

QUARTERLY ECONOMIC BULLETIN

An economic summary for Herefordshire

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Key Points for Herefordshire:

- The number of long-term claimants (over 12 months) of Jobseekers Allowance continues to increase (+17% January-July 2010) (page 2).
- In Herefordshire in 2008/09, the average farm business income was £38,700, double what it was in 2006/07 (page 4).
- The number of farm holdings in Herefordshire increased by 52% between 2000 and 2009 (Page 5).
- The total number of individual seasonal workers from overseas expected to be employed during the course of 2010 is 4,300, which is a 23% decrease compared to 2009 (5,600) (page 5).
- The current (June 2010) annual rate of increase in house prices for Herefordshire is 2.8%, lower than for England & Wales (8.4%) (page 6).
- The current (mid-2009) estimate of Herefordshire's total population is 179,100 (page 7).
- In May 2010 the state of the economy was a concern for 65% of employers, and was expected to remain an issue for the next three years (page 7).

LOCAL NEWS

SOURCED FROM LOCAL PRESS

Job Losses

Border Security Kington Ltd has shut down after becoming insolvent, making 20 workers redundant.

Development and investment

12 new eco-friendly homes have been built in Kington, which allow tenants to generate up to 60% of their hot water using solar power. Meanwhile, the go-ahead has been given for a new medical centre to replace the outdated Meads Surgery in the town. The new facility will include a dispensary and dentist under one roof.

Work has begun on Hereford's new £7 million livestock market. The site on the Roman Road north of the city is expected to be ready for business in Spring 2011. Further east on the same road, a development of 300 homes in Holmer has started, which will include 105 affordable homes.

A £16 million contract has been put in place which will see a five-year overhaul of social housing in Herefordshire. This forms part of Herefordshire Housing's long running Decent Homes programme, supporting 5,400 tenancies.

Plans have been put forward to develop Model Farm near Ross-on-Wye for industrial use, with a focus on knowledge-based industries.

Projects and opportunities

The "Shop Hereford" scheme to encourage shoppers to buy local has begun. Free cards were given out with the Council's Herefordshire Matters magazine, which entitle users to various discounts and offers at participating city stores.

Jobseekers in Kington have been given the opportunity to boost their skills as part of the New Beginnings project. One-to-one help with computers, the internet and English are available at the Marches Access Point.

Agriculture and environment

A hard winter has seen standing straw reaching record prices this year, with wheat straw fetching more than £100 an acre. Even oil seed rape straw and bean halum, usually hard to sell, made up to £58 and £43 an acre.

If you would like help to understand this document, or would like it in another format or language, please call the Research Team on 01432 260 893 or e-mail researchteam@herefordshire.gov.uk

For a large print copy, please call 01432 260 893

NEWS (CONT.)

A recent survey showed that the majority of farmers in the UK rely on computer technology to run their business. One of the leaders in crop management software is Muddy Boots Software Ltd, based at Phocle Green near Ross-on-Wye, which has announced unprecedented growth over the past 12 months.

A Fromes Hill farm has had an 18-metre 11kW wind turbine installed, to add to the solar and woodchip biomass systems already in place. Leodon Court is now offering one-day courses to farmers and landowners interested in using these methods to fuel their properties.

Many farms are being approached by companies wishing to make use of barn roofs for photovoltaic solar panels. Electricity generated can be sold through the feed-in tariff to help offset the installation costs. The panels should cover all the farm's electrical needs, saving about £800 a year, and leave three times more electricity to sell into the electrical grid.

Broadband

The Diocese of Hereford is close to signing off all its church towers to be used as line-of-sight relay stations for broadband, which it sees as a way of delivering its own progressive agenda of what the 400 or so churches can do for their communities. With tacit agreement from the Diocese as long as their historic nature is protected, it will be down to individual churches to decide on their involvement.

A wireless broadband service run by AirBand has begun in Leominster and villages in north Herefordshire. Funding has come from the Rural Development Programme for England. 40 square miles are covered, stretching to Ludlow and Tenbury Wells.

National News

In-betweens shift to rented homes

The "golden age of ownership" has come to an end according to the Chartered Institute of Housing who have warned of a rise of the "in-betweens" – people who are too well off to move into social housing but too poor to buy a house and have been forced into rented accommodation. The research also shows that this shortage of homes is likely to become even more severe in the future.

Spending cuts hit construction sector

Research by the Royal Institute of Chartered Surveyors shows that builders' workloads declined in the three months to July, perhaps suggesting that a drop in government capital spending on new schools, hospitals and prisons has started to take its toll on building companies. The net balance of construction companies reporting expanding workloads fell back into negative territory at -7% in the second quarter of 2010, compared with a positive balance of 5% during the first three months of the year, according to the RICS quarterly construction market survey

UK borrowing rises less than anticipated

The UK budget deficit shrank at a faster pace than expected in July with the government's net borrowing declining to £3.17 billion (\$5 billion) in July from £5.52 billion a year earlier, according to the Office for National Statistics. The deficit was smaller than some economists had expected. A near 40% rise in corporation tax receipts was responsible for the narrowing of the deficit, but the Treasury said they still remained below their pre-recession peak, justifying the budget decision to raise taxes. This news comes a week after the Bank of England downgraded forecasts for growth and indicated inflation would be above target throughout 2011 partly due to the planned increase in VAT.

UNEMPLOYMENT

The Office for National Statistics (ONS) supplies data on numbers and rates of unemployment (% of the working age population claiming Jobseekers Allowance).

- The claimant count (numbers of Jobseekers Allowance claimants) for Herefordshire saw a decrease between June and July 2010. In July 2010 the count was 2,455, a 3% decrease on June 2010 and an 18% decrease on this time last year (3,009). Compared to July 2008 (1,505), before any increase associated with the downturn was seen, the claimant count was still up 63%.
- The seasonally adjusted count also saw a decrease in July 2010, decreasing to 2,536 from 2,683 in June.
- The unemployment rate in July was 2.2%, low compared to West Midlands region (4.5%) and England as a whole (3.5%).

The number of long-term claimants (over 12 months) continues to increase (+17% January-July 2010), which is a concern, given that it is long term claimants that are least likely to leave benefit.

['Click here for the full article'](#)

A CHANGE OF GOVERNMENT

COMMENT FROM PARTNERSHIP MEMBERS ON EMERGING POLICIES FROM THE NEW COALITION GOVERNMENT

Angela Smith, Federation of Small Businesses

The recently elected Coalition Government has inherited from the previous administration an economic situation never encountered before, or at least not for decades.

Ministers and Government Departments are obviously keen to tackle issues ranging from economic growth itself to local issues such as improved broadband connectivity and retail blight.

There is great uncertainty within the business community at present. The imminent, and ongoing, cuts within the public sector will have far reaching effects upon the private sector. Cuts to the new schools programme, housing development and children's playground facilities, all, in the main, publicly funded, will have a detrimental effect upon local small and medium sized businesses, many of which would have picked up some of the work coming out of these projects.

The Government's work with the banks should improve access to finance for local businesses, but this remains to be seen. Finance is essential to business growth and with it training, employment and overall improvement to the local and national

economies. The banks have become risk averse which needs to be turned around so that businesses are allowed to develop and grow, pulling the UK out of the current economic downturn it finds itself in.

Similarly any decreases in staffing within public bodies reduces the overall local disposable income, which will have significant knock-on effects within the retail and services sector, also stalling larger financial commitments including the housing market, car purchase and holiday bookings.

The funding cuts to Business Link and the even more worrying possibility that it will be replaced with a much smaller and more centralised facility will do little to help business start-ups and growth businesses.

