

Overview

In the last quarter for which data is available, we saw significant improvements in the jobs market in Hertfordshire and this led to more people moving into work.

The employment rate stands at a record high of 80.6 %, its highest rate since 2015. Whilst the decline in the number of people identified as economically inactive is to be welcomed, there remain significant numbers of people without employment whose services would be welcomed in a jobs market where recruitment remains a challenge for many employers.

Hertfordshire's economy overall, saw little growth coming out of 2023, largely because of the technical recession at the end of that calendar year, but there were some bright spots where manufacturing and construction – albeit smaller sectors, contributed significantly to the county's economic performance.

Despite the uneven changes in growth, there were underlying signs of productivity improvements relative to the UK as a whole and steady improvements in the start-up rate.

Economy

GDP Growth

- In 2023, real gross domestic product (GDP) for the UK increased by 0.3% according to provisional estimates by the Office for National Statistics published on 17th April 2025.
- Most UK regions experienced real terms falls in GDP with the East of England falling by 0.3% and the Southeast by 1.1%
- Under a new geographical framework for capturing regional and sub regional data, Hertfordshire is part of the Bedfordshire and Hertfordshire International Territorial Level 2 region.
- Within the East of England region, Bedfordshire and Hertfordshire made the largest economic contribution (33%) to Eastern Region GDP of £229 million (£2.3bn).

Spatial geography	£million
Bedfordshire and Hertfordshire	76,548
Essex	61,895
Cambridgeshire and Peterborough	37,428
Norfolk	27,713
Suffolk	25,680

- However, GDP growth in 2023 compared with 2022, was uneven across the Beds/Herts region. There were notable variances between areas possessing high concentrations of manufacturing activity compared to areas where the service sector was dominant. The result suggested flat real terms GDP growth across the whole of the county in 2023.

East	-0.3
Bedfordshire and Hertfordshire	0.0
Luton	4.4
Bedford	-3.1
Central Bedfordshire	1.7
Southwest Hertfordshire	-1.8
North and East Hertfordshire	1.6

Sector contributions to Hertfordshire's economy.

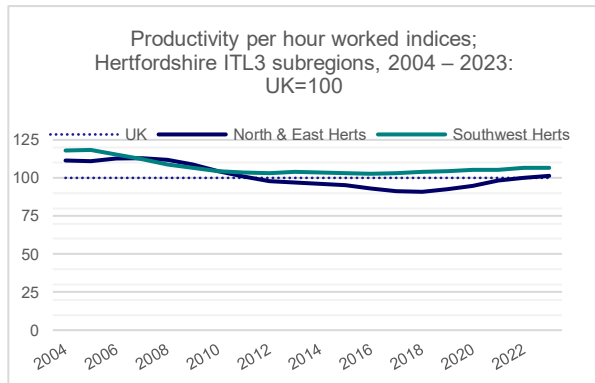
- From the latest GDP data for 2023 published by ONS in April 2025, we can see which sectors contribute the most to regional Gross Value Added.
- Manufacturing, although a small sector in employment terms (approx. 5% of jobs), punches above its weight with respect to the 11% contribution it makes to Hertfordshire's prosperity.
- In North and East Hertfordshire, Manufacturers contributed nearly 20% to the local economy compared with 5% in Southwest Herts.
- Conversely, the service sector was dominant in the Southwest Herts, with its recognised strengths in Film and TV production and professional business services - albeit that Film and TV production GVA was down in real terms in 2022 by 22% to £294 million. Hertfordshire was particularly affected by the impact of Hollywood strikes on the industry. This meant that many high-profile productions in the UK, that were backed by American studios or involved American writers, were delayed or paused
- The Construction sector is more evenly distributed across the county, contributing 9% GVA in both North and East Herts and Southwest Herts. The sector grew by 3% to £4.5billion in real terms compared with 2022.

Productivity



Hertfordshire's productivity had been flatlining after taking a significant dip following the financial crash of 2008 to 2012. Our productivity, relative to the UK, was sub optimal until 2021, since when it has recovered relative to the rest of the UK.

