

## **ANNUAL BUSINESS INQUIRY (ABI) 2008**

The Annual Business Inquiry (ABI) is a survey of businesses to provide data relating to the makeup of the local business population by industry, number of employees and number of business units<sup>1</sup>. The ABI samples approximately 66,000 workplace units in the UK providing the best available estimates of employment at a detailed regional and industry level.

Survey results for sub-regional geographic areas are modelled using information from reporting units (those responding to the survey) together with the local unit profile (i.e. what type of units are in each geographic area). Therefore, caution needs to be applied when looking at county level data or below. However, in the absence of any other information on numbers of employees in Herefordshire this is still the best available source of data for monitoring trends.

There was a change in methodology in 2006, which caused some discontinuity with previous data; however, the changes have resulted in some improvements in the data. Changes have been made to the methodology, and the month in which the survey is completed (was December, now September). In addition to this the Standard Industrial Classification (SIC) codes, which are used to break the data down by industry, were updated in 2007 and have now been applied to the 2007 and 2008 data sets. In order that the data be as useful as possible we have used the updated 2007 codes, meaning that trend data is only available for the two years.

The ABI does not sample from the self-employed population meaning such sectors as 'agriculture, forestry and fishing' where the rate of self-employment is high are likely to be poorly represented. In the case of agriculture however the ABI is supplemented with data from the agricultural census, although this only applies to the number of employees when looking at district level data.

At the time of the 2001 Census there were 17,119 people who were self-employed in Herefordshire (20% of economically active population<sup>2</sup>). This is important to note as Herefordshire has a higher proportion of self-employed people than other areas (11% in the West Midlands region and 12% in England as a whole).

All employee numbers in tables have been rounded to the nearest 100. For instance, a total of 180 would be rounded up to 200, whereas a total of 120 would be rounded down to 100. Any scores below 50 have been automatically rounded down to 0, to protect anonymity. \*% refers to a figure of less than 0.5%, which would otherwise be rounded to 0%. The figures are presented in this way to differentiate between a very low value and zero. This is required by the Office of National Statistics, so that individual businesses cannot be identified where there are very small numbers within the given category.

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<sup>1</sup> Unit means site or workplace

<sup>2</sup> Economically active includes full and part time employees, self employed, full-time students and unemployed but actively looking for work.

**Employment by Industry Sector**

Table 1. Employment by sector ABI 2008 (SIC 2007)

	Herefordshire		West Midlands	England
Agriculture, forestry and fishing	6,300	8%	1%	1%
Mining and quarrying	!	!	*%	*%
Manufacturing	11,100	14%	13%	9%
Electricity, gas, steam and air conditioning supply	!	!	*%	*%
Water supply; sewerage, waste management and remediation activities	500	1%	1%	1%
Construction	4,400	6%	5%	5%
Wholesale and retail trade; repair of motor vehicles and motorcycles	14,900	19%	17%	17%
Transportation and storage	2,000	3%	5%	5%
Accommodation and food service activities	5,100	7%	6%	7%
Information and communication	1,200	2%	3%	4%
Financial and insurance activities	900	1%	3%	4%
Real estate activities	900	1%	1%	1%
Professional, scientific and technical activities	3,000	4%	5%	7%
Administrative and support service activities	4,600	6%	8%	8%
Public administration and defence; compulsory social security	2,200	3%	5%	5%
Education	6,700	9%	10%	9%
Human health and social work activities	9,400	12%	12%	12%
Arts, entertainment and recreation	1,600	2%	2%	2%
Other service activities	1,900	2%	2%	2%
<b>Total</b>	<b>76,800</b>			

Source: Annual Business Inquiry

Note:

- all figures are rounded to the nearest 100

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! data suppressed to preserve confidentiality

The three sectors which employ the greatest proportion of employees in Herefordshire are wholesale and retail trade<sup>3</sup> (19%), manufacturing (14%) and human health and social work (12%); together accounting for nearly half of all employees (46%). The proportion of employees in wholesale and retail trade and manufacturing is greater than for either England or the West Midlands region, but human health and social work is the same.

