

## QUARTERLY ECONOMIC BULLETIN

An Economic Summary for Herefordshire

## NEWS SOURCED FROM LOCAL PRESS

INSIDE THIS  
ISSUE:

<i>News</i>	1
<i>Unemployment</i>	2
<i>Property Prices</i>	3
<i>Agricultural Census 2005</i>	4
<i>Access to Services</i>	6
<i>Business Formation &amp; Survival Rates</i>	7
<i>Recently Published</i>	8

Key Points for  
Herefordshire:

- Numbers of unemployed fell last month (page 2).
- Property prices increased by 12% since last year (page 3).
- Over the last 5 years, Herefordshire saw a downward trend in full-time agricultural employment and an increase in the casual labour workforce (page 4).
- Lower proportions of households in Herefordshire live within set distances of key services compared to regionally & nationally, (page 6).
- 73% of businesses registered in 2001 survived their first 3 years of trading, (page 7).

Berrington Press Ltd, has recently relocated from its Station Road premises in Hereford to a refurbished building at Rowlestone. 1 new job has been created so far and 7 safeguarded. The refurbishment of the premises was made possible with a grant of nearly £4,000 under the Redundant Building Grant scheme.

A redundant barn at Monk's Orchard, Lugwardine has been converted into office accommodation and is now occupied by Herefordshire & Monmouthshire Life Magazine. A grant of nearly £15,000 has enabled the conversion and the creation of 3.5 jobs.

Whitbread has invested £400,000 in transforming the Beefeater restaurant on Holmer Road in Hereford, creating 15 extra jobs.

Asda has spent over £30 million on the development of their new superstore in Hereford and an adjoining health and community centre, employing 400 members of staff.

Women's clothes specialists, New Look, have opened a new store located in the former Littlewoods building in Hereford, creating up to 100 full and part-time jobs.

The number of empty shops in Ross-on-Wye has reduced from just over 20 to around 14 in the past 12 months, thanks to trade support grants and the Market Towns Initiative-funded shop front grants.

Leominster's Minster College is to be completely re-built with a £25 million government grant with work due to be completed by 2009. Additional plans include the potential re-location of Westfield's Special School to the new campus and a performing arts space to share with the town.

Haywood High School has made a successful bid to gain Sports College status with £50,000 raised from the local community and businesses. The centrepiece of the renamed Wyebridge Sports College will be a purpose built £250,000 fitness suite due for completion in March 2007, that will also be available for use by the local community.

Millionaire Graham Ferguson Lacey has bought Herefordshire's Hampton Court from the previous American owners the Van Kampen family. The intention is to keep the gardens open to the public as part of a world-class tourist attraction.

JRM developments have been given the go ahead to construct over 50 homes in Kington. Proposals include several flats, a quota of affordable housing and a new access road.

West Mercia Constabulary and Youth Support Services have developed the ARC (Assessing Resources in the Community) project, from £150,000 Lottery funding. The project will use volunteers to support young people aged 10 to 17 in Hereford and Worcester, who have offended or are at risk of offending, in accessing leisure resources and support agencies in their local communities.

Sheepdrove Organic Farm has bought 17 hectares of land, formerly known as Mainstone Farm in Herefordshire. Plans are to create a profitable, bio-dynamic and environmentally friendly organic top fruit business. Production will be facilitated by existing cold storage, grading facilities & a juicing plant nearby.

A £1.3 million upgrade to the water network in and around Weobley should be completed by April 2007. The work involves renewing 15 kilometres of water mains on roads in the area.

# 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 **October 2006**. All figures are unadjusted for seasonal variation unless otherwise stated.

## In October 2006:

1,521 people were claiming unemployment benefit in Herefordshire, a decrease from 1,599 last month. The unemployment rate was 1.5%, down from 1.6% in July 06, (West Midlands 3.3% and England 2.5%).

Over two thirds of claimants were male (70%).

Unemployment in Bromyard, Ledbury and Kington was low and has remained at similar levels over the last year (52, 41 and 20 claimants respectively).

Unemployment in Hereford City has decreased over the year dropping from 726 to 690, unemployment in Leominster and Ross-on-Wye remained similar to levels recorded last year (144 and 135 respectively). Wards with the highest unemployment are St Martins & Hinton (177 claimants), Belmont (164) and Ross-on-Wye West (90).

Numbers of claimants in Belmont have decreased over the last year, whereas unemployment in both St Martins & Hinton and Ross-on-Wye West has risen.

Unemployment claimant figures are now released at smaller geographical levels (i.e. below ward level) which allow more detailed mapping of where the clusters of higher proportions of unemployment are within Herefordshire.

Higher proportions of unemployment claimants are found in parts of Hereford City, Bromyard, Ross-on-Wye and the areas around the centre of Leominster. The John Kyrle area of Ross-on-Wye has the highest proportion of unemployment claimants (4.0% of all claimants in October 06).

There are also two other areas that have high proportions of all claimants in Herefordshire. One just outside Hereford City, which includes the areas of Rotherwas and Holme Lacey (1.1%) and the other is 'Kingsbridge' (1.3%) which covers Kingstone and the region to the

	October 2006			A year ago (October 2005)
	Total	Male	Female	
<b>Herefordshire</b>	<b>1,521</b>	<b>1062</b>	<b>459</b>	<b>1,563</b>
	<b>1.5%</b>	<b>1.9%</b>	<b>0.9%</b>	<b>1.5%</b>
West Midlands	3.3%	4.6%	1.8%	3.0%
England	2.5%	3.5%	1.4%	2.3%

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

south.

The highest proportion of unemployment claimants were those aged between 25 and 49 years who have been unemployed for less than 6 months (39%).

The majority of all claimants have been unemployed for less than 6 months (74%), which is the lowest this has been since this time last year (October 2005 – 79%). This suggests there has been a slight increase in unemployment claimants claiming for longer periods of time.

Just over half of all claimants are aged between 25 and 49 years (55%).

Youth unemployment (those aged under 25 years) has decreased between October 2005 and October 2006, dropping from 32% to 27% over the year.

**'Click here for the full article'** - please note this opens a new window (2.44 MB)

Any queries please contact the Herefordshire Council Research Team: 01432 383634 or [researchteam@herefordshire.gov.uk](mailto:researchteam@herefordshire.gov.uk)

# PROPERTY PRICES

HM Land Registry collects data on house prices from all house sales in England and Wales and the data is published quarterly - the most recent figures were released on 8<sup>th</sup> November, and cover **July to September 2006**.

In the 3rd quarter of 2006, the average price of a property in Herefordshire was **£220,832** – this is the average (mean) calculated from the 917 individual sales that took place. The overall average property price for England and Wales was £211,453 and that for the West Midlands region was £173,778.

Herefordshire's average price has risen by **12%** over the year compared to 9% for England & Wales and 8% for the West Midlands region.

The number of sales continues to show an increase as compared to the previous year – 18% more sales in Herefordshire than the same period in 2005, and 17% more sales across England and Wales.

The table of average (mean) prices below shows that in Herefordshire, prices for individual property types are lower than nationally, though the price difference is small for all property types apart from flats/ maisonettes. The price of flats / maisonettes in Herefordshire shows more fluctuation than other property types due to the relatively low number of sales.

The overall average 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.

	Detached	Semi-detached	Terraced	Flat/ maisonette	Overall average price
Herefordshire Jul-Sep 2005	£285,462	£161,179	£141,987	£112,907	£197,304
Herefordshire July-Sep 2006	£304,312	£177,645	£152,905	£117,233	£220,832
Herefordshire % change over the year	7%	10%	8%	4%	12%
Ave. Eng & Wales Jul-Sep 06	£319,746	£189,929	£167,259	£189,868	£211,453
Eng & Wales % change over the year	6%	7%	10%	8%	9%

Source: HM Land registry

## Affordability

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

Over the 2nd quarter of 2006, the lower quartile house price was £135,000 in Herefordshire as compared to £119,150 for England & Wales (provisional figures). With Herefordshire earnings lower than the national average, this makes affordability of housing a key issue for the county.

## Other House price information

On 31st October, the Land Registry launched a new House Price Index with April 2000 as the base. The Index stands at 206.2 for September 2006 indicating that property prices in England & Wales have risen by 106.2% in just over 6 years. The new feature of this index is that it is calculated by selecting properties which have changed hands more than once since April 2000 - just under 1.5 million transactions in all - so the index is based on genuine price increases for particular properties.

**'Click here for the full article'** - please note this opens a new window (38 KB)

Any queries please contact the Herefordshire Council Research Team:

01432 260464 or [researchteam@herefordshire.gov.uk](mailto:researchteam@herefordshire.gov.uk)

# AGRICULTURAL CENSUS 2005

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 land use, crops, livestock, labour, horticulture and area covered by glasshouse (glazed or plastic covered fixed or mobile structures including walk through polythene tunnels). This article uses provisional estimates as of September 2006 for the **June 2005** census data, finalised data to be released by DEFRA in December. In order to ensure that individual farms are not identifiable DEFRA have suppressed certain figures.

## Labour

Herefordshire's **total agricultural labour force** (excluding part-time managers) has increased over the last 4 years by 5.5% (from a total of 9,538 in 2001 to 10,058 in 2005). Comparatively, total labour numbers in the West Midlands and England have decreased.

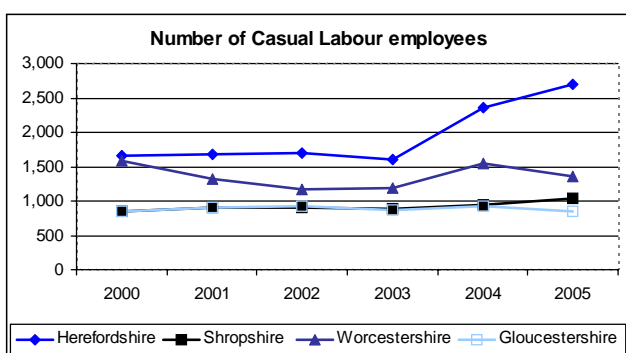
The highest proportion of employees were **part-time farmers** in Herefordshire (31%), the West Midlands (34%) and England (34%). However there has been a decrease in these numbers over the last 4 years.

Numbers of **full-time managers** in Herefordshire have decreased by around 10% over the last 4 years; in comparison there has been an increase in the numbers in the West Midlands and England. Although the proportion of full-time farmers in agricultural workforce are similar across these areas.

Over the last 5 years there has been a general downward trend in the numbers of **full-time agricultural employees** in Herefordshire.

The other main difference between Herefordshire, regionally and nationally is use of **casual workers**. 27% of Herefordshire's agricultural workforce are employed as casual workers (2,704 people - a 60% increase from 2001). Comparatively, 10% increase in the West Midlands and 2% decrease in England.

It is useful to compare Herefordshire to neighbouring authorities to see if any changes are apparent elsewhere, see chart below.



## Land use

In 2005 there were a **total of 4,825 working farm holdings** in Herefordshire with a total farmed area of approximately 178,006 hectares. Since 2004, there has been an increase in the number of holdings from 4,138, but a decrease in the total farmed area with 181,326 hectares being farmed in 2004.

The majority of Herefordshire farms are quite small; **42% are less than 5 hectares** and 20% are between 5 and 20 ha (2,008 and 969 holdings respectively). 11% of Herefordshire farms are 100 hectares or more (540 holdings). The pattern is similar for Herefordshire's neighbouring authorities, as well as the West Midlands and England, all with higher proportions of smaller farms.

