

QUARTERLY ECONOMIC BULLETIN

An Economic Summary for Herefordshire

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Key Points for Herefordshire:

- Current estimate of resident population is 178,400 (page 4).
- The number of unemployed claiming benefit during July 2008 increased from last quarter and this time last year (page 5).
- In November 2007 a total of 8,840 people within Herefordshire were claiming out of work benefits (8.6% of the working age population) (Page 8).
- Herefordshire's total agricultural labour force has increased by 23% since 2000 (page 10).
- Net farm incomes in Herefordshire have increased from an average £3,900 per farm in 2005/06 to £10,500 in 2006/07 (page 12).
- Herefordshire has seen an increase in National Insurance Number registrations from overseas nationals since May 2004 (page 13).

LOCAL NEWS

SOURCED FROM LOCAL PRESS

Job Creation

A potential 200 new jobs could be created when a previously abandoned site on the Rotherwas Estate is reopened. The locally owned Wye Valley Group has confirmed the purchase of the site, next to its own premises on the straight mile, and is expected to develop the site for the groups further growth and for letting to other businesses.

£32m of European funding will be used to help get thousands of unemployed people in Herefordshire and Worcestershire back to work through the Flexible Routeway programme. The project will target some of the most disadvantaged people, including lone parents, people who have disabilities or health conditions, those with drug or alcohol dependency and ex-offenders. The programme will be run through Jobcentre Plus via the organisation Pertemps People Development Group. The aim is to get over 2,000 people in the two counties ready for work within the next three years by helping them to get the right skills and training they need to return to work.

Job Losses

The closure of Peacocks Stores in Hereford butter market, which has been there for nearly 80 years, is expected to affect the positions of nine members of staff.

Up to 64 jobs may be lost from Kingspan Insulation Ltd, Herefordshire's business of the year, as the effects of the 'credit crunch' cause a slow down in the rate of house building. The company, which previously employed 420 staff at their Pembridge site, were expecting the first losses to take place at the end of July. Kingspan, a major supplier to the housing industry, was hit hard in the first part of this year by a 50% drop in house building and rising costs.

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 383634 or e-mail researchteam@herefordshire.gov.uk

For a large print copy, please call 01432 383 634

NEWS (CONT.)

Development and Investment

Ross-on-Wye could be set to get faster broadband services if Herefordshire and Worcestershire Chamber of Commerce have their way. If demand is proved to be as high as thought, it could mean the town getting ADSL2+ and other high-speed broadband services.

A £2m programme has been launched to create our 'business leaders of tomorrow'. The leadership and management project, funded by Advantage West Midlands, aims to increase the expertise and skills of more than 1,000 senior managers in an attempt to bridge a £10m productivity gap by 2010.

The Royal National College for the Blind (RNC) has started work on a project to develop state of the art facilities at their Venns Lane site, which will see them host the 2010 World Blind Football Championships and be a possible training venue for the 2012 Paralympics.

Agriculture and Environment

A new fund of £780,000 has been set up to help communities in the West Midlands Rural Regeneration Zone develop renewable energy projects such as wind turbines, hydropower installations, anaerobic digesters and biomass fields. Cooperative F.I.R.E. is a joint initiative between Advantage West Midlands and Energy4all (an expert in community-owned renewable energy schemes) and will be aiming at encouraging rural communities in Herefordshire and the Marches to develop their own renewable energy projects.

Fenella Tyler, chair of the National Association of Cider Makers, has raised concerns over the future of Herefordshire's cider making industry. Her comments come as the government introduces a 'duty accelerator' and production costs continue to rise (largely a result of inflation in transportation and utility costs). In her key note speech at the Palace of Westminster she also highlighted the impact that the 'credit crunch' and the smoking ban has had or may have on the pub closures. An issue which is likely to have a further impact cider producers.

Three firms from the Rotherwas Industrial Estate have stated their green intentions by signing up to the Rotherwas travel plan, aimed at encouraging the use of more sustainable means of transportation to work. The addition of

Folbigg Fabrications, Contrapak and Country Style Cookers now means that 50% of the workforce at Rotherwas are signed up to the plan.

Community and Volunteering Groups

Grassroots, a new grants scheme run by the Herefordshire Community Foundation in co-operation with Herefordshire Voluntary Action, will see £200,000 going to small community and voluntary groups in Herefordshire.

National News

Job Creations

A quarter of new jobs being created by hotel chain Travelodge in Britain's seaside towns will go to long-term benefit claimants thanks to the company's Local Employment Partnership (LEP) with Jobcentre Plus. Travelodge has committed to investing £150 million in 55 new seaside hotels between now and 2015 in a project that will help regenerate the UK's coastline. The hotel aims to recruit 25 per cent of its staff for the new hotels through the LEP.

Five new hotels will be opened in Blackpool, Weymouth, Newquay, Bournemouth and Scarborough in the next twelve months.

Education and Training

Increased numbers of pupils are passing A-levels, with rises in key subjects like the sciences and maths, which is at its highest level in over a decade. The latest results mean that there has been a 9.6 percentage point rise in the pass rate at A-level since 1997 (from 87.6% to 97.2%), and a 18.2 percentage point rise in the proportion of A-C grades awarded (from 55.7% to 73.9%).

The UK 2008 A-level and AS-level results show:

- There was a 2.7% increase in entries at A-level and 1.2% at AS-level this year;
- A significant rise (7.5%) in the numbers taking mathematics A-levels
- In sciences – biology was up 2.7%, chemistry up 3.5% and physics up 2.3%, with other sciences recording a 0.2% rise;
- A rise in the proportion achieving A-C grades at A-level from 72.8% in 2007 to 73.9% this year;
- A rise in the proportion of A grades awarded at A-level from 25.3% in 2007 to 25.9% this year.

Information for this news article has been sourced from local press, mainly the Hereford Times and national websites.

EDITORIAL: THE ECONOMIC CLIMATE

GARY WOODMAN

HEREFORDSHIRE AND WOCESTERSHIRE CHAMBER OF COMMERCE

Mervyn King, Governor of the Bank England recently announced that the UK economy will see little or no growth over the next two years. The credit crunch means that lenders are far more cautious about the levels of lending and risk. The Bank of England report for the West Midlands highlighted the following points, which characterise the current economic climate:

- Demand for consumer goods continuing to weaken.
- Demand for housing continues to slow.
- Inflation continued to remain high, putting cost pressures on all businesses.
- Demand for labour continued to soften

However all was not bad news:

- Exports continued to grow at a steady rate
- Wage demands remained well contained.
- Also domestic orientated manufacturing stabilised after a couple of months of decline.

The Chamber of Commerce undertake the longest running economic survey of local businesses, which get aggregated into the **British Chamber of Commerce quarterly economic survey**. This report informs the Treasury and Monetary Policy Committee before making their decision on interest rates.

The results from quarter one and quarter two have seen a dramatic decline in business confidence. The results are divided into those for the service sector and manufacturing sector.