In Herefordshire financial and insurance activities (1%) and professional, scientific and technical activities (4%) both account for a lower proportion of employees than for either England or the West Midlands.

Agriculture, hunting and forestry accounts for a much greater proportion of employees (8%) in Herefordshire compared with regionally and nationally (both 1%), highlighting its importance to the local economy relative to the other sectors.

The industries that saw the largest increase in the number of employees between 2007 and 2008 were wholesale and retail trade<sup>4</sup>, human health and social work activities and other service activities increasing by 700, 300 and 300 employees respectively.

<sup>3</sup> Includes repair of motor vehicles and motorcycles

<sup>4</sup> Includes repair of motor vehicles and motorcycles

The industries, which saw the greatest decrease in the number of employees were public administration and defence; compulsory social security, Agriculture, forestry and fishing and professional, scientific and technical activities decreasing by 400, 300 and 300 respectively.

### Employment Patterns

In terms of the whole workforce the highest proportion of workers are full time males (42%), which is similar to both the West Midlands (44%) and England (43%). Herefordshire has a slightly higher proportion of part-time workers (34% of the total workforce) than the West Midlands and England (both 31%). The gender balance of the workforce is 50:50 males and females in Herefordshire, which is similar to the West Midlands region and England. This is a slight change from 2007 when the 51:49 (male:female).

Table 2 Proportion of male and female full and part time workers 2008

	Male		Female	
	Full time	Part time	Full time	Part time
Herefordshire	42%	8%	24%	26%
West Midlands	43%	8%	26%	23%
England	44%	8%	26%	23%

Source: Annual Business Inquiry

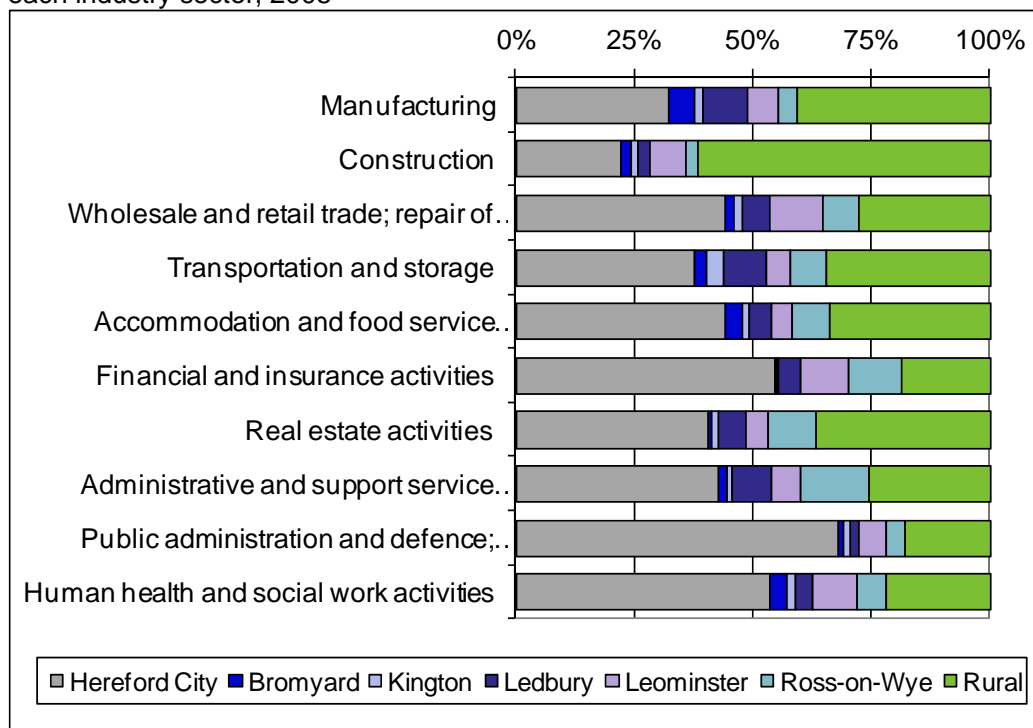
There is little real difference seen in the proportion of workers by gender and full/part time between Herefordshire and elsewhere. Most noticeable across all areas are the lower proportions of male part-time workers (8% in all areas) compared female part time workers (over 23%).

