

## Overview

Since 2022, business creations in Hertfordshire have consistently outpaced business birth rates in the UK, but both are currently below the three-year high of Q1 2022. Reduced confidence in recent times has led to a decline in entrepreneurial activity. This is due to factors such as economic uncertainty, the impact of global conflicts on supply chains, changes in industry dynamics, and the high costs of credit. In Q4 2024, the UK added 65,450 new businesses to the Inter-Departmental Business Register. This represented an 8.5% decrease from Q4 2023. In contrast, Hertfordshire saw 1,460 new business creations in Q4 2024; a 2% increase from the previous year.

In business support terms, the Made Smarter Adoption Programme will launch in the East of England in April. This aims to advance digital transformation in the manufacturing sector. The Hertfordshire Growth Hub (HGH) has also partnered with the University of Hertfordshire Business School to deliver webinars. It plans to collaborate with the Department of Business & Trade on future webinars. HGH also supported Watford Borough Council in awarding businesses that achieved the Watford Pledge for social responsibility and sustainability.

## Summary

- Hertfordshire saw its business population increase by 2.7% in 2024 compared to an increase of 3.0% in the rest of the country.
- Despite showing early signs of recovery in the first part of the year, Hertfordshire's start-up rates slowed in the autumn.
- On the positive side, an improvement in business mortality rates has helped stabilise Hertfordshire's business population following several years of decline.
- In 2024, 7 of Hertfordshire's districts saw positive business base gains with Stevenage and Three Rivers showing double digit percentage growth.
- 3 districts (Hertsmere, Dacorum and North Hertfordshire) saw losses because of more business closures than births taking place in 2024.
- economic uncertainty through inflation and the impact on supply chains of global conflicts
- changing industry dynamics – particularly in transport and storage sectors
- comparatively high costs of credit, subduing the demand for finance.

In terms of the UK, 65,450 new businesses were added to the Inter-Departmental Business Register (IDBR) in Q4 2024. This represents an 8.5% decrease compared to Q4 2023.

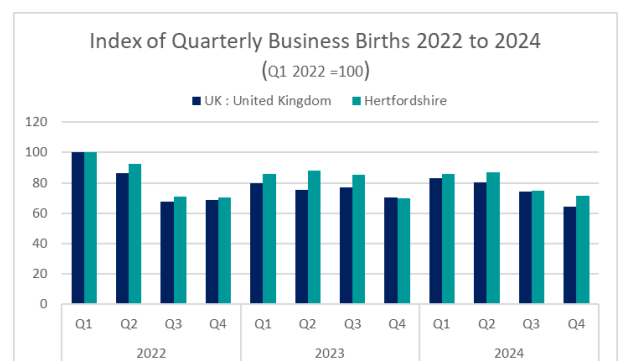
That contrasts with 1,460 business creations in Hertfordshire over the same period. Compared to the previous year, the number of newly formed businesses in Hertfordshire increased by 2% at the end of Q4 2024.

Table 1.

**Business Creations** Source: ONS – Geographic Breakdown of Business demography, quarterly

## Enterprise in Hertfordshire

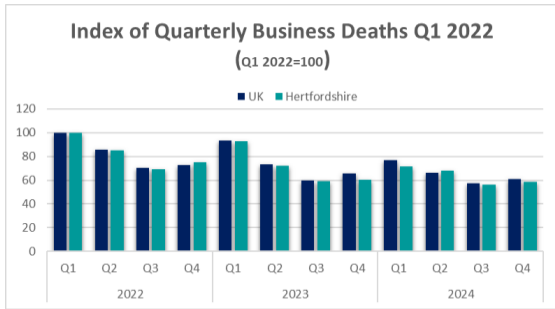
Since 2022, business creations in Hertfordshire have consistently trended above business birth rates in the UK below but were also lower than at the start for the period. Generally, reduced confidence, in the last three years, has led to a reduction in rates of entrepreneurial activity. A combination of external factors has contributed to this decline, namely:



### Business de-registrations (deaths)

Since 2022, the number of business deaths in both the UK and Hertfordshire began to stabilise, as general economic conditions started to improve. Hertfordshire’s business mortality rate tracked the UK death rate, albeit at a slightly better rate as economic stability began to return.

