional Observatory to assess our performance against key indicators of change. Many of their report's findings were highly encouraging, in particular the fact that significantly more people in the Zone were employed in technology and knowledge-intensive sectors in 2006 than had been the case in previous years. In other areas, such as measuring people's increased access to services, further work will be taken forward in 2007-08 to develop a more robust indicator and measurement plan.

I am happy to say that the Rural Regeneration Zone team is in good heart and will be 'practising as it preaches' in the coming year, moving its office base from the Upper Teme Business Park in Tenbury Wells to one of the 'eco friendly' units at Ludlow Eco Business Park. Meanwhile the Tenbury site has been freed up for future job creation development.

In the coming years I am confident that, with our partners, we can build on the progress already achieved and continue to help bring economic prosperity and an improved quality of life to the people of the Rural Regeneration Zone. That will mean better jobs, a more highly trained workforce and stronger communities, as well as a strong respect for the environment.

A handwritten signature in black ink, appearing to read 'Peter Pawsey'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Peter Pawsey  
Executive Chair, Rural Regeneration Zone

# Advantage West Midlands Chief Executive's review

Once again I am pleased to have the opportunity to contribute to the Rural Regeneration Zone's annual report. Our rural areas make a vital contribution to the West Midlands' regional economy and I value highly the work of the Zone and its partners in helping to transform the rural economy.



This year has seen the biggest consultation on the future of the West Midlands economy ever undertaken.

Advantage West Midlands and the West Midlands Regional Assembly have been seeking input from communities across the West Midlands to feed into a new economic strategy for the region until 2020.

Rural communities across the region have been very vocal in what they want to see included in an updated economic strategy. Skills, transport, housing, climate change and broadband are just some of the issues that have been raised.

Whatever shape the new economic strategy takes, the Rural Regeneration Zone will play a critical role in its delivery, with partners, in Herefordshire, Shropshire and Worcestershire.

In another important development, Advantage West Midlands learned earlier this year that it will receive an additional £7 million per year for rural communities.

The funding is part of the new national Rural Delivery Programme for England (RDPE) which will become operational in April 2008.

Advantage West Midlands will be working to develop a strategic environmental package which will stimulate development in Low Carbon economies through both capital investment and funding to support supply chain integration. This will provide rural businesses with opportunities to develop new income streams to match the emerging demand for bioenergy fuels, heat and power.

The Rural Regeneration Zone will play a key part in the delivery of these two major programmes of work and I wish the team all the best in their work over the coming 12 months.

A handwritten signature in black ink, appearing to read 'John Edwards'.

John Edwards



Enterprise Local

# A strong economy

In general, the Zone has a low-skill, low-wage economy that still relies on traditional industries where under-employment is common. That is why we are funding and delivering activity that helps the economy diversify, so that there are more better-paid and knowledge-based jobs.

At the same time we are supporting our key sectors, notably food and farming, tourism and the creative industries. For example, the National Cold War Museum, at the RAF Museum in Cosford, opened at the beginning of 2007. We contributed £3.2 million to this impressive £12.3 million initiative.

In particular, our aim is to help create conditions where existing businesses are not held back by a lack of skilled labour, where new employers are attracted to the sub-region and where an enterprise culture flourishes. Making more employment land available is part of this strategy and the acquisition and development of the Three Elms Trading Estate in Herefordshire, for example, will make more and better property available for business.

We are already able to demonstrate some real progress in our objective of creating a strong, diverse and sustainable rural economy. The increase in technology and knowledge-based

jobs that has already occurred will also have a positive impact on other targets around earnings and skill levels.

During the year our investment included:

- acquiring an important site in Rotherwas, Herefordshire which will facilitate the construction of a new access road to an expanding industrial estate.
- investing in the redevelopment of Stourport's Sandy Lane Industrial Estate.
- developing plans for a derelict site at the former Dairy Crest creamery in Ellesmere.
- a grant to the Ludlow Food Centre to support locally produced food and job creation.
- helping implement Enterprise Local, the UK's first programme to support home-based entrepreneurs, initially operating in Shropshire.