The proportion of businesses that reported that **sales** had increased, dropped from 35% to 4% in manufacturing and from 33% to 8% in the service sector. More worrying was the fact that 50% of respondents reported a decrease in sales in both sectors.

In terms of **companies operating overseas**, the numbers were not so dramatic, however, they also reported a decline. The proportion of manufacturing businesses reporting an increase in sales, dropped from 57% in quarter one to 33% in quarter two. Those reporting a decrease in sales moved from 8% to 20% in the period.

The service sector followed a similar pattern with 33% reporting an increase in overseas sales in quarter one but with that dropping to 22% in quarter two. In quarter two 22% of respondents reported a drop in overseas sales, no notable change on the figure for quarter one, 23%.

Other points of note are that, in quarter one, 29% of companies predicted an increase in manufacturing **labour force** within the next three months, this dropped to 7% in quarter two. Conversely, the proportion predicting a decline in staff increased from 7% in quarter one to 17% in quarter two.

In the service sector the numbers are worse, with the proportion predicting an increase in labour force dropping from 13% in quarter one to 7% in quarter two. 17% predicted a decline in labour force in quarter one, this increased to 28% in quarter two.

Anecdotal evidence continues to be collected by the Chamber of Commerce and this shows a mixed picture across sector and size of company.

If you have a business which needs **advice or support** please contact the Chamber on 0845 641 1641 or visit the website www.hwchamber.co.uk.

For further information contact the Herefordshire Council Research Team: 01432 260498 or researchteam@herefordshire.gov.uk

HEREFORDSHIRE POPULATION ESTIMATES

The Office for National Statistics (ONS) publishes official estimates of population for local authority districts in England and Wales annually. The **2007 mid-year estimates** were published in August 2008. They use the same methodology as that developed by ONS for the mid-2002 to mid-2006 estimates that were produced in 2007.

This article summarises the current structure of Herefordshire's population and how it compares to England and Wales as a whole, before considering changes since 2001. It also discusses other available population data and planned future publications.

Population estimates are based on the concept of 'usual residence', i.e. people are counted where they usually live. As the estimates are based on the Census this is self-defined to a certain extent, but rules are applied to particular groups of the population - e.g. students are counted at their term-time address, and a person is only counted as an international migrant if they change their country of residence for at least a year.

The mid-2007 estimate of Herefordshire's resident population is 178,400.

The population of Herefordshire is estimated to have increased by 600 people (0.3%) over the past year. Components of this change include 1,700 births; 2,000 deaths; a net migration of 700 people from elsewhere in the UK and 100 people from overseas. The number of Armed Forces residents in the county is estimated to have increased by 100.

Current Structure

Herefordshire has a slightly higher proportion of females (51.1%) than males, similar to the national gender split. The county's age structure is 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. The largest differences are in the 16-29 year-old age groups, although these can partly be explained by the point made above with regard to students being counted at their term-time address.

Trends Since 2001

Herefordshire's population grew by 3,600 people (2.0%) between 2001 and 2007, slightly less than the national increase (3.3%). The population of working age people increased by 1.2% (1,200 people) over the same period, although, again, this is lower than the national increase (4.3%).

2007 mid-year estimates of population

Age group	Herefordshire		England & Wales
	Number	% of total	% of total
Under 16	31,500	17.7%	18.9%
16 to 29	24,600	13.8%	18.6%
30 to 44	33,900	19.0%	21.6%
45 to 64*/59**	44,900	25.2%	21.9%
65*/60** to 74	25,600	14.3%	11.2%
75 to 84	12,900	7.2%	5.6%
85 and over	5,000	2.8%	2.2%
Total	178,400	100.0%	100.0%

* males; ** females. **Source:** ONS © Crown copyright

With an increase of 1,000 people over the six years, the 85+ age-group has changed most rapidly; a growth of 25% compared to just 15.2% nationally.

Other Population Data

ONS also produce population estimates for areas within Herefordshire: wards and Lower Super Output Areas (LSOAs). Estimates for mid-2006 will be current until spring 2009; these are available on the Herefordshire Council website: www.herefordshire.gov.uk/research.

The current Herefordshire population forecasts are based on the 2006 mid-year estimates, using recent local and nationally predicted trends in fertility, mortality and migration. These were published in July 2008; full details can be found via the link above.

The Research Team will be publishing a *Population of Herefordshire* report on the above website in September 2008, to provide key facts and figures about the county's population. It will provide an overview of Herefordshire's current and forecast population, looking at recent and expected changes in age structure. It will also examine the distribution around the county, comparing rural and urban areas where possible.

UNEMPLOYMENT

This article shows levels and trends of unemployment in Herefordshire. The Office for National Statistics (ONS) supplies data on numbers and rates of unemployment (% of the working age population claiming unemployment benefits), the age of those who are unemployed and duration of their unemployment. The following is a summary of the key information from **July 2008**. All figures are unadjusted for seasonal variation unless otherwise stated.

In July 2008:

1,505 people were unemployed and claiming benefit in Herefordshire during July 2008, an increase of 34 people from the previous quarter, April 2008 (1,471). Herefordshire's unemployment rate for July 2008 was 1.5%, which has increased from 1.4% in the last quarter and July 2007 (1.4%)

For the first time since November last year, the proportion of female unemployment claimants in Herefordshire increased to 31% of all claimants, (28% last quarter). This increase is down to more female claimants rather than a decrease in male claimants. However, males still make up the majority of claimants 69%.

Unemployment claimants in Hereford City have increased to a total of 669 claimants, 44% of all claimants, an increase from 636 last quarter. Leominster has also seen a slight increase in claimants compared to last month. There has been little change in numbers of claimants in the other market towns.

Wards with relatively high levels of unemployment are St. Martins and Hinton (2.7%), Leominster North (2.5%), Belmont (2.4%), Ross-on-Wye West (2.2%), Aylestone (2.0%), St Nicholas (2.0%), and Leominster South (2.0%). In addition to these areas having high unemployment claimant rates, St. Martins and Hinton, Leominster North and Aylestone also saw an increase over the last year.

The wards that have had consistently higher unemployment rates over the monitoring period (relative to Herefordshire's low unemployment overall) were Belmont, Central, Leominster North, Ross-on-Wye West and St Martins & Hinton. For more detail about where highest levels of unemployment are - see full article.

Unemployment claimant figures and rates are now released at smaller geographical levels (LSOA level¹ i.e. below ward level) which allow more detailed mapping of where clusters of unemployment occur within Herefordshire.

¹ Lower level 'super output areas' (SOAs) are areas with fixed geographical boundaries. There are 116 of these in Herefordshire, each with a population of about 1,500.

	July 2008			A year ago (July 2007)
	Total	Male	Female	
Herefordshire	1,505	1,032	473	1,405
	1.5	1.9	1.0	1.4
West Midlands	3.1	4.4	1.7	3.1
England	2.3	3.2	1.3	2.3

Source: Office for National Statistics Monthly Unemployment Claimant Counts, Herefordshire Council Research Team

By looking at what proportion of current claimants are within each LSOA, we are able to highlight 'hot spots' or clusters of unemployment. The highest numbers of unemployment claimants occurred in Bishop's Meadow – Hunderton (53 claimants, 3.5% of all claimants) followed by Golden Post – Newton Farm (49 claimants, 3.3% of all claimants) both in Hereford City South of the river and Ross-on-Wye - John Kyrle area (44 claimants, 2.9% of all claimants).