By 2023, both the North and East Herts and Southwest Herts ITL 3 geographies, with their structurally different economies, were both performing above the UK.



Business Demography

The latest quarterly Business Demography bulletin from the Office for National Statistics (ONS), covering January to March 2025, highlights the following key changes to the dynamics of the business base compared with the same quarterly period last year. Source: [Business demography, quarterly, UK - Office for National Statistics](#)

Business Births (Creations)

- 89,515 businesses were added to the UK's Inter-Departmental Business Register (IDBR), a 2.8% increase compared to Q1 2024. In Hertfordshire, 1,880 business were added over the same period, representing a slightly larger increase of 3.0%.
 - In the UK, 12 out of 16 main industrial groups saw an increase in business creations.
- The retail industry experienced the most significant growth, with a 9.7% rise in new businesses. A sectoral analysis is not available at smaller geographical levels, such as districts and Upper Tier Local Authority Areas.

Business Deaths (Closures)

- 83,425 UK businesses were removed from the IDBR, a 4.4% decrease from Q1 2024. This compared with a 1,770 reduction in the number of business closures in Hertfordshire, an improvement of 3% in the number of business failures compared to Q1 2024
 - 6 out of 16 main industrial groups saw a decline in closures.
- The business administration and support services industry had the largest fall in business closures.

Net gain in business stocks in Hertfordshire

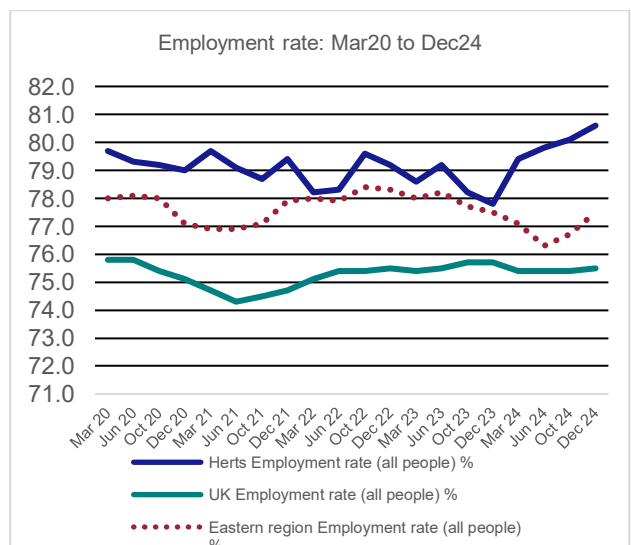
- The surplus of quarterly business creations over closures continued to improve in Hertfordshire compared to the corresponding period in 2024.
- The net gain in the first quarter, widened from a surplus of 55 in 2024 to 160 in 2025. That continued the steady improvement in the attrition rate of businesses experienced by the county in 2023.

Additional Notes

- These are experimental quarterly statistics, still under development.
- The data aligns broadly with annual business demography trends but uses new methods for more timely insights.

Employment in Hertfordshire

Employment rate



- Hertfordshire's employment rate grew to an impressive 80.6% for the 12-month period ending Dec 2024. This is our highest employment rate since an equivalent high in Dec 2015.
- This represents an additional 31,000 people in work compared to the corresponding period ten years ago.
- By early 2024, Hertfordshire's employment rate had reached 79.4%, outperforming the UK average of 75.5%. This was sustained through to the end of the year when it reached a high of 80.6%.

- In part this can be attributed to economic recovery post covid, increasing business and residential populations and the growth in wages. Median earnings in Hertfordshire rose by 5.3% from August 2023 to August 2024, reaching £2,714 per month. This wage growth likely encouraged more people to enter or remain in the workforce.
- The UK employment rate for people aged 16 to 64 was 75.0%, is largely unchanged from the previous quarter, but higher than a year ago.
- The variation in employment rates between the county and the UK has widened by 5.1 percentage points, compared with a 3.9 percentage point gap in 2020.
- The ONS notes that these figures reflect improvements in Labour Force Survey (LFS) data collection methods introduced in 2024.
- However, due to ongoing volatility and response rate challenges, these statistics are considered "official statistics in development".
- In terms of the job creation performance of Hertfordshire's districts, seven of our ten district council areas reported positive increases in the number of working age people for the 12-month period ending December 2024.