1. Redundant Building Grant Scheme
2. Ludlow Eco Business Park
3. Ludlow Food Centre



Our plans for 2007-08 include:

- delivery of the enterprise centre network, in partnership with Evans Easyspace Ltd to deliver 'hub' developments at Rotherwas and Shrewsbury and 'spokes' at Ross, Leominster, Ludlow, Bridgnorth, Oswestry and Market Drayton.
- continuing to work with local councils, developers and land owners to increase the supply and development of land for employment.
- increasing broadband use in the Zone, by building on knowledge from projects such as Switch on Shropshire and Herefordshire in Touch.

#### Case Study - Redundant Building Grant Scheme

Derelict farm buildings on the Duchy of Cornwall Estate in Herefordshire have been brought back to life as environmentally friendly offices, thanks to support from our Redundant Building Grant Scheme. The Rural Regeneration Zone-funded scheme helps enterprises convert or refurbish buildings for business use.

The project received a £62,500 grant towards the conversion. It was completed in early 2007 by architects firm Architype, which is leasing one of the barns from the Duchy of Cornwall Estate. The company has transferred 10 employees from its former headquarters in Gloucestershire and seven new jobs have been created. Further space has been leased to Vanessa Cooper Naturally, a local company that promotes environmentally friendly products.



Jackfield

# Improved skills

To help diversify the Zone's economy we are working to improve the knowledge and skills of people looking for work and those already in jobs. We are doing this in a way that meets the needs of local employers.

It is very encouraging that young people in the sub-region get A-level grades above the average for the West Midlands region. But it is also important that we can equip young people with the skills that employers are seeking.

One of the ways we will measure our progress in this area is the increase among the working-age population of people with higher skill levels (NVQ3 and above). There is already some evidence of increased skills levels in this category.

During the year one of our main investments was the redevelopment of Folly Lane Campus at Hereford College of Technology (*see case study*). This is part of our plan to develop a Learning Village that will meet the needs of business in the sub-region.

Our plans for 2007-08 include:

- extending business learning facilities, by developing the model established by Industrial Estate Learning Zones.
- improving leadership and management skills at high-growth businesses.
- tackling the barriers around employing and retaining graduates which businesses in the Zone face. This will be achieved by working with partners in the Central Technology Belt.

*“One of the ways we will measure our progress in this area is the increase among the working-age population of people with higher skill levels (NVQ3 and above).”*

1. Malvern Hills Science Park
2. Hereford Learning Village
3. Graduate Retention



#### Case Study - Hereford Learning Village

Work is proceeding apace at the innovative Hereford Learning Village project. This redevelopment of the town's College of Technology, Sixth Form College and College of Art and Design will provide a state-of-the-art learning centre. The Zone is providing £3.5 million towards the £30 million project, with other funding coming from partners such as the Learning and Skills Council.

Contractors have been working on the first phase, due for completion in December 2007. This consists of a new technology block that will house training programmes including brickwork, furniture making, carpentry and joinery, electrical installation and plumbing.

The development will include a suite of seminar rooms and IT facilities, available for use by local businesses. A learning resource centre at the heart of the site will offer facilities such as a library, refectory and support services for business and students.



# Environmental excellence

Renewable Energy

We are seeking to develop a thriving environmental economy in the Zone. To achieve this we are supporting a number of activities, including those that protect or improve the economy, generate income through environmental good practice or are dependent on a high-quality environment.

We have put in place a Strategic Investment Framework which targets several themes relevant to the sub-region's environmental economy, both in terms of achieving significant carbon reduction and creating sustainable business opportunities. These include investments in wind technologies, bio-park developments, the promotion of low carbon communities, combined heat and power initiatives and eco cluster activity.