Age and duration of claimants

The highest proportion of unemployment claimants were those aged between 25 and 49 years and have been unemployed for less than 6 months (41%), up by 3 percentage points on this time last year, July 2007 (38%).

The majority of claimants have been unemployed for less than 6 months (81%).

Current trends show that numbers of longer term claimants (12 months or more) have been decreasing; 100 claimants in July 2008. Numbers claiming between 6 and 12 months have seen a slight increase from 165 in January 2008 to 185 in July 2008. Numbers claiming for less than 6 months have increased from 1,000 claimants in October 2007 to 1,200 in July 2008.

'Click here for the full article' - please note this opens a new window (1.05 MB)

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EMPLOYMENT CENTRES

Communities and Local Government (CLG) have introduced a set of 198 indicators that every Local Authority in England will be required to measure and report on from 2008-09. Within this set, is an indicator that aims to measure the proportion of the working age population with access to employment by public transport (National Indicator 176). In order to measure this 'employment centres' had to be defined in a way that would be comparable across all local authorities. This article details Herefordshire's employment centres but does not cover the public transport aspects. Employment centres were defined as locations (LSOAs)¹ with 500 or more jobs.

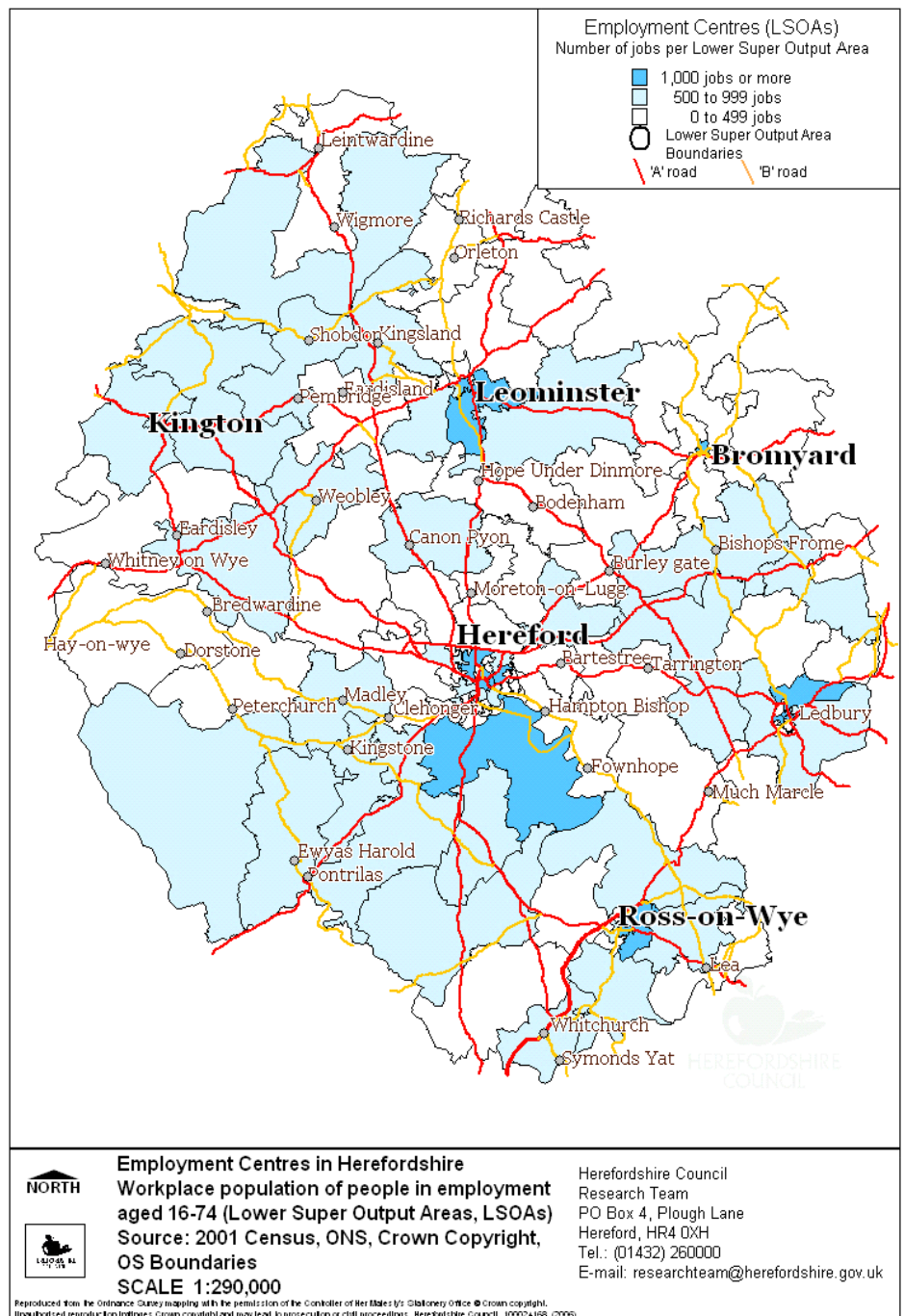
Numbers of jobs in an area were identified from the 2001 Census by the number of people aged 16 to 74 years old who are in employment and whose usual place of work is within the area. People who have no fixed place of work or worked mainly from home are counted at their place of residence.

Out of the 116 LSOAs in the county, 49 had 500 or more jobs and hence are classified as employment centres, 12 of these with 1,000 or more jobs.

The areas with higher numbers of jobs are found within Hereford City and the market towns. Unsurprisingly the LSOA with the largest number of jobs was Hereford City Centre, with a workplace population of 9,539, at the time of the 2001 Census. Also with a high number of jobs is the large LSOA just south of Hereford City (which is named RotherLacy). This encompasses the Rotherwas Industrial estate and Holme Lacy, and has large employers such as the Agricultural College and Holme Lacy House Hotel within the area.

The areas that have between 500 and 1,000 jobs shaded in light blue, seem to be fairly widely spread across of the county.

Map 1. Location of employment centres (LSOA)



¹ Lower level 'super output areas' (SOAs) are areas with fixed geographical boundaries. There are 116 of these in Herefordshire, each with a population of about 1,500.

EMPLOYMENT CENTRES (CONT.)