### Employment within Herefordshire

When looking at where workers are employed within Herefordshire the majority are in Hereford City and the market towns (67%), with Hereford City accounting for 42%. In Hereford City the Central ward accounted for 20% and Three Elms ward accounted for 11%. Leominster and Ross-on-Wye accounted for 8% and 7% of employees respectively. Together rural wards accounted for 33% of employees. Note Hollington Ward which contains the Rotherwas industrial estate is defined as rural. Hollington accounts for 5% of employment in Herefordshire.

Chart 3 and table 4 show the location of the different industry sectors in terms of where employees work. Unsurprisingly for most sectors the largest proportion of employees are in Hereford City. Exceptions to this are construction and manufacturing where 62% and 40% of employees are in rural wards. Unfortunately at ward level the data cannot be supplemented with the agricultural census meaning that the sector is poorly represented.

Chart 3 Proportion of employees in the Hereford City, the market towns and rural wards for each industry sector, 2008



Source: Annual Business Inquiry – ONS Crown copyright

Table 4. Proportion of employees in the Hereford City, the market towns and rural wards for each industry sector, 2008

	Hereford City	Bromyard	Kington	Ledbury	Leominster	Ross-on-Wye	Rural
Manufacturing	32%	5%	2%	9%	6%	4%	40%
Water supply; sewerage, waste management...	52%	2%	0%	5%	9%	7%	25%
Construction	22%	2%	1%	3%	8%	2%	62%
Wholesale and retail trade	44%	2%	2%	6%	11%	8%	28%
Transportation and	38%	3%	3%	9%	5%	7%	35%
Accommodation and food service activities	44%	4%	1%	5%	4%	8%	34%
communication	32%	2%	2%	4%	4%	6%	49%
Financial and insurance	55%	1%	0%	5%	10%	11%	19%
Professional, scientific and technical activities	37%	4%	1%	6%	5%	12%	34%
Administrative and support service activities	43%	2%	1%	8%	6%	14%	26%
Public administration and defence; compulsory	68%	1%	1%	2%	6%	4%	18%
Education	46%	5%	1%	3%	7%	4%	34%
Human health and social work activities	54%	4%	2%	4%	9%	6%	22%

Source: Annual Business Inquiry – ONS Crown copyright

Between 2007 and 2008 employment in Hereford City, Bromyard, Leominster and rural wards saw net increases in employment, whilst Kington Ledbury and Ross-on-Wye saw net decreases. Hollington Ward which includes Rotherwas industrial estate saw a considerable

increase between 2007 and 2008. Hollington is included in the rural group. If rural wards are considered without Hollington they show a net decrease over the year.

Table 5. Change in the number of employees for different areas within Herefordshire

	<b>2006-2007</b>	<b>2007-2008</b>
Hereford City	900	300
Bromyard	-100	200
Kington	200	-200
Ledbury	100	-100
Leominster	0	200
Ross-on-Wye	-200	-100
Rural (not incl Hollington)	-600	-100
Hollington	300	200

Source: Annual Business Inquiry

Note: all figures are rounded to the nearest 100

## Work place units

Data (or local) units do not readily correspond to the commonly used terms, firms, companies or businesses by which employers are sometimes identified. They are roughly equivalent to workplaces but because of the way the data are collected two or more units can be present in the same workplace. For example, a bank may have several branches and offices in a city, each one of these would be counted as a separate data unit.

Table 5. Number and proportion of business units by sector in Herefordshire in 2008, compared to West Midlands and England

	Herefordshire		West Midlands	England
Agriculture, forestry and fishing	124	1%	*%	*%
Mining and quarrying	!	*%	*%	*%
Manufacturing	640	7%	8%	6%
Electricity, gas, steam and air conditioning supply	!	*%	*%	*%
Water supply; sewerage, waste management and remediation activities	37	*%	*%	*%
Construction	1,201	14%	12%	12%
Wholesale and retail trade; repair of motor vehicles and motorcycles	1,846	21%	22%	20%
Transportation and storage	307	3%	4%	3%
Accommodation and food service activities	605	7%	6%	7%
Information and communication	403	5%	5%	7%
Financial and insurance activities	133	2%	2%	3%
Real estate activities	316	4%	3%	4%
Professional, scientific and technical activities	1,003	11%	12%	14%
Administrative and support service activities	750	9%	8%	8%
Public administration and defence; compulsory social security	62	1%	1%	1%
Education	240	3%	3%	3%
Human health and social work activities	459	5%	5%	5%
Arts, entertainment and recreation	270	3%	2%	3%
Other service activities	386	4%	5%	4%
<b>Total</b>	<b>8,798</b>			