During the year the Zone helped finance an Environmental Technology Centre in Shrewsbury, which provides a showcase for renewable technologies and a platform form where environmental start-up businesses can grow. The project is delivering 9,000 sq feet of new employment space and will enable a key cluster of environmental businesses to thrive.

The indicator for measuring progress in this area is a reduction in carbon usage. Advantage West Midlands has put in place a pilot scheme of year-on-year carbon savings to 2012 and from April 2007 carbon savings will be identified in all projects supported by the Agency. The Zone will have a key role to play in delivering this objective.

Our plans for 2007-08 include:

- a Renewable Energy Capital Grant Scheme to encourage businesses to invest in renewable energy, such as combined heat and power, wind, ground source heat pumps, and solar energy.
- a green energy project at Tenbury Business Park.
- a low carbon programme focusing on carbon reduction measures at businesses in four Shropshire locations in the Zone (see case study).
- working with Bulmers in Hereford to develop a package of renewable activity with broad ranging community benefits.

*“The Rural Regeneration Zone has contributed £555,000 to the £1.84 million scheme, focused on Bishops Castle, Ellesmere, Cleobury Mortimer and the area to the south of Oswestry.”*

1. Project Carbon
2. Eco Business
3. Shrewsbury Environmental Technology Centre



#### Case Study - Low Carbon Communities for Business

The Low Carbon Communities for Business initiative is set to dramatically cut emissions in four Shropshire towns. It will also give local businesses an edge in the emerging environmental economy.

The Rural Regeneration Zone has contributed £555,000 to the £1.84 million scheme, focused on Bishops Castle, Ellesmere, Cleobury Mortimer and the area to the south of Oswestry. The towns have been chosen because of a number of factors, including existing renewable energy resources, restricted transport infrastructure and the fact they are not connected to a mains gas supply.

Grants and business support will be made available for initiatives such as the installation of ground source heat pumps, biomass boilers and solar panels. The scheme is expected to save 6,665 tonnes of carbon dioxide over three years. Such a grant was awarded to The Royal Hill Inn, south of Oswestry, which is just one of the businesses cutting carbon emissions as part of the programme. Following an environmental audit the pub replaced 54 conventional lamps with energy efficient alternatives. The switch will save the business more than £800 in electricity and four tonnes of CO<sub>2</sub> per year.



# Thriving communities

Nexus Walled Garden

For rural communities to thrive there needs to be full access to services and opportunities. As part of ensuring that jobs, education and other opportunities are truly accessible there also needs to be action on reducing poverty and social exclusion and on strengthening community cohesion.

That is why we are pushing ahead with our ambitious programme for multi-use facilities across the Zone. We are spending £5 million over three years to develop a number of these centres, which will provide a range of services for rural communities.

To help these communities we launched our Nexus small grants scheme, which is funding projects that help improve access to services and facilities. The three-year scheme will award grants of up to £5,000 and applications are being sought from voluntary and public sector organisations, as well as independent retailers and service providers.

Access to services often depends on the availability of effective transport links, which is often a major challenge in rural areas. We are continuing to work with the Rural Access to Services Partnerships to make sure that lack of transport is not a barrier for people. The shortage of affordable housing in rural areas is another challenge and we are working with local councils, housing associations and developers to increase the supply of affordable housing in mixed-use developments, such as the Load Street scheme in Bewdley.

We are keen to make sure that people living in the Zone can take advantage of the economic benefits resulting from our other activities. For example, with partners such as the South Wye Regeneration Partnership in Herefordshire we are maximising the opportunities for local people to access employment opportunities being created as part of the Rotherwas Industrial Estate and Edgar Street Grid developments.

We recognise the importance of the voluntary and community sector in the sub-region, both as deliverers of services and as a supporter and advocate of communities. The sector encourages people to get involved in their communities and we are working closely with partners to support this important area of activity.

We are currently developing an indicator and measurement plan to assess people's access to service requirements, the findings of which will be profiled in next year's report.