In summary, any administration following the 2010 election was going to have to make some tough decisions. The Coalition Government needs to get the balance right so that they support businesses of all sizes and have the vision to see, not four years ahead, but twenty years, when today's difficult decisions will have borne fruit.

The Chamber of Commerce on the coalition's first 90 days in office

In a review of the Coalition Government's first ninety days in power, Herefordshire and Worcestershire Chamber of Commerce have concluded that there have been a number of positive and encouraging decisions, but there are still areas that require urgent action before the end of the year.

Ahead of May's General Election, the Chamber set the incoming administration twelve clear policy challenges – a prescription to return our economy onto a sound and sustainable footing. In its assessment of Government's action on each of these challenges the Chamber has found three policy areas where progress has either 'met or exceeded business expectations'. These are:

- Publish a credible plan to reduce the budget deficit and restore confidence
- Freeze the public sector wage bill and reform public pensions
- Begin a systematic review of existing regulation affecting employers

Commenting, Gary Woodman, Herefordshire and Worcestershire Chambers of Commerce, said: "This review shows real, balanced progress

against nine of our twelve core objectives, so the Coalition's overall progress after ninety days has been encouraging. Early action on deficit reduction and burdensome employment regulation has been strongly welcomed by business and many of the measures in the Chancellor's emergency Budget struck the right balance.

"However, business wants to see more progress in areas such as international trade and reform of the UK's planning system. While the Prime Minister has led a trade mission to India, we have not yet seen the appointment of a dedicated trade minister, nor a focused strategy for a strong export economy. Many of the Coalition's proposals on planning have also been disappointing, including the decision to abolish the Infrastructure Planning Commission.

"We challenge the Government to build on the good progress it has made over its first ninety days, and to look again at areas where it can do more to enable wealth-generating businesses to drive a lasting recovery."

MORE ON PAGE 4.....

Local Enterprise Partnerships

Natalia Silver, Assistant Director Economy and Culture, Herefordshire Council

The new Coalition Government has announced that Advantage West Midlands and Business Link are to be abolished. In the future, some of their responsibilities will be delivered centrally and some locally through Local Enterprise Partnerships. The Government have sought joint proposals for Local Enterprise Partnerships from the private and public sectors covering multiple local authority areas. These proposals are expected to provide a basic outline of potential areas, governance structures and the types of functions and resources that can be utilised by a LEP to stimulate the economy and encourage enterprise.

What's happening locally? A proposal has been submitted by the Council Leaders and Chairs of the Local economic and business boards in Telford, Herefordshire and Shropshire. The proposal for the Marches LEP can be viewed at

www.ruralregenerationzone.co.uk/document-store

It builds on the historic links and existing commuter flows and supply chain links between the areas. The proposal has received the support of the Chambers of Commerce and the Federation of Small Businesses as well as a number of independent businesses and major employers.

What does the Marches LEP propose to do? The proposal introduces the types of activity that the LEP will aim to assist with in order to create the conditions for the private sector to flourish. These proposals have been informed by various recent consultations with businesses. They include

providing strategic leadership, informing housing strategy and policy, influencing spend on transport, infrastructure and broadband availability, attracting inward investment and developing skills and HE provision. The LEP will provide access to finance for businesses, engage in cluster development and locally tailored business support particularly to encourage the areas growth and traditional sectors, promote innovation and encourage graduate retention. It will build on high levels of enterprise and home working across the area and maximise the value of our natural and economic assets in an environmentally sustainable way.

Who's involved and how will it work? The LEP will be led by an executive board with 50/50 private/public representation and chaired by a leading business figure. It will make the most of the range of local networks and support organisations that exist to ensure fully representative engagement with local business, whilst keeping the executive function small to aid timely and effective decision making.