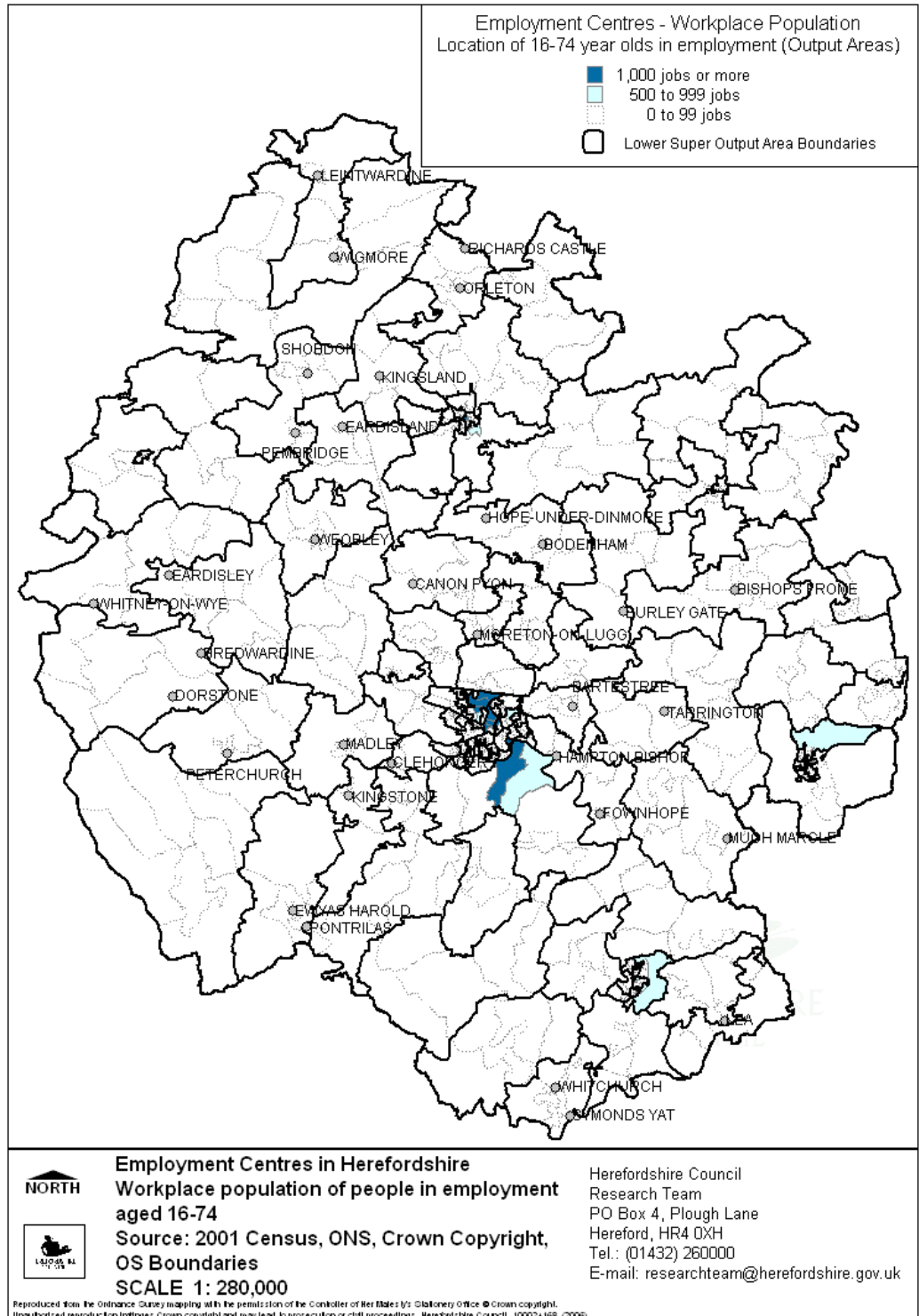
Despite the national indicator using LSOAs, the sometimes large geographical areas they cover can mask variation within the area. Output Areas (OAs) are a finer level of geography that have a resident population of approximately 300 people (there are 633 output areas within the county). Map 2 uses this lower level geography to explore whether the workplace population is clustered rather than spread out equally within the Lower Super Output Area.

Map 2. Location of employment centres (OA)

The areas with higher numbers of jobs are still in Hereford City, the market towns and in the industrial estate, Rotherwas, just south of Hereford City.

There are almost no rural output areas with higher numbers of jobs, 500 or more, highlighting that within the lower super output areas the jobs are reasonably evenly spread.

See full article for a more detailed map of where jobs are located within Hereford City.



WORKLESSNESS

'Worklessness' i.e. those not in work, has had increasingly more focus within both local and national government settings, with aims and initiatives created to reduce its occurrence. However there is a difficulty in measuring worklessness, as unless people are claiming out of work benefits they may not be counted, for example those looking after the home or family. One definition could be those who are economically inactive, however this includes those who are retired and full time students, both of which are typically NOT thought of as 'workless'.

In an evaluation of the **Working Neighbourhoods Pilot** (established in April 2004), the Department of Work and Pensions said "workless individuals included individuals who are unemployed and claiming unemployment benefits, individuals who are economically inactive and eligible for inactive benefits (who may or may not be claiming them), and individuals who are working exclusively in the informal economy (who may or may not be also claiming benefits)".

However they also acknowledged that there is not an easy way of monitoring worklessness if defined in this way as essentially we only really know about those who are claiming benefits. The evaluation went on to say that: "There are a range of groups that are disadvantaged in the labour market and that have a higher risk of being workless and living in deprived areas. These include: lone parents, minority ethnic groups, disabled people, carers, older workers, workers in the informal economy, offenders and ex-offenders. Not all individuals within these groups are workless, but being a member of these groups can increase the risk of being workless."

This is often where definitions of 'worklessness' get a little blurred, confusing those at risk of being workless, 'hidden' workless (i.e. as above those not claiming any out of work benefits) and those claiming out of work benefits.

For a recent **European Social Fund** bid to get additional money to tackle worklessness, Herefordshire's submission highlighted wards that were areas of 'high worklessness'. These were areas with a high number of people who were not in work for a variety of reasons and also those who are at risk of being or becoming 'workless', as identified in the table below.

Three wards had quite strong evidence of high levels of 'worklessness': St. Martins and Hinton, Belmont and Three Elms, all in Hereford City. There were also a further eight wards with potential 'worklessness' issues.

This approach was taken to highlight specific areas that had high levels of worklessness or a higher risk. Actual numbers of workless can not be obtained from this as individuals may be counted more than once, given that the data was drawn from different sources: the 2001 Census and benefit claimants from the

Table 1. Wards with high 'worklessness' and at risk of particular 'worklessness' issues.

	St Martins and Hinton	Belmont	Three Elms	Leominster North	Central	Ross-on-Wye West	Ledbury	Tupsley	Leominster South	Aylestone	Bromyard
Unemployment levels (numbers and rates of JSA claimants)	✓	✓			✓	✓					
No. of people who are inactive	✓	✓	✓				✓	✓			
No. and % of females who are looking for work (claiming JSA)	✓			✓	✓	✓			✓		
No. of job seeker allowance claimants who are over 50 years old	✓	✓	✓								
No. of income support claimants who are lone parents	✓	✓	✓	✓					✓		
No. of income support claimants who are also entitled to Incapacity benefits	✓	✓					✓				
No. of income support claimants who are also entitled to carers allowance	✓	✓	✓								
No. of incapacity benefit and severe disablement allowance claimants	✓	✓	✓	✓				✓		✓	✓
Total criteria they met out of the 8.	8	7	5	3	2	2	2	2	2	1	1

WORKLESSNESS (CONT.)

Communities and Local Government (CLG) have introduced a set of 198 indicators that every Local Authority in England will be required to measure and report on from 2008-09. Within this set is an indicator that aims to measure the “percentage of working age population who are claiming out of work benefits” (National Indicator 152). This includes the main out of work client group categories, which have been grouped into the following statistical groups:

- Unemployed people on Jobseekers Allowance
- Lone parents on Income Support
- Incapacity Benefits customers
- Others on income related benefits (Income Support claimants not included in one of the three groups above)

The aim of these statistical groups is to classify each person by the main reason they are claiming benefit. Each client is classified just once. Benefits are arranged hierarchically and claimants are assigned to the top most benefit which they receive.

If claimant receives ...	then allocated to ...
Jobseeker's Allowance	Jobseeker
Incapacity Benefit or Severe Disablement Allowance	Incapacity benefits
Income Support with a child under 16 and no partner	Lone parent
Carer's Allowance	Carer
Other Income Support (including IS Disability Premium) or Pension Credit	Other on income related benefit
Disability Living Allowance, Attendance Allowance or Industrial Injuries benefits	Disabled
Widow's Benefit, Bereavement Benefit or Industrial Death Benefit	Bereaved

Thus a person who is a lone parent and receives Incapacity Benefit would be classified as incapacity benefits, whereas someone receiving both Bereavement Benefit and Disability Living Allowance would be classified as disabled. For this reason the group lone parent, for example, will not contain all lone parents claiming Income Support. Some will be included in the incapacity benefits group instead.

As of **November 2007**, Herefordshire had:

- 1,320 working age people claiming Job Seekers Allowance
- 5,790 working age people claiming Incapacity benefits
- 1,320 working age people claiming benefits that were classed as lone parents
- 410 others on income related benefits

In total **8,840 people** within Herefordshire were claiming out of work benefits, which is **8.6%** of the working age population

In addition, 1,020 working age people are carers claiming out of work benefits. If these carers were included this gives a total of 9,860 or 9.5% of the working age population claiming out of work benefits.

'Click here for the full article' - please note this opens a new window (394 KB)
 Any queries please contact the Herefordshire Council Research Team: 01432 260464 or researchteam@herefordshire.gov.uk

AGRICULTURAL CENSUS 2008

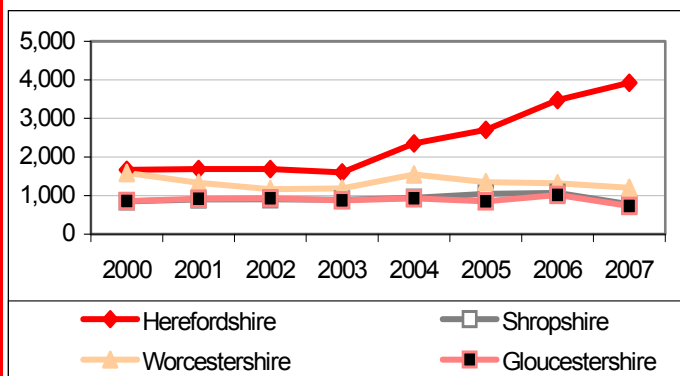
The Agricultural Census is carried out every June by DEFRA (Department for Environment, Food and Rural Affairs). This is a sample survey (of between 45,000 and 75,000 holdings) where farmers are required to state what agricultural activity is happening on the land as of June each year. This includes information relating to farm types, land use, crops, livestock and labour. This article uses the **June 2007** census data. In order to ensure that individual farms are not identifiable DEFRA have suppressed certain figures.

Labour

Herefordshire's **total agricultural labour force has increased by 23%** since 2000 (from a total of 9,300 in 2000 to a total of 11,451 in 2007). Comparatively, total labour figures had decreased by 1% in the West Midlands and by 6% across England, in 2007.

The highest proportion of the agricultural workforce were casual workers, accounting for 34%. Casual workers only accounted for 17% in the West Midlands region and 12% in England. **Part time farmers** accounted for the greatest proportion of the workforce in the West Midlands and England as a whole, both 35% compared to only 28% in Herefordshire.

Chart 1. Number of casual labour employees, Herefordshire 2007



Casual Labour Employees¹

The proportion of casual workers in Herefordshire (34%, 3,924 people) was high compared to the West Midlands (17%) and England (12%). This was a 12% increase from the previous year and an **136% increase since 2000**, far greater than the regional and national change (22% and -9% respectively). Herefordshire has seen a sharp rise in the number of casual labour employees since 2003, with much larger numbers employed in Herefordshire than in neighbouring authorities.

Land Use

In 2007 there were a total of 5,149 working farm holdings in Herefordshire with a total farmed area of approximately 180,324 hectares (ha)². This number has increased steadily since 2000, 46% in total over this period.

The proportion of land that was 'owned' or 'rented' showed little change from the previous year, with owned land accounting for 81% and rented land 19%.

The majority of Herefordshire farms are quite small; 45% are less than 5 hectares and a further 19% are between 5 and 20 ha (2,307 and 1,001 holdings respectively). Only 11% of Herefordshire farms are 100 hectares or greater in size (554 holdings). This pattern is similar in Herefordshire's neighbouring authorities, as well as regionally and nationally, all with higher proportions of smaller farms.

The greatest proportion of Herefordshire's agricultural holdings (39%) are permanent grass, which accounts for 43% (77,950 ha) of the total area.

Herefordshire's neighbouring authorities, have similar land use proportions to that of Herefordshire. 'Permanent grass' accounts for slightly more in Herefordshire (43%) than in Worcestershire (41%) and Gloucestershire (40%) but less than Shropshire (47%), whilst 'crops and bare fallow' (37%) accounts for less than in Worcestershire (40%) and Gloucestershire (38%) but more than in Shropshire (33%).

Farm Type

The **largest proportion of farms in Herefordshire** are classed as 'other'³, accounting for 41% of holdings in 2007. 'Other' holdings experienced a large increase between 2004 and 2007 but still remain lower than that seen in the neighbouring authorities, regionally and nationally.

¹ Casual labour employees include - family and non-family workers who are employed for less than 20 weeks of the year, youth trainees on official schemes and Seasonal Agricultural Workers Scheme (SAWS) workers. ² 1 hectare = 2.5 acres

³ 'Other' are those that do not fit with mainstream agriculture classifications (e.g. specialist goat)

AGRICULTURAL CENSUS (CONT.)

Out of the remaining categories **'grazing livestock (lowland)'** accounted for the greatest proportion in Herefordshire, although this decreased from 24% in 2004 to 20% in 2007.

Herefordshire has a proportionately higher amount of **horticultural** holdings (8%) than Shropshire (2%), Gloucestershire (5%) and regionally (5%) and nationally (5%), but slightly lower than Worcestershire (9%).