*"We are keen to make sure that people living in the Zone can take advantage of the economic benefits resulting from our other activities."*

1. Dorrington
2. Oswestry market place, Shropshire
3. Converted barns at Burrington



Our plans for 2007-08 include:

- continuing to develop and implement a network of multi-use facilities across the Zone.
- working with partners to develop mixed use developments that increase the supply of affordable housing.
- delivering the Nexus programme, in partnership with Community First, the Rural Community Council for Herefordshire and Worcestershire. Grants will help communities gain access to services such as health, training and employment.

#### Case Study - Dorrington Community Centre

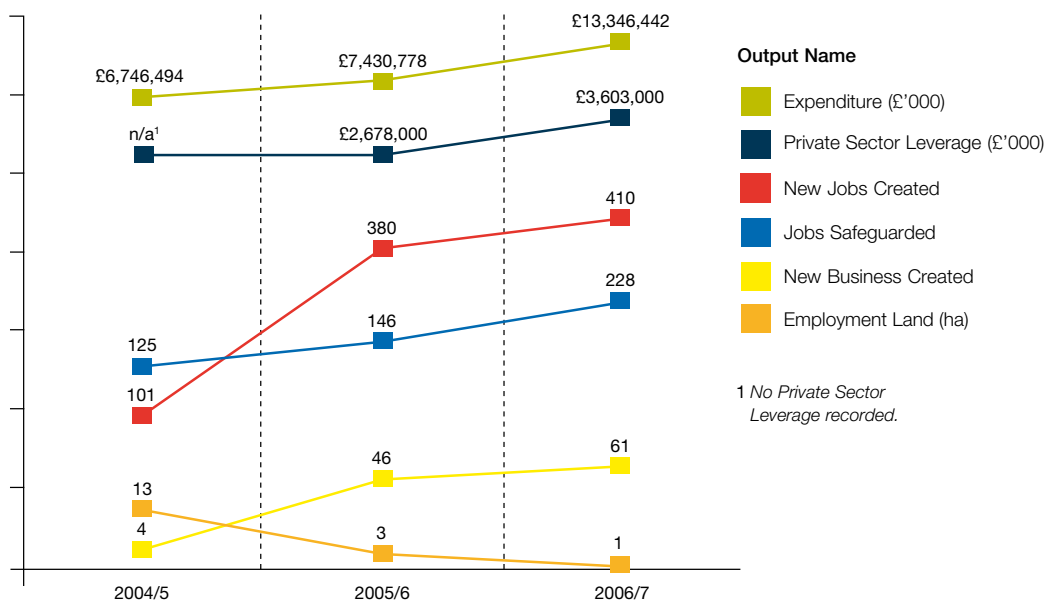
The Rural Regeneration Zone has helped fund an innovative new multi-use community centre in the village of Dorrington, near Shrewsbury. The £156,000 grant from the Zone will help the community replace an out-of-date village hall.

While picturesque, the village is relatively isolated, with poor access to health and leisure facilities. The new facility will include a health centre, community hall, meeting rooms and kitchen/bar. Parent and toddler groups, the brownies, church, yoga and other groups are looking forward to using the centre when it opens. The Dorrington centre will be run as a social enterprise by a local charity.