The majority of Herefordshire's agricultural **holdings** (38%) are **permanent grass**, which accounts for 41% (73,543 ha) of the **total area**.

The second most predominate type of **holding** (18%) is **crops and bare fallow**, which occupies 38% (38,159 ha) of the **total area**.

Neighbouring authorities, Shropshire and Worcestershire, have similar proportions of **area used for each farm type** to that of Herefordshire. Although Shropshire has slightly more area used for permanent grassland (44%) compared to Herefordshire (41%) whilst Worcestershire has more land used for crops and bare fallow (42%) than Herefordshire (38%).

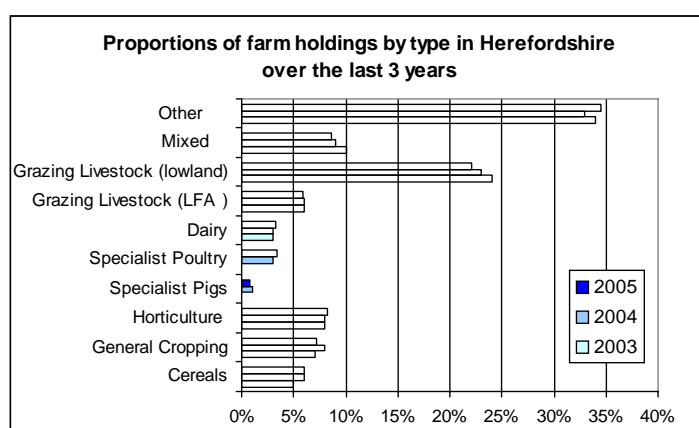
# AGRICULTURAL CENSUS 2005 (CONT)

## Farm type

The largest proportion of farms in Herefordshire are classed as 'other' i.e. those that do not fit within mainstream agricultural classifications, (e.g. specialist goat) and this has increased over the last year.

In Herefordshire, the largest single category of farm type over the last few years has been **grazing livestock (lowland)**, although the proportion has decreased slightly over the last three years from 24% in 2003 to 22% currently in 2005.

Proportions of **mixed farm holdings** have also seen a continual decrease over the last 3 years, whilst general cropping has seen a decrease only in the last year.



From DEFRA's 04-05 Farm Business Survey, **specialist poultry farms** had the highest net farm income nationally with an average annual net farm income of £89,681 followed by **general cropping farms** (£32,206). We assume that net farm incomes in Herefordshire would follow a similar pattern.

- Herefordshire has lower proportions of **dairy holdings** (3%) compared to 7% across England and 10% in neighbouring county Shropshire.
- Herefordshire has a higher proportion of **mixed holdings** (9%) compared to 6% and 7% in neighbouring authorities, regionally & nationally).
- Herefordshire has a lower proportion of 'other' holdings (35%) compared to Shropshire, Worcestershire, the West Midlands and England (all have 38%).

## Crop areas

38% of Herefordshire's agricultural land area is used for crops and bare fallow, although there has been a slight decrease from 39% in 2004. Within this category there are many different types of crops farmed in Herefordshire.

Excluding the figures for sectors where the areas of land has been suppressed, 53% of Herefordshire's agricultural cropping land is used for cereals. **Wheat** accounts for the single largest proportion (37%) of the total land used for cropping in 2005. This has been the case for the last 5 years. The next largest proportion of land is used for **potatoes** and **oilseed rape** (both accounting for 8% of the cropping land).

There has been a steady decline in the area of land used for **top fruit** (orchard crops such as apples and pears) with an overall decline of 21% since 2001. Herefordshire has a larger proportion of land (5%) that is used for top fruit compared to neighbouring authorities, regionally and nationally (between 0% and 2%).

The area of land used for **small fruit** (fruit such as strawberries, blackberries and wine grapes) has seen an increase over this same period (16% since 2001). Herefordshire now has 1% of agricultural cropping land used for this purpose. Comparative areas have less than 1% of land used for small fruit.

## Livestock

The 2005 survey asked for the first time about numbers of **fowl, ducks and geese**, including this information means that 2005 data is not easily comparable to past data. Coupled with this numbers of dairy, beef and total cattle have been suppressed.

Excluding cattle (due to suppression of the figures), the largest numbers of livestock holdings farm **sheep**, with 1,915 holdings farming nearly 657,900 sheep. The number of sheep holdings has remained the same over the last year but there has been a slight decrease in the number of sheep.

**Goat** numbers in Herefordshire have decreased over the last year but numbers of goat holdings have increased from 122 in 2004 to 139 in 2005.

'[Click here for the full article](#)' - please note this opens a new window (54.6 KB)

Any queries please contact the Herefordshire Council Research Team: 01432 383634 or [researchteam@herefordshire.gov.uk](mailto:researchteam@herefordshire.gov.uk)

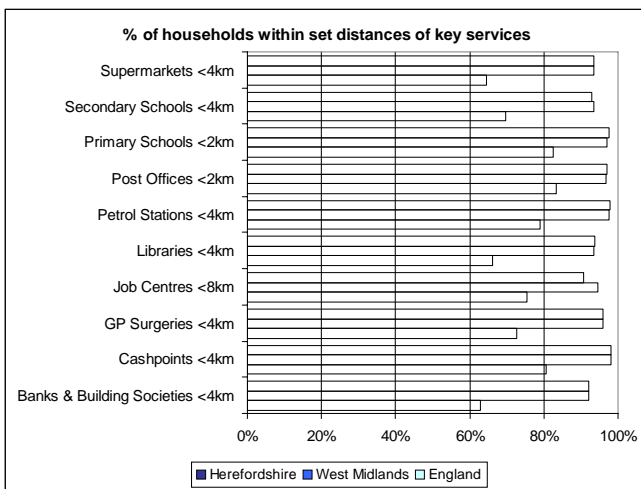
# ACCESS TO SERVICES

Data for the number of households living within various distance bandings of key services are made available by the Countryside Agency. In their State of the Countryside reports, national and regional figures are presented for set distances and these have been used to compare the situation locally with elsewhere. Access to services is measured by 'how the crow flies' rather than distances by road.

Between 2005 and 2004, two services in **Herefordshire** have seen a change in the percentage of households within specific set distances:

- **Cash points** – A slight **increase** from 77% in 2004 to 81% of households in 2005 that are within 4km of a cash point.
- **Petrol Stations** – A slight **decrease** from 83% in 2004 to 79% of households in 2005 that are within 4km of a petrol station.

For each of the key services, the percentage of Herefordshire households within the set distance is much lower than for the West Midlands region as a whole and England as shown below.



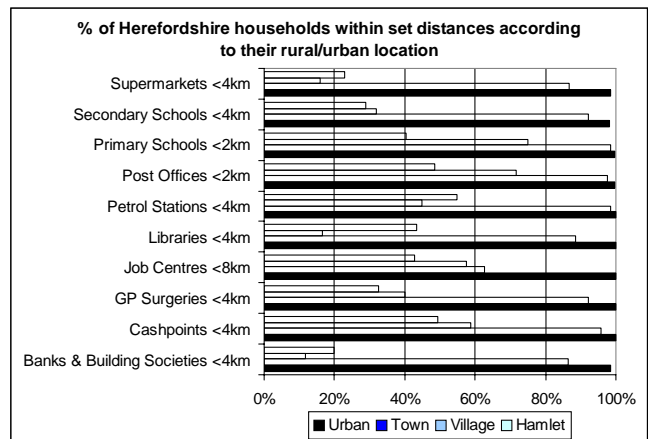
Source: The Countryside Agency, 2005

Most marked differences are seen for supermarkets, banks & building societies and libraries with figures for Herefordshire being between 27 and 30 percentage points lower than for the West Midlands region or England.