How will I have my say? It is vital that business of all sizes and locations and working in all sectors feel able to contribute to the LEP. If you'd like to register an interest in becoming involved with the development of the delivery plan, make a comment or suggest ways in which the LEP could help your business please do so by emailing marcheslepquestions@yahoo.co.uk

FARM BUSINESS SURVEY 2008/09

The Farm Business Survey is undertaken each year by DEFRA (Department for Environment, Food and Rural Affairs) and collects full management accounting data on the agricultural activities of farm businesses and some information about non-agricultural activity. Results for the **2008/09 accounting year** are based on returns from 59,500 farms, covering only those that occupy a farmer for at least half of their time.

- Farm Business Income is the new headline measure of farm income. In Herefordshire in 2008/09, the average farm business income per farm was £38,700, which is double what it was in 2006/07 (£18,800 per farm). This large increase means that Herefordshire's farm income was only slightly less than the region's (£39,400) in 2008-09 but still lower than England as a whole (£50,900).
- Across England, general cropping, cereal and dairy farms all have above average farm business incomes. Pig farms saw the largest increase over the last year, now placing them above the average for all farm types. Specialist poultry farms and horticulture were among the highest farm business incomes out of all farm types over the previous few years, however over the last year they both experienced a large decrease (-66%), placing them just below the average.
- Across England, 51% of farms had some form of diversified activity. In 2008-09, diversified enterprises generated 10% of the total income of farm businesses. For 17% of farms which had diversified activity, the income from their diversified enterprise exceeds the income from the remainder of the farm business.
- In Herefordshire, during 2008-09, an average of £11,500 per farm was made from diversified activities. The majority of this was from rental activity on the farm, 65% (£7,500), followed by food processing and retailing, 12% (£1,400).

['Click here for the full article'](#)

SOURCE: DEPARTMENT FOR ENVIRONMENT, FOOD AND RURAL AFFAIRS (DEFRA)

AGRICULTURAL CENSUS 2009

The Agricultural Census, a sample survey of between 40,000 and 70,000 holdings, is carried out every June by DEFRA (Department for Environment, Food and Rural Affairs) where farmers are required to state what agricultural activity is happening on the land as of June each year. This article uses the **June 2009** data. Amongst the findings for 2009, were the following:

- Herefordshire employed a total of 11,300 **people in agriculture**, 49% were farmers, partners, directors and spouses, 2% were managers, 32% were casual workers and 17% workers. This is a 1% decrease on numbers of workers compared to 2008. Herefordshire employs the largest number of agricultural workers in the West Midlands region.
- The trends in numbers of **casual workers** in Herefordshire still seem different from other similar areas. From 2003, Herefordshire saw a dramatic increase in numbers, while other similar areas saw no real change in numbers over the monitoring period or a steady increase. The number of casual workers in Herefordshire decreased in the last year (down by 5%) whereas similar areas remained stable or increased.
- The **number of farm holdings** in Herefordshire has increased considerably since 2000, from 3,512 holdings to 5,342, an increase of 52%. Comparatively the area of land used for farming has only increased by 4%. The majority of Herefordshire farms are quite small, <5ha.
- 43% of Herefordshire's land was used for permanent grass and 41% crops and bare fallow.
- Compared to neighbouring authorities, regionally and nationally, Herefordshire has:
 - ◊ slightly higher proportions of mixed and general cropping farms
 - ◊ slightly higher proportions of horticulture farms (with the exception of Worcestershire which has a slightly higher proportion still (7% in Herefordshire and 9% in Worcestershire).
 - ◊ lower proportions of cereals, dairy and other farm types
- 55% of Herefordshire's agricultural cropping land was used for cereals.
- From 2007 to 2009 there was a decrease in numbers of total livestock and an increase in poultry.