'Mixed' farm holdings accounted for 7% in 2007, a decrease on 2004. This is still a greater proportion than other areas. **'Cereals'** holdings on the other hand account for a lower proportion than all other areas, 7% compared to 8% in the West Midlands region and 11% Nationally.

Crop Areas

In 2007 37% of Herefordshire's agricultural land area was used for crops and bare fallow, the second largest type of agricultural land use in Herefordshire, after permanent grassland.

57% of Herefordshire's agricultural cropping land was used for cereals, in 2007. Out of the cereals, **'wheat'**, accounted for the single largest proportion (38%) of total land used for cropping. This was despite the total cropping area for 'wheat' experiencing a 12% reduction between 2004 and 2007. The next largest proportions of land were used for **'potatoes'** and **'oilseed rape'** (accounting for 9% and 10% of the cropping land respectively). Between 2001 and 2007 oilseed rape experienced an increase of 62%.

Out of the other cereals **'winter barley'** and **'spring barley'** accounted for 6% and 4% respectively. 'winter Barley' and 'spring barley' saw a general trend of decrease in cropping area since 2001, showing reductions of 33% and 47% respectively.

The proportion of crop area in Herefordshire used for **'horticulture'** was 8% in 2007, a 4% reduction on 2006. Comparatively 4% of land regionally and nationally was used for horticulture, and 9% in Worcestershire.

Since 2001, the area of land used as **'bare fallow'** has seen a large increase (from 494 ha in 2001 to 1,977 ha in 2007, a 300% increase)

however, this still only accounted for 3% of Herefordshire's agricultural cropping land.

Whilst the area **'under glass or plastic'** occupied a small proportion of the cropping area in 2007 (less than 1%), it experienced a large increase (171%) over the period 2001 to 2007.

Livestock

Note: a change in methodology for monitoring cattle in 2007 means data is not comparable with previous years.

Out of all livestock, **sheep were farmed on the greatest number of holdings within Herefordshire** in 2007, 1,860 out of 5,149 (36%). This proportion was high compared to regionally and nationally, where only 27% and 23% of farm holdings were used for sheep farming respectively. The number of holdings with sheep decreased by 4% on the previous year. The average herd size for Herefordshire was 342, greater than for all other areas except Shropshire (365).

Cattle were farmed on 1,301 holdings (25%) in Herefordshire, in 2007. The average cattle herd size for Herefordshire was 96. This was smaller than for all other areas apart from Worcestershire (82). The national average was 106.

Fowl (chicken) farming occurred on 17% of farm holdings in 2007, with a total of 7,944,710 birds, a 7% reduction on the number in 2005. The average size of fowl farms in Herefordshire was significantly greater than all other areas in 2007, with average flock sizes being 8,936 compared to 4,208 in Shropshire and 3,546 nationally. This is likely to reflect a number of very large installations in Herefordshire.

Table 1. Average herd/flock size for all areas, 2007.

	Cattle	Pigs	Sheep	Goats	Horses	Fowls
England	106	283	323	13	7	3,546
West Midlands	102	166	306	14	6	3,772
Herefordshire	96	119	342	15	5	8,936
Worcestershire	82	165	272	8	6	2,295
Shropshire	119	208	365	10	6	4,208
Gloucestershire	108	81	248	36	7	3,451

'Click here for the full article' - please note this opens a new window (68.3 KB)

Any queries please contact the Herefordshire Council Research Team: 01432 260464 or researchteam@herefordshire.gov.uk

FARM BUSINESS STUDY 2006/07

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.

Latest results use **2006/07 accounting year** data and are published as 'Farm Accounts in England 2006/07'. There were 59,500 farms included in this study, covering farms that occupy a farmer for at least half of their time, although these account for slightly less than half the total number of farms, they account for 90% of land area farmed and 96% of agricultural production.

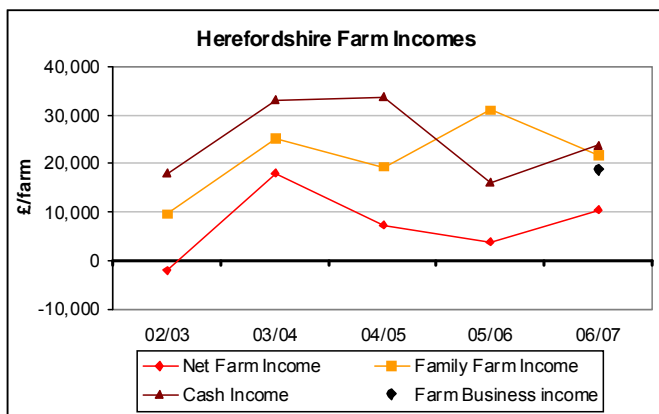
The Farm Business Study use a number of ways to measure farm income:

- **Business Farm Income**
- **Net Farm Income**
- **Family Farm Incomes**
- **Cash Incomes**

Farm Business Income comprising of income from four different 'segments' of the business: agriculture, agri-environment, diversification and the single payment. This should be adopted as the headline measure of farm income.

For more information about these measures, see the full article.

Farm incomes have fluctuated over the last 5 years. Net farm income in Herefordshire is the lowest out of all the measures but family farm income has seen a decrease over the last year whilst net farm and cash income have seen an increase from 2005/06.



Farm Business Income is being used as the new headline measure of farm income. Data is first available for Herefordshire for 2006/07, in which the average per farm was £18,800. This was lower than both the West Midlands region (£24,900) and across England as a whole (£37,800).

In 2006/07, **net farm incomes** in Herefordshire have increased from an average £3,900 per farm in 2005/06 to **£10,500** in 2006/07, but is still below that of the West Midlands region and England.

In 2005/06, Herefordshire's **family farm incomes** nearly matched that of England (£30,900 compared to £33,100, 7% lower), but has since seen a decrease to **£21,600** in 2006/07 (47% below that of England).

Average **Cash incomes** tend to be higher than other income measures. Herefordshire's cash incomes increased, to an average **£23,900** in 2006/07, compared to £33,200 in the West Midlands and £47,900 in England.

Average Net Farm Income by Farm Type for England

Over the last year, the average business farm income for **all types of farms** experienced a 22% increase per farm of around £6,800 across England as a whole

Specialist poultry farms have the highest farm business income and have increased every year since 2003/04. **General cropping, cereals** and **horticulture** have higher farm business income than the average for all farm types in 2006/07 and have all seen an increase over the last year.

Farm business incomes for **specialist pigs** and **mixed** farms have decreased. **Grazing livestock (lowland)** saw an increase in farm business income over the last year but is still one of the lowest in terms of farm business income, along with **grazing livestock** (LFA – less favoured areas).

Non-Agricultural Income and Diversification in England

In 2006/07, 50% of farms had some form of diversified activity (non-agricultural activity of an entrepreneurial nature using farm resources). The total income from all types of diversification was £430 million in 2006/07, 5% higher than in 2005/06; diversified enterprises generated 19% of the total income of farm businesses in 2006/07. 60% of diversified income is generated from letting out farm buildings for non-agricultural use.