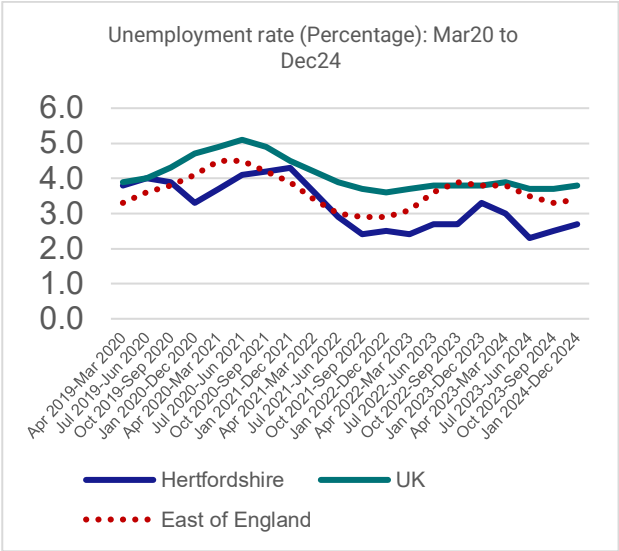
LA District	Total Working age adults in employment (Dec 2024)	% change on previous year
Broxbourne	50,900	9%
Dacorum	85,100	18%
East Hertfordshire	78,100	7%
Hertsmere	43,700	-9%
North Hertfordshire	65,700	-1%
St Albans	78,100	3%
Stevenage	44,700	8%
Three Rivers	46,100	6%
Watford	56,700	5%
Welwyn Hatfield	61,100	-7%
Hertfordshire Total	610,100	4%

- Whilst the employment rate for the UK is marginally below its pre-pandemic level, Hertfordshire's economy has bounced

back strongly in terms of its working age residents who are in full and part time employment.

- The highest proportion of jobs created comparative to the size of the local labour market, was highest in Dacorum (18%), Broxbourne (9%) and Stevenage (8%).

Unemployment



- Estimates of current levels of unemployment suggest a small rise in the number of unemployed people in Hertfordshire at the end of 2024.
- Despite this modest increase, unemployment has been steadily falling since the Covid pandemic - aside from a small increase because of a technical recession at the end of 2023.
- That has led to a proportionately bigger fall in Unemployment in Hertfordshire compared to the UK and East of England region. Currently, Unemployment in Hertfordshire is 2.7%, compared to 3.4% in the East of England and 3.8% for the UK. This represents a fall of 0.6 percentage points on 3.3% unemployment in the same period ending Dec 2023.
- In total, there are 22,000 working age adults in Hertfordshire looking for work, which averages just over 2,000 people per district.

Economic Inactivity in Hertfordshire

- The latest data published by ONS on economic inactivity for the fourth quarter of 2024 calendar year, indicates that overall levels of economic inactivity in the county have fallen compared to 2020. This compares favourably to the national

situation where UK levels of inactivity have remained high and have yet to return to pre-pandemic levels.

Date	No. Economically Inactive (Hertfordshire)	Change in % Economically inactive in Hertfordshire (2020=100)	Change in % Economically inactive in UK (2020=100)
Jan 2020-Dec 2020	135,900	100.0	100.0
Jan 2021-Dec 2021	127,200	93.6	102.7
Jan 2022-Dec 2022	140,900	103.7	102.8
Jan 2023-Dec 2023	147,800	108.8	101.5
Jan 2024-Dec 2024	129,900	95.6	102.9

(source: Nomiweb)

- However, the underlying data from the Labour Force Survey (LFS) suggests that the decline in the number of people “who do not want a job” is slowing; 106,600 (82%) of those within the 129,900 people identified as economically inactive, were said to be “not looking for work”.
- This suggests a modest return of inactive people to Hertfordshire’s labour market at the end of 2024, compared to the previous year

Business Intelligence

Author: Paul Witcombe
Sector Lead: Lifesciences and Advanced Manufacturing