[‘Click here for the full article’](#)

SOURCE: DEPARTMENT FOR ENVIRONMENT, FOOD AND RURAL AFFAIRS (DEFRA)

SEASONAL WORKERS ON FARMS 2010

In order to inform service planning, Herefordshire Partnership has, each year since 2006, gathered information from farmers on the number of seasonal workers from other countries that they expect to employ on their farms over the course of the year. Key points from the **2010** survey were:

- Information was received from 29 farms; 23 of whom were expecting to employ seasonal workers.
- A total of 4,600 individual seasonal workers from overseas were expected to be employed during the course of 2010. This is a third lower than in 2008; valid comparisons with 2009 are not possible.
- The maximum number of seasonal workers expected to be working on the farms in any single month was 3,600 in June, dropping to 3,450 in July.
- As in previous years the majority (58%) of seasonal workers were expected to be men. Most of the workers (77%) were expected to be under 35. None were expected to bring any dependents.
- For the 3rd year, the seasonal workers were expected to come mainly from Bulgaria (43%), Poland (23%) and Romania (21%). Most (68%) would be recruited via the Seasonal Agricultural Workers Scheme (SAWS), which has been exclusive to Bulgarians and Romanians since January 2008.
- 20 of the farms stated that they provide accommodation for almost all of their workers; mainly in caravans/mobile homes (all but one farm).
- All but five farms actively recruit workers they have employed before. Based on their responses, around 1,700 (37%) of the workers expected in 2010 may have worked in the county before.
- Of the 20 farms that intended to recruit seasonal workers in the future, seven expressed a concern about the future supply of migrant labour. Four comments referred to the possibility of workers no longer wanting to come to the UK; and five referred to potential changes in UK immigration policy.

[‘Click here for the full article’](#)

SOURCE: HEREFORDSHIRE PARTNERSHIP RESEARCH TEAM

HOUSE PRICES

HM Land Registry collects data on house prices from all house sales in England and Wales which forms the basis of the data below. The most recent data for house prices is **quarter 1 in 2010** and for the House Price Index, **June 2010**.

The published data includes various measures of property price – the mean, the median and the lower quartile. The median and lower quartile figures are shown in the table below for Herefordshire, the West Midlands and England & Wales.

In the 1st quarter of 2010, the *provisional* median price of a property in Herefordshire was **£195,500**. In comparison, the median property prices for England & Wales and the West Midlands were £183,000 and £140,000 respectively.

The preferred measure for house price affordability is the ratio of lower quartile house price to lower quartile earnings. Out of the West Midlands

authorities, Herefordshire fared worse in terms of affordability in 2009.

Volume of Sales

The Land Registry figure for the number of house sales in Herefordshire during April 2010 was 141. In the 6 months prior to May 2010 (November 2009 to April 2010) the volume of sales averaged 162 per month, which is an increase of 35% from the same period last year (120 sales per month). For comparison, England & Wales experienced an increase of 55% and the West Midlands region saw an increase of 44% between the 6 months prior to May 2010 and the same period of the previous year.

Year of 1st Quarter	Median property prices			Lower quartile property prices		
	England & Wales	West Midlands	Herefordshire	England & Wales	West Midlands	Herefordshire
2008	£173,500	£142,000	£180,000	£123,500	£111,000	£139,500
2009	£156,000	£130,000	£165,000	£110,000	£97,500	£130,000
2010^a	£183,000	£140,000	£195,000	£120,000	£103,000	£150,000

Source: HM Land Registry

^aFigures for 2010 are provisional.

House Price Index

The Land Registry releases a House Price Index (HPI), calculated by selecting properties that have changed hands more than once since January 1995, so the index is based on genuine price increases for particular properties.

The table shows that the current (June 2010) annual rate of *increase* in house prices for Herefordshire is

2.8%, which is lower than for England & Wales (8.4%) and slightly lower than for the West Midlands (4.9%). This compares to *decreases* of around 13% that were seen in the year to June 2009.

	Annual change (%)		
	Eng & Wales	West Mids	Hfds
Jun 08-09	-13.5%	-12.9%	-12.2%
Jun 09-10	8.4%	4.9%	2.8%

Source: HM Land Registry

Private Rental Levels

The Rent Service (TRS) publishes Local Housing Allowance (LHA) rates monthly - these represent the amount payable in Housing Benefit to cover rental of different dwelling sizes. The LHA rates are based on on-going surveys of the rental market by TRS, who then use median values as the basis for their figures.