'Click here for the full article' - please note this opens a new window (89.5 KB)

Any queries please contact the Herefordshire Council Research Team: 01432 260464 or researchteam@herefordshire.gov.uk

SEASONAL & MIGRANT WORKERS

The first review of information that exists on seasonal and migrant workers in Herefordshire was completed in August 2006 and has just been updated. It also identifies additional sources and research since then, which all form part of the 'jigsaw' puzzle of estimating numbers of international migrants in an area. No single data source can give a comprehensive view of the number of migrant workers at any one time in Herefordshire, and it is important to bear in mind that there is very little information on emigration i.e. numbers leaving the county.

Definitions

- A short-term international migrant is someone who moves from their usual place of residence for 3 months or more but less than 12 months.
- A long-term international migrant is someone who changes their usual place of residence for at least a year.
- A seasonal worker in Herefordshire is defined for this report as those working on farms over the growing season. They may be nationals who arrive via SAWS (Seasonal Agricultural Workers Scheme) or WRS (Worker Registration Scheme), which are explained further in the report.

Long-term International Migrants

The **Office for National Statistics** estimate that in no year since 2001 have more people moved into Herefordshire from overseas for a year or more than have moved out of the county to live abroad for a year or more. These estimates appear to under-estimate the numbers of international migrants in Herefordshire, however a comparison of these with some of the **administrative sources** described in the report have shown that there is insufficient evidence to challenge the ONS estimates. It is therefore assumed that the majority of migrant workers who come to the county are seasonal workers and other short-term migrants who would therefore not be counted as part of the *resident population*.

Experimental statistics show that the resident **'BME' population** (Black and Minority Ethnic, which includes all ethnic groups other than White-British) increased by 50% in Herefordshire between 2001 and 2005 to 6,600 people. The largest group was 'white-other' (2,400 people).

National Insurance number registrations for overseas nationals give an indication of workers coming into Herefordshire across all nationalities outside the UK. The registrations increased steeply in 2004-05 (following the accession of new countries to the European Union), which continued into 2005-06, dropped slightly in 2006-07 but increased again to a high of 3,200 new registrations in 2007-08. The majority of these have been from the new European Union accession countries since 2004 (A8 and A2) and Portugal, with the predominant nationality being Polish.

Short-term International Migrants

WRS and **SAWS** give further information on short term international migrants. The SAWS scheme limits work to a maximum of 6 months and three-quarters of WRS workers indicate they expect to stay for less than a year. In 2007 there were 5,600 people registered with SAWS and WRS, a slight decrease from 2006 figures but an increase from 2005 (5,400 people).

The numbers of **seasonal workers** expected by farmers in Herefordshire in 2007 was estimated to be between 8,000 – 9,000 individuals with a peak of 6,500 – 7,500 at any one time (June – July). This dropped to 6,500 individuals expected in 2008 with a peak of 5,400 in June and 4,700 in July. The predominant nationality is still expected to be Polish but the proportion of Bulgarians and Romanians has increased this year, reflecting the new rules for SAWS. As of January 2008, this quota-based scheme is reserved entirely for Bulgarians and Romanians.

Further detail is shown for each of these data sources in the report in addition to findings from recent research done on migrant workers in the region (the economic impact) and locally (supporting integration). It also includes analysis of local administrative data and anecdotal evidence, such as housing.

'Click here for the full article' - please note this opens a new window (98.0 KB)

Any queries please contact the Herefordshire Council Research Team: 01432 260464 or researchteam@herefordshire.gov.uk

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 4 in 2007** and for the House Price Index, **June 2008**.

Average House Prices

This data is published as a series of 'live tables', including various measures of property price the mean, the median and the lower quartile.

The average house price figures have not been updated since the previous Bulletin – In the 4th quarter of 2007, the **median price of a property in Herefordshire was £190,000**. In comparison, the median property prices for England & Wales and the West Midlands were £179,950 and £149,950 respectively.

The overall median house price is higher in Herefordshire compared to nationally. This is caused by the high volume of sales of detached properties in Herefordshire as compared to England and Wales, which has the effect of inflating Herefordshire's average price.

Affordability

Lower quartile house prices represent the lower end of the housing market and therefore are a useful measure when looking at affordability.

Over the 4th quarter of 2007, the lower quartile house price was £144,500 in Herefordshire as compared to £128,000 for England & Wales and £116,000 for the West Midlands region. With Herefordshire earnings lower than the national and regional average, this makes affordability of housing a key issue for the county.

House Price Index

The Land Registry releases a House Price Index (HPI), calculated by selecting properties that have changed hands more than once since April 2000, so the index is based on genuine price increases for particular properties.

The table gives the index values in June 2008 and current annual rate of increase in house prices for Herefordshire, the West Midlands and England & Wales.

Herefordshire and England & Wales both experienced an annual rise in house prices of 0.1%, which shows a decline in the annual growth when compared with the annual rate of increase in prices over the previous year, for the same month.

	HPI			Annual change (%)		
	Eng & Wales	West Mids	Hfds	Eng & Wales	West Mids	Hfds
Jun-07	219.6	222.2	222.2	9.1%	5.7%	8.3%
Jun-08	219.8	217.1	222.5	0.1%	-2.3%	0.1%

Source: HM Land Registry

Volume of Sales

The Land Registry figure for the number of house sales in Herefordshire during April 2008 was 155.

In the 6 months prior to May 2008 (November 2007 to April 2008) the volume of sales averaged 185 per month, which is a decrease of 39% from the same period last year (302 sales per month). For comparison, England & Wales and the West Midlands both experienced falls of 33% between the 6 months prior to May 2008 and the same period of the previous year.

Mortgages

According to the Council of Mortgage Lenders (CML) www.cml.org.uk there were 52,700 loans for house purchase for England & Wales in May 2008, which is a decrease of 44% from the same month during the previous year.

Loans to first time buyers totalled 19,200 in May 2008 for England & Wales, down by 41% on the same month during the previous year.

For more information please contact the Research Team on: 01432 383069 or researchteam@herefordshire.gov.uk

READERS SURVEY 2008

The Research Team would like to thank all readers who returned their readers survey!