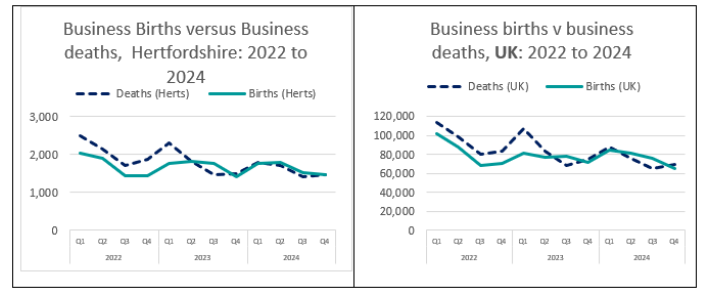
Table 2.



### Net business gains/losses

- A steady improvement in business death rates led to the deficit of births over deaths being reversed in 2024.
- In that year, the UK’s business base increased by just over 9,000 companies compared to 2023. This happened because of a stabilisation of the birth rate and a sharp fall in the death rate.
- The pattern of gains and losses, since 2022 in Hertfordshire, mirror the dynamics of change in the business base in the UK.
- At the end of 2024, the excess of Hertfordshire births over deaths was 175 companies, compared with a loss of 360 in 2023.
- This is likely, if continued into 2025, to end the year-on-year reduction in business stocks which began at the end of the Covid 19 pandemic.

Table 3.



### Births and Deaths by district

Table 4. Business stocks by district Source: Business demography, quarterly, UK: October to December 2024<sup>1</sup>

2024		2024	
Births	Deaths		Gain/Loss (%)
<b>6,530</b>	<b>6,355</b>	<b>Hertfordshire</b>	<b>2.7%</b>
510	475	Broxbourne	6.9%
775	820	Dacorum	-5.8%
805	765	East Hertfordshire	5.0%
820	825	Hertsmere	-0.6%
570	635	North Hertfordshire	-11.4%
855	840	St Albans	1.8%
425	355	Stevenage	16.5%
595	520	Three Rivers	12.6%
615	605	Watford	1.6%
540	530	Welwyn Hatfield	1.9%

- Hertfordshire’s business stocks increased by 175 (2.7%) in 2024. Seven of the county’s ten districts saw growth in their business populations.
- Four districts, Stevenage, Three Rivers, Broxbourne, and East Hertfordshire achieved percentage gains above the county average.
- Three districts, North Hertfordshire, Dacorum and Hertsmere experienced an excess of business deaths over births.

<sup>1</sup> Official statistics in development are official statistics that are in the testing phase and are not yet fully developed. Users should be aware that official statistics in development will potentially have a wider degree of uncertainty.

## Stakeholder Feedback and Business Intelligence

### Hertfordshire Futures Business News

The Made Smarter Adoption Programme to advance digital transformation in manufacturing, launches in the East of England region in April. As part of this support, the **Made Smarter Internship Programme** can connect innovative businesses with talented university students for digital internships in summer 2025. Hertfordshire companies interested in joining the programme can sign up [here](#).

[A £127m satellite system is being designed and built in Stevenage](#). A recently signed contract between the Ministry of Defence (MoD) and Airbus could support about 200 skilled jobs at Stevenage in Hertfordshire, and Portsmouth. The satellite system, named Oberon, is expected to launch in 2027 and will be able to capture images on the ground in the daytime and at night.

This follows the announcement last year, that the company had signed a €340 million European Space Agency contract to provide early warnings of severe space weather events, such as solar storms, which can disrupt critical infrastructure on Earth.

Hertfordshire was highly placed in UK Business Start-up report - new data has identified Hertfordshire as the second-best county to start a business in the UK, with the West Midlands coming out on top.

Taylor Wimpey announces upcoming development in Three Rivers. Construction to begin on development of 70 High quality, new homes in South Oxhey.

New warehouses approved for Watford Business Park – Watford borough council approves plans to demolish derelict building and replace with high quality warehouse and office space.

Lloyds and Halifax bank closures in Hertfordshire - Lloyds and Halifax bank branches in Stevenage, Letchworth and Welwyn Garden City are among 120 locations in the UK shutting down.

### Hertfordshire Growth Hub (HGH) news

Hertfordshire Growth Hub (HGH) news - HGH has partnered with the University of Hertfordshire Business School to deliver dual-branded webinars throughout March and April to help reduce duplication and to ensure that more SME's in the county are aware of both HGH and UH services.

HGH attended a cluster Knowledge Sharing Session with Department of Business & Trade Head of DBT Cyber Hub Nick Keilty and HGH plan to partner on some webinars later this year.

HGH supported Watford Borough Council as they awarded 9 businesses who had achieved the Watford Pledge. HGH is part of the assessor panel for the pledge. This recognises Watford businesses which foster social responsibility and sustainable practices within the local business community.

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