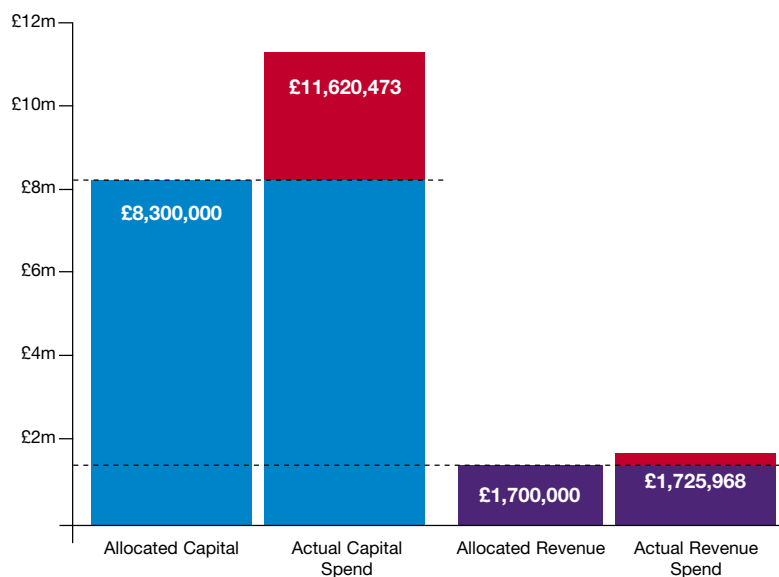
# Our achievements

2006-07 has been a significant year for the Rural Regeneration Zone, with the highest levels of investment and outputs so far. We have developed, managed and delivered a significant portfolio of projects, many of which are highlighted in this report, contributing towards the achievement of our aims and objectives. The following charts represent an overview of these achievements.

Rural Regeneration Zone Achievements



2006/7: Allocation versus Actual Spend



# Our future objectives

We continue to work to our guiding principle, which is that ‘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’.

This year has seen significant progress towards achieving our vision. Action has ranged from taking forward projects like the enterprise centre network to making more employment land available, and from beginning our investment into multi-use community centres to continuing our work at Hereford Learning Village.

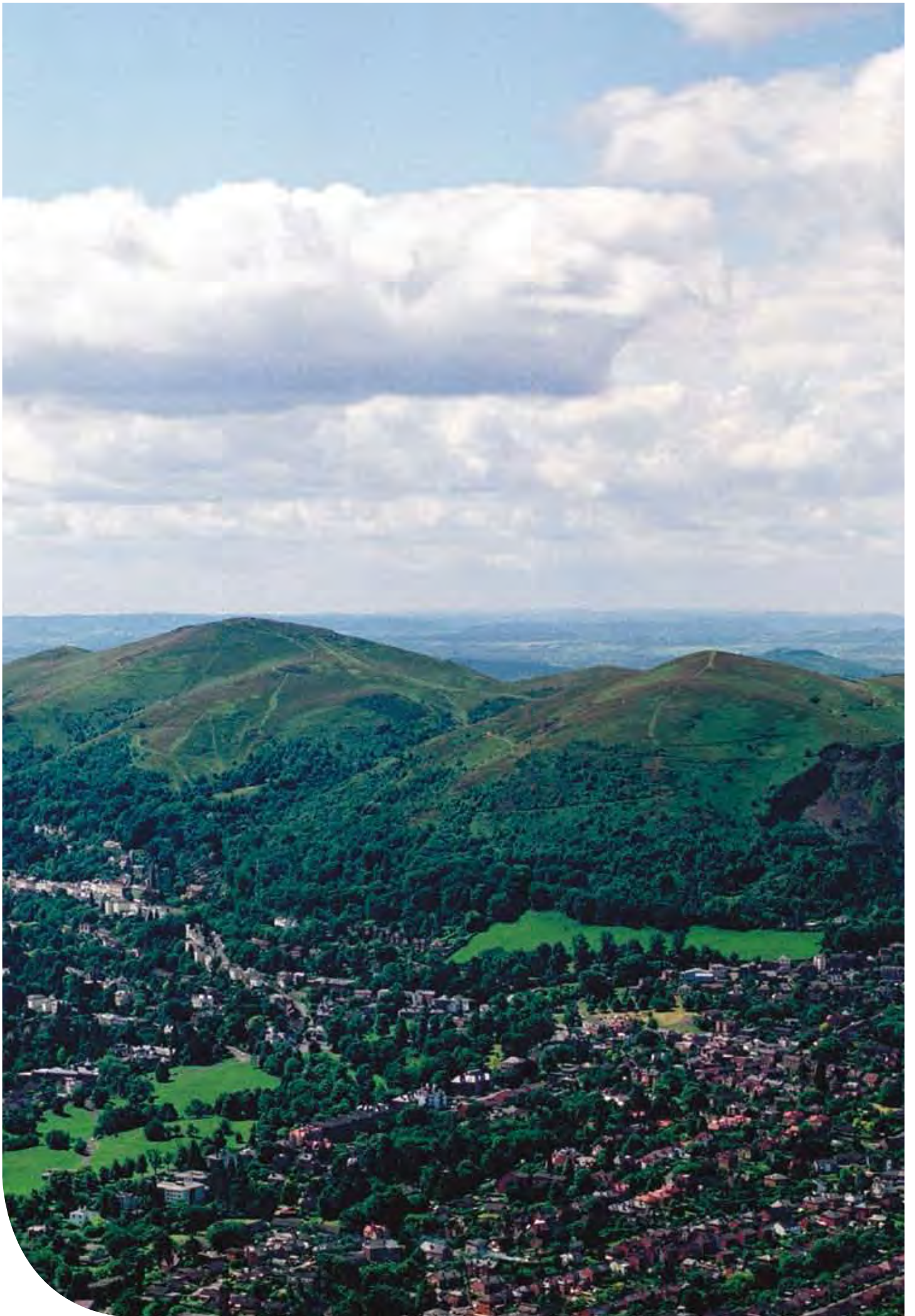
We have been heartened by some of the positive changes, brought about in a relatively short time period, such as the increase in people employed in technology or knowledge-based jobs in the Zone.