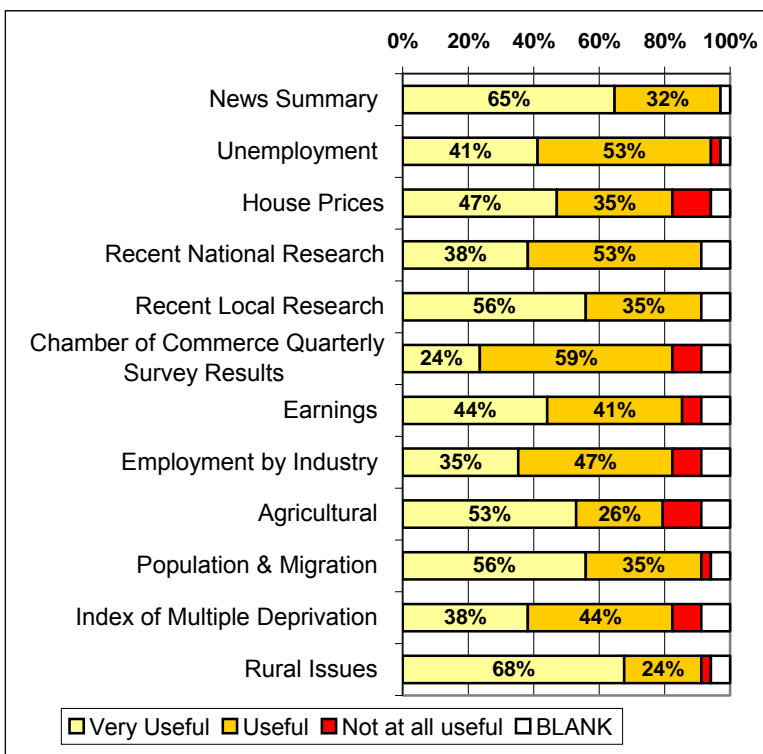
This years readers survey was sent out in May 2008, to approximately 400 Quarterly Economic Bulletin (QEB) readers including Herefordshire Council employees, Councillors, Parish Councils, local businesses, community/voluntary organisations, schools, colleges and libraries. **34 surveys were completed** (results outlined below). For reference one response is equal to 3%.

Question one focussed on accessibility of various aspects of the QEB.

- When asked if **the bulletin version is easy to pick up and read** 50% of respondents 'Strongly agree' and 50% 'Agree'.
- 29% of respondents 'Strongly agree' that **summary articles in the bulletin contain enough detail**. 65% 'Agree' and 3% responded 'Don't know/no opinion'.
- 74% of people 'agree' or 'strongly agree' that they **knew how to get full articles on the Herefordshire Partnership website** for more information. 18% responded 'didn't know/no opinion' and another 9% 'disagree'
- 97% 'Agree' or 'Strongly agree' that there are **enough graphs, charts or maps in the bulletin** articles.
- Only 36% of respondents either 'Agree' or 'Strongly agree' that **the bulletin is easy to find on the Herefordshire Partnership website**, 56% responded 'Don't know/ no opinion' and 3% 'Disagree'

This suggests that the biggest issue is with finding the bulletin on the Herefordshire Partnership

Chart 1. Proportion of respondents who found particular articles to be 'very useful', 'useful' or 'not at all useful'



website. Also it seems that around 29% of people had not tried or had had issues with finding full articles on the website i.e. they responded don't 'know/no opinion' or 'disagree'.

Chart 1 shows the proportion of respondents that found specific articles to be of varying use i.e. a range of 'very useful' to 'not at all useful'. The articles which readers found most useful i.e. answered 'very useful' or 'useful' were the 'News Summary', 'Unemployment', 'Rural Issues', 'Recent Local Research', 'Population & Migration' and 'Recent National Research' articles. All had over 90% of respondents giving the 'very useful' or 'useful' response. Readers responded 'not at all useful' most frequently for 'agricultural' and 'house price' articles (12% of respondents), whilst 'Index of Multiple Deprivation', 'Employment by Industry' and 'Chamber of Commerce Quarterly Survey Results' each had 8% responding the same.

Question 3 asked readers whether they 'like' the format of the bulletin version of the QER. 100% of respondents either 'like' or 'like a lot' the short summary articles and 82% the use of colour in the bulletin. Only 52% of people either 'like' or 'like a lot' the **full articles available on the website**, of the rest 38% responded 'Didn't know/no opinion' and 6% 'dislike'.

The survey also included a question asking what format the QEB would be most useful or accessible to people. The majority (85%) indicated that hard/paper copy was most useful, 15% indicated that a text e-mail with links to further information would be useful and 3% for an e-mail with attachment.

We also asked readers for any **suggestions** for articles or topics that they would like to see covered in future. These suggestions included.

- Information on **Sustainability within Herefordshire**. More specifically data on crops used for bio-fuels and food production.
- Featuring data on **market towns** as much as possible.
- Updates on the progress of the **Edgar Street Grid** (ESG)
- **Rural issues** specifically transport in **15 Broomyard**

RECENTLY PUBLISHED RESEARCH

National Research

Small business could save up to £300m a year with better advice and support on health and safety.

Department for Business, Enterprise and Regulatory Reform (National) (August 2007)

A report published by the Better Regulation Executive examines how health and safety regulation affects low risk and small businesses. It sets out recommendations to save these firms time and money, while improving working environments and understanding of health and safety. Recommendations include:

- * improved web-based and telephone support, offering advice as well as information, for low risk businesses;
- * better advice to help small businesses know when to buy-in the help of consultants for health and safety advice;
- * maximising the resources of HSE and local authority inspectors, making inspection and enforcement more efficient, focusing on higher risk workplaces meaning fewer inspections for low risk;
- * developing a new, single assurance scheme so small businesses can have just one process to deal with a range of requirements, including health and safety, fire, food safety regulations; and
- * improving the perception and understanding of health and safety issues.

The report, "Improving outcomes from health and safety" can be found at <http://www.berr.gov.uk/>

Work recovery - good for business, good for you

Department for Work And Pensions (National) (August 2008)

New research concludes that more than 90 per cent of people with health problems can be helped to return to work by following a few principles of good health care and work place management. Simple measures, alongside structured support for those who need extra help, could reduce long term sickness absence and the number of workers going on to long term incapacity benefits by up to 60 per cent.

Evidence from the review into vocational rehabilitation, Vocational Rehabilitation: What works, for whom, and when? shows effective return to work depends on two key strands:

1. Healthcare which includes a focus on work -

this means early intervention which is tailored to meet the individual needs.

2. Workplaces that are accommodating - incorporating a proactive approach to supporting return to work and the temporary provision of modified work

The report Mental Health & Employment can be found at <http://www.dwp.gov.uk/asd/asd5/reports2007-2008/rrep513.pdf>

Local Research

Housing needs studies continue across the county. After a survey and analysis is completed, a report is issued to the parish or town council and circulated to other interested parties both within and outside Herefordshire Council. A report for **Peterchurch parish** and **Dilwyn parish** were published during the last quarter, each of which show a need for affordable housing. **Orleton parish** was surveyed during June, with the report due by mid September. **Marden parish** and **the Pembridge area** are currently being surveyed.

All housing needs survey reports can be accessed from www.herefordshire.gov.uk/research or can be obtained by telephoning the Research Team on 01432 383069.

Herefordshire Council are carrying out research to identify areas that have no, or a poor quality, **broadband service**. To help us with this we need a better idea of how many people are having problems, and where they live, so if you've been suffering **broadband frustration** then please get in touch by phoning Info in Herefordshire on 01432 260500, or if you have access to email, at work or elsewhere, then email: economicinvestment@herefordshire.gov.uk.

Forthcoming HIRN seminar:

'Key Stats about Herefordshire's Population Groups' - 30th September 2008

www.herefordshirepartnership.com/hirn

For more information or any queries please contact:

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