The smallest gaps between Herefordshire and regionally/nationally are for cash points, post offices and primary schools, however there is still a difference of between 14 and 17 percentage points.

## Access to services for rural-urban settlement areas within Herefordshire

Differences within Herefordshire can be explored through grouping the access to services data for each of the 4 main types of areas defined by Defra's 2004 rural-urban settlement classifications (urban, rural towns, rural villages and rural dispersed areas – hamlets).



Source: The Countryside Agency, 2005

There are some anomalies when looking at the figures. For some services (banks, libraries, petrol stations and supermarkets) there are higher percentages of households within the set distances in rural dispersed locations compared to rural villages. This can happen because many rural dispersed locations are on the fringe of towns and urban areas where these services are likely to be. Whereas the rural villages are often more remote and not close to the areas where these services are located.

Nearly all households in urban areas are within the set distance for each of the key services for Herefordshire, the West Midlands region and England as a whole. When the rural areas in Herefordshire are compared with the rural areas in the West Midlands and England large differences are evident.

**'Click here for the full article'** - please note this opens a new window (99.7 KB)  
 Any queries please contact the Herefordshire Council Research Team: 01432 383634 or [researchteam@herefordshire.gov.uk](mailto:researchteam@herefordshire.gov.uk)

## BUSINESS FORMATION & SURVIVAL RATES

This article uses VAT statistics to provide a guide to business formation and survival rates at a national, regional and local level. Data is supplied on an annual basis by the small business service, an agency of the Department of Trade and Industry (dti). Figures for the **calendar year 2005** were released in October 2006.

### Business formation

VAT statistics provide a reliable guide to business formation and survival rates at a national, regional and local level. Businesses with a turnover below the VAT threshold (£61,000 annually) are excluded, so a considerable number of small businesses and sole traders are missing from these figures.

The table below shows the number of VAT registrations and de-registrations in Herefordshire since 1998. In 2005 a total of 635 businesses registered for VAT in Herefordshire, an 8% increase on registrations since 2004. A total of 550 businesses de-registered in this year, a decrease of 1% since 2004.

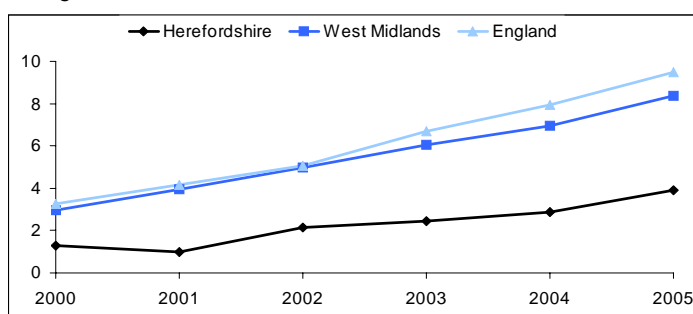
Herefordshire	1998	1999	2000	2001	2002	2003	2004	2005
Registrations	610	575	615	530	590	635	590	635
De-registrations	570	565	520	555	500	605	555	550
Stock at end of year	8,200	8,210	8,305	8,280	8,375	8,400	8,435	8,520

Source: Small Business Service, 2006.

The overall effect has been a 1% increase in the number of VAT registered businesses over the last year to 8,520 in 2005, compared with a change of 1.3% and 1.4% in the West Midlands and England respectively.

The percentage change in total stock of VAT registered businesses from 1999, is presented below, which shows a slower rate of increase in Herefordshire over the last six years than regionally and nationally.

Percentage change in the number of total stock of VAT registered businesses from 1999.



Source: Small Business Service, 2006

### Business survival rates

Survival rates for businesses in the local Business Link region of Herefordshire and Worcestershire portray a positive outlook, with 73% of businesses registered in 2001 surviving their first three years of trading. This compares favourably with regional and national figures (69% in both the West Midlands and England).

In 2003, 94% of businesses registering within Herefordshire and Worcestershire survived their first year's trading. Figures are comparable with those for the West Midlands and England (92%).

### VAT statistics by sector

The majority of VAT registered businesses in Herefordshire (25.7%) are in the agricultural and fishing sector, followed by 21% in the real estate and 17.5% in the wholesale and retail sectors.

Real estate has experienced the largest net gains in stock over the last decade, with a gain of 55 businesses in 2005 and the highest proportion of registrations. Conversely, the agriculture and fishing sector has experienced progressive net losses over the last ten years, including 40 businesses in 2005.

**'Click here for the full article'** - please note this opens a new window (35 KB)  
 Any queries please contact the Herefordshire Council Research Team: 01432 383634 or [researchteam@herefordshire.gov.uk](mailto:researchteam@herefordshire.gov.uk)

## RECENTLY PUBLISHED RESEARCH

### National Research

#### Working days lost down by a quarter

*Health & Safety Commission (November 2006)*

Statistics published by the Health and Safety Commission (HSC) reveal that the number of working days lost in Great Britain due to work-related injury and ill health fell from 40 million in 2000/02 to 30 million working days in 2005/06.

Figures show the latest progress against ten-year targets to improve national health and safety performance by 2010. Progress to reduce ill health by 20 per cent is on track to meet the target, and reducing working days lost by 30 per cent is probably also on track. Fatal and major injuries also fell in 2005/06, though progress is not presently on track to meet the reduction target of ten per cent.

Ill health accounted for around 24 million working days lost. Stress and musculoskeletal disorders were by far the most common causes of absence, making up around three quarters of this figure.

**The full report, *Health and safety statistics 2005/06*, can be found at:** [www.hse.gov.uk/statistics/overall/hssh0506.pdf](http://www.hse.gov.uk/statistics/overall/hssh0506.pdf)

#### Learners have gained over 380,000 new qualifications in the last year

*DFES (September 2006)*

Figures from the Department of Education and Skills reveal that a record number of qualifications were achieved in England last year. Adult learners have set the record by gaining **381,302** qualifications across a variety of basic skills courses designed to improve their maths and English. (More than double the number of qualifications achieved in 2000/1).

The figure shows good progress towards the target of improving the literacy and numeracy skills of 2.25 million adults by 2010. In November 2005, it was announced that more than one million adults had gained a basic qualification in English or maths.

**For more information go to:**

[http://www.dfes.gov.uk/readwriteplus/Record\\_number\\_of\\_gremlins\\_defeated](http://www.dfes.gov.uk/readwriteplus/Record_number_of_gremlins_defeated)

### 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. Reports for the parishes of **Woolhope, Linton (which includes Gorsley) and Burghill** were published during the last quarter, and all show some level of need for affordable housing.

All housing needs survey reports can be accessed from [www.herefordshire.gov.uk/research](http://www.herefordshire.gov.uk/research) or can be obtained by telephoning the Research Team on 01432 260464.

In July 2006, a survey was carried out using **Herefordshire Voice** (Herefordshire Partnership's citizens' panel). Topics covered in this survey include Herefordshire Council's **cultural and recreational services; public transport and volunteering**. The survey report is available on the Herefordshire Partnership website, [www.herefordshirepartnership.com](http://www.herefordshirepartnership.com)

### Forthcoming Articles:

- Population update
- Earnings and hours worked (Annual Survey of Hours & Earnings)
- Numbers of people employed in different sectors (Annual Business Inquiry)

For more information or any queries please contact:

Herefordshire Council's Research Team  
P.O. Box 4  
Plough Lane  
Hereford  
HR4 0XH

Phone: 01432 383634

Email: [researchteam@herefordshire.gov.uk](mailto:researchteam@herefordshire.gov.uk)

Website: [www.herefordshirepartnership.com](http://www.herefordshirepartnership.com)