But there remains a great deal to be done. In the 2007-10 period, we will be investing significant resources to create a thriving Zone. We will target our finances to deliver much needed multi-use facilities, contribute to strategic environmental economy activity, implement land and property initiatives and embed the enterprise centre network.

Information on our future plans can be found in our Zone Implementation Plan 2007-10 which is available to download at [www.ruralregenerationzone.org.uk](http://www.ruralregenerationzone.org.uk) or from the Zone Team whose contact details are listed at the end of the report.

“ *Our approach continues to be one of partnership and collaboration, involving a broad cross-section of organisations from business, the public sector and the voluntary sector across the Zone* ”

Peter Pawsey  
Executive Chair, Rural Regeneration Zone



# How we work and who we are

The Rural Regeneration Zone's approach continues to be unique, in that we work in partnership with a range of organisations and sectors from across the sub-region. These include organisations from the private, public and voluntary sectors. We also operate in the context of other strategies and plans, from national and regional to district and local level.

We will continue to use our investment strategically and to add value to existing plans by being the catalyst for change in the sub-region. We will work with determination to bring about positive change in the Zone and lever in additional investment and commitment from partners. We will continue to do this working closely with you.

Our close working relationships with the private, public and voluntary sectors is reflected in our Board. This is made up of the following high-calibre individuals:

## Rural Regeneration Zone Board



**Peter Pawsey**  
Executive Chair



**Walter Delin**  
Chief Executive,  
Wyre Forest District Council  
representing Worcestershire  
Local Strategic Partnership



**Carolyn Downs**  
Chief Executive,  
Shropshire County Council  
representing Shropshire  
Local Strategic Partnership



**Sharon Gray**  
Area Director  
West Mercia Learning and Skills  
Council representing Shropshire  
Local Strategic Partnership



**Christine Jones**  
Chief Executive  
West Mercia Business Link  
representing Herefordshire  
Local Strategic Partnership  
*(to the 31st March 2007)*



**Michael Oakes**  
Board Member  
Advantage West Midlands



**Neil Pringle**  
Chief Executive  
Herefordshire Council  
representing Herefordshire  
Local Strategic Partnership



**Richard Quallington**  
Chief Executive  
Community First representing  
Worcestershire Local Strategic  
Partnership

“ *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.* ”



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*improving the quality of life around here*

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