Private rental levels have decreased for one and two bedroom properties in Herefordshire since August 2009 while remaining essentially unchanged for three and four bedroom properties.

The rental level for 5-bedroom dwellings is, however, up on this time last year, although they have seen a relatively large decrease over the last two years.

Monthly LHA	(Calculated from the weekly LHA rental levels published by TRS)					
	1 Bed-room Shared	1 Bed-room	2 Bed-room	3 Bed-room	4 Bed-room	5 Bed-room
Aug-09	£295	£419	£531	£627	£752	£852
Aug-10	£276	£410	£525	£628	£750	£995

Source: The Rent Service

Other House Price Information

The latest Hometrack House Price Survey of agents and surveyors in England & Wales

(www.hometrack.co.uk) shows that demand for housing in July dropped by -1.3% triggering the first fall in prices since April 2009. This amounted to a fall in prices of 0.1% in July.

THE POPULATION OF HEREFORDSHIRE

The Office for National Statistics (ONS) publishes official estimates of population for local authorities annually. The current **2009 mid-year estimates** (published in June 2010) were produced using improved methods of calculating student moves and allocating international migrants to local authorities. At the same time, ONS revised the estimates for the years **mid-2002 to mid-2008**, using the new methodology.

The revisions suggest that the rate of growth in the county has been slightly lower between mid-2001 and mid-2008 than previous estimates indicated. The largest impact has been on the numbers of 20-24 year-olds. The **revised Herefordshire estimate for mid-2008 is 179,100**, which is 200 people lower than the original estimate.

Based on the definition of 'usual residence', the **current (mid-2009) estimate of Herefordshire's total population is 179,100**. This means that the total population has remained the same since 2008 (revised estimate), a result of 1,800 births, 2,000 deaths and a net in-migration of 200 people.

The county's age structure remains older than that of England and Wales as a whole, with higher proportions of the population in all age groups from 45 upwards, and lower proportions in the younger age groups.

Age group	Herefordshire		England & Wales
	Number	% of total	% of total
Children (<16)	31,000	17.3%	18.7%
Working age (16 to 64*/59**)	102,300	57.1%	61.8%
Retirement & above	45,800	25.6%	19.5%
Total	179,100	100.0%	100.0%

ONS will publish a revised set of population estimates for areas within the county, namely wards and lower super output areas (LSOAs) in the autumn and these will be reported on in the November QEB.

The **Population of Herefordshire** report is available from ['Click here for the full article'](#)

This provides an overview of the county's population, including recent and forecast changes and the distribution around the county. It will be updated to reflect the new population estimates and revisions in during September 2010.

HEREFORDSHIRE EMPLOYERS' SURVEY 2010

In April 2010 Worcester Research were commissioned by the Herefordshire Partnership to undertake a telephone survey of a representative sample of local employers in order to establish their views regarding a range of issues. The survey was designed to fill gaps in knowledge in order to help develop the Local Economic Assessment and revise the Economic Development Strategy. In total 782 employers and self-employed businesses were surveyed that covered all sectors and sizes of businesses within the county.

- The vast majority (87%) were small employers (1-10 employees) and 89% operated as part of the private sector. 5% of the sample were from the charities/voluntary sector.
- Overall, approximately one quarter (27%) of self-employed business were not looking to grow their business, the most commonly stated reasons being content with the current size; the desire to remain independent; and a lack of resources.
- The state of the economy was a concern for 65% of employers, and was expected to remain an issue for the next three years. Regulations, management of cash flow and taxation were also significant current and future concerns for many employers.
- Just around one-sixth (16%) of all organisations were found to be engaged in exporting goods or services from the UK. However, 55% of the largest of firms were engaged with exporting. The most common markets to export to among Herefordshire exporters were Europe, North American and Australia/New Zealand.
- More than half of all organisations actively networked with other businesses in their own or related sectors. Employers of more than 50 staff were most engaged with networking.
- Awareness of sustainability issues was high with just short of nine out of ten (87%) organisations having taken steps to reduce their environmental impact. Three-quarters of organisations had implemented a waste management plan and a fifth had in place a plan to reduce carbon/energy/fuel.

['Click here for the full article'](#)

RECENTLY PUBLISHED RESEARCH

National Research

Internationalisation of Innovative and High Growth SMEs (Dept. for Business Innovation and Skills)

Exporting is fairly uncommon amongst Small and Medium Sized (SME) businesses, but is more prevalent amongst those which invest in research and development (R&D), are innovative or hold intellectual property. Studies of firms in the UK have consistently found a productivity benefit of exporting. Exporting firms contribute more to UK productivity growth than non-exporters. Between 1996 and 2004 60% of UK productivity growth was attributable to exporting firms. Exporting has been found to have a positive impact on firm financial health and to a lower probability of firm closure. These impacts of exporting have been particularly important during the economic downturn.

The main barriers to internationalisation include:

- Gaining access to networks and contacts in an overseas market;
- Navigating unfamiliar business environments, including differences in language and culture;
- Procedural barriers such as product standards and other aspects of the legal and regulatory framework;
- Having the capability to understand the competitive environment and to identify and assess potential opportunities and risks;
- Finding the confidence, management time and other resources to investigate and pursue opportunities in overseas markets.

For more information visit <http://tinyurl.com/SMEint>

Filling the jobs gap: Why enterprise-based regeneration is not working (the new economics foundation)

The lynchpin of government efforts to offset public spending cuts and grow the economy is to encourage private sector growth. Low-performing regions (those outside London, the South East and East of England) in particular have been targeted, with an employers' National Insurance contributions (NICs) waiver designed to encourage new enterprise and increase jobs. To assess whether new enterprise will be able to fulfil this task, this report analyses trends in enterprise dynamics in England between 2002 and 2009. It finds that:

- While the stock of enterprises was highest in the most deprived areas, only one additional enterprise was established in the most deprived areas for every four in the least deprived areas.
- This trend towards higher concentrations of businesses in the better off areas is primarily the result of lower enterprise survival rates in the

most deprived areas;

- The most profitable and innovative enterprises – small service-sector companies – are growing fastest in the least deprived areas. To make matters worse, the most deprived areas are suffering disproportionately in terms of manufacturing decline and the loss of retail enterprises;
- Partly as a consequence of the shift toward micro businesses, strong enterprise growth is not necessarily coupled with a decline in the claimant counts in an area. This runs contrary to current expectations that new enterprise will be able to create a large number of jobs;

In conclusion, the combination of the shift in business dynamics towards smaller units and high enterprise churn has contributed to the share of enterprise declining in the most deprived areas. In this context, the NICs waiver is unlikely to be sufficient to overturn the trend. This is not to say that enterprise initiatives should be abandoned. The analysis of LEGI (Local Enterprise Growth Initiative) areas shows that targeted intervention can work. But it is also essential to tackle the wider barriers to enterprise such as access to finance and low levels of consumer demand. Even then, we should be realistic about the number of jobs new enterprise can be expected to provide.

For more information visit <http://tinyurl.com/fill-jobs>

Local Research

The results of the 20th **Herefordshire Voice survey** covering the new kerbside recycling scheme and Council Tax bills has been published. The report can be accessed from the following page www.herefordshire.gov.uk/HV

Herefordshire Voluntary Action have updated their report **The Value of Volunteering to Herefordshire**. The report can be viewed at <http://tinyurl.com/value-volunteering>

Forthcoming HIRN seminar:

Herefordshire Employers' Survey 2010
Morning of the 8th September 2010
@ Hereford Group Training Association
www.herefordshire.gov.uk/HIRN

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