Source: Annual Business Inquiry

Note:

- \*% refers to a figure of less than 0.5%, which would otherwise be rounded to 0%. These are presented in this way to differentiate between a very low value and zero.

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The largest proportion of Herefordshire's business units were in wholesale and retail trade<sup>5</sup> (21%) followed by construction (14%) and professional, scientific and technical activities (11%).

Looking at differences between Herefordshire and regionally/nationally the construction sector had a slightly greater proportion of units (14%) than both England and the West Midlands (both 12%). Professional, scientific and technical activities were lower (11%) than the West Midlands (12%) and England (14%), although the difference to the West Midlands was only small. The information and communication sector was also lower in Herefordshire (5%) compared to nationally (7%). In manufacturing Herefordshire has a slightly higher proportion (12%) than both England and the West Midlands (both 10%). Although agriculture, forestry and fishing is not well represented in the data Herefordshire still has a

<sup>5</sup> The wholesale and retail trade also includes: repair of motor vehicles, motorcycles and personal and household goods

greater proportion of units (1%) than both England and the West Midlands (both less than 0.5%)

### Size of companies

Herefordshire has similar proportions of smaller businesses (1-10 employees) (87%) compared to regionally (84%) and nationally (85%) as shown in Table 8 below, with businesses employing between 1-10 employees accounting for the largest proportion in all areas.

Table 6 Proportion of businesses by size

	1-10	11-49	50-199	200+
Herefordshire	87%	11%	2%	*%
West Midlands	84%	12%	3%	1%
England	85%	11%	3%	1%

Source: Annual Business Inquiry

- \*% refers to a figure of less than 0.5%, which would otherwise be rounded to 0%. These are presented in this way to differentiate between a very low value and zero.

### Size of companies by sector

Table 7 Industry stratified by number of employees

	1-10	11-49	50-199	200+
Agriculture, forestry and fishing	98%	2%	1%	0%
Mining and quarrying	75%	17%	8%	0%
Manufacturing	77%	16%	5%	1%
Electricity, gas, steam and air conditioning supply	100%	0%	0%	0%
Water supply; sewerage, waste management and remediation activities	73%	22%	5%	0%
Construction	95%	4%	*%	*%
Wholesale and retail trade; repair of motor vehicles and motorcycles	87%	11%	1%	*%
Transportation and storage	86%	13%	1%	*%
Accommodation and food service activities	79%	20%	1%	0%
Information and communication	96%	3%	1%	0%
Financial and insurance activities	88%	11%	2%	0%
Real estate activities	96%	4%	0%	0%
Professional, scientific and technical activities	96%	4%	*%	0%
Administrative and support service activities	93%	6%	1%	*%
Public administration and defence; compulsory social security	44%	39%	13%	5%
Education	47%	38%	13%	2%
Human health and social work activities	62%	32%	5%	1%
Arts, entertainment and recreation	86%	13%	1%	0%
Other service activities	93%	6%	1%	0%

Source: Annual Business Inquiry

The main differences between the sectors are:

- Public administration has the largest proportion (18%) of larger businesses (over 50 employees), followed by education (15%).
- Agriculture, forestry and fishing; electricity, gas, steam and air conditioning supply; construction; information and communication; real estate activities; and professional,

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scientific and technical activities have the highest proportion of businesses with between 1 and 10 employees - all above 95%.

- Education, human health and social work and Public administration and defence all have more than 30% of units with 11-49 employees.

**For further information on the data in this article, please contact the Research Team on 01432 260 893, or e-mail [researchteam@herefordshire.gov.uk](mailto:researchteam@herefordshire.gov.uk)**