

## **CONSIDERATION OF THE ECONOMIC POSITION OF HEREFORD**

**Report By: Director of Policy and Community**

### **Wards Affected**

County-wide

### **Purpose**

1. The Committee will consider the economic impact of recent events in Hereford City and invite comment on possible ways forward.

### **Financial Implications**

2. None.

### **Considerations**

3. Hereford City continues to perform the role as a major sub regional service and employment centre serving Herefordshire and beyond into mid Wales. The City has a catchment of approximately 200,000 people, who regularly use the City as a place to visit, shop, work, go to hospital, attend college etc.
4. The County has maintained relatively low levels of claimant unemployment with the latest figure of 1.5% at November 2003 being below both the regional (2.8%) and national (2.4%) averages. This however masks an underlying problem of low wage rates with wage levels being 13.2% below the regional average.
5. 2003 was a difficult year for the local economy of the City. 2003 saw the takeover of Bulmers by Scottish and Newcastle with the resultant loss of some 250 head office jobs from the company. Other well established businesses in the manufacturing sector also saw reductions in their labour force. At the end of the year the outbreak of Legionnaires disease also had significant economic impacts on the City, with in particular the retail sector being hit by a downturn in trade at the very time of the year when businesses most rely on increased turnover. This is against a background of national media reports, which indicated some changes in some shopping patterns generally.
6. A number of significant regeneration projects are proceeding/being developed in the City including
  - the successful South Wye Single Regeneration Budget (SRB) Programme,
  - a package of projects at Rotherwas,
  - the Hereford Learning Village,
  - the Edgar Street Grid proposals and

- the City of Living Craft.
7. However recent applications for funding have not all been successful. The Rotherwas Access Road and City of Living Craft schemes in particular now being in a position where they have to reapply and/or seek alternative sources of funding in order to proceed.
7. Within this context this special meeting of the Council's Social and Economic Development Scrutiny Committee has been organised. This meeting will provide an opportunity for representatives of the business community in the City centre to give evidence to the Council on the economic impacts of recent events and to make suggestions about initiatives which could be undertaken to improve the situation. The meeting will also be open to the public and contributions will be invited from the floor after nominated business representatives have given evidence. The results of the meeting will be referred to the appropriate Cabinet Member of the Council for their consideration.

## **RECOMMENDATION**

**THAT Members note the content of the report and consider any appropriate actions to aid the economic position of Hereford for referral to the appropriate Cabinet Member(s).**

## **BACKGROUND PAPERS**

- Not applicable.