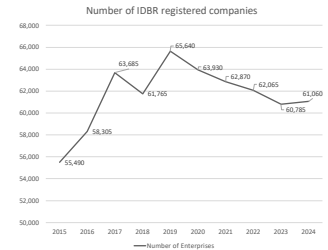


# Hertfordshire Economy Report – October 2024

## Summary

- Stock of businesses in Hertfordshire increased by 0.5% in 2024; reversing successive years of decline
- Micro businesses and self-employed were worst affected by the economic slowdown following the outbreak of the Covid pandemic.
- 6 of Herts 10 districts grew their business stock in 2024.

The total number of registered enterprises in Hertfordshire increased by 0.5% in March 2024, following four successive years of contraction.



## Hertfordshire's business base

In our first monthly economy report as Hertfordshire Futures we reported that the [number of enterprises registered in Hertfordshire](#) grew from 60,785 in March 2023 to 61,065 in March 2024. Overall, the UK's business population fell by 0.1% in 2024, but Hertfordshire's business population grew by 0.5%. That's the first rise in Hertfordshire's business population we have seen in the last four years.

Following the recent publication of additional data tables, we now have a better understanding of the changes, which took place since March 23 and the impact of the short recession at the end of that year.

Whilst the business base is 7 percent smaller than it was in the financial year preceding the outbreak of the first covid lockdown in March 2020, it started to recover in 2024 in most districts. The highest gains were in Stevenage, Hertsmere, Watford, and Three Rivers.

Dacorum, St Albans and East Herts, shrank back slightly in this period, whilst the business base in Welwyn and Broxbourne made marginal gains as Herts remained flat.

Since the peak of 2019, the number of small and medium sized businesses had by 2024 increased in number, but the impact of Covid and the slowing of the economy at the end of 2023 had its biggest impact on micro businesses of less than ten employees – the vast majority of whom are in the 0 to 4 employees size band.

Self-employment during this period fell sharply but started to recover in 2023. According to the latest data from the annual population survey<sup>ii</sup>, it fell from 108,200 people at the end of Jun 2019 to 89,000 by Jun 2024. Despite the fall in self-employment, the proportion of residents identifying as self-employed compares well to the East of England and the UK as whole. The self-employment rate at the end of Jun 2024 was more than a single percentage point better than the East of England and UK.

## Business Intelligence

[Airbus](#) announced in October that it would be restructuring its global Defence and Space Division and reducing its global headcount by 2,500 jobs to improve the division's competitiveness. The company believes that it will be able to achieve the required cost savings at its UK plants in Stevenage and Portsmouth without the need to implement statutory redundancies.

Rickmansworth headquartered [Senior PLC](#) is slashing jobs amid difficult trading conditions at its aerospace division. Most redundancies are likely to occur at its 33 manufacturing operations across the globe.

### UK Business Counts - enterprises

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local authority: district / unitary	2023	2024	% Change
Broxbourne	4,385	4,400	0.3%
Dacorum	7,920	7,860	-0.8%
East Hertfordshire	7,920	7,910	-0.1%
Hertsmere	7,535	7,660	1.7%
North Hertfordshire	6,225	6,225	0.0%
St Albans	8,335	8,280	-0.7%
Stevenage	3,215	3,320	3.3%
Three Rivers	5,265	5,335	1.3%
Watford	4,985	5,065	1.6%
Welwyn Hatfield	4,995	5,010	0.3%
<b>Total</b>	<b>60,785</b>	<b>61,060</b>	<b>0.5%</b>

### Hertfordshire registered Businesses: March 2015 to March 2024

#### Change in Hertfordshire Business Registrations

	2019	2024	% Change
<b>Total</b>	65,640	61,060	-7%
<b>Micro</b>	59,830	55,190	-8%
<b>Small</b>	4,710	4,735	1%
<b>Medium</b>	845	885	5%
<b>Large</b>	260	255	-2%

#### Self-employment: 2019 to 2024

Period	Number	Percentage of working age population
Jul 18 – Jun 19	108,200	13.6%
Jul 19 – Jun 20	96,200	11.9%
Jul 20 – Jun 21	90,800	11.0%
Jun 21 – Jul 22	86,900	10.5%
Jun 22 – Jul 23	83,200	9.8%
Jul 23 – Jun 24	89,100	10.7%

Following the May-September 2023 writers' strikes, studios in Hertfordshire, including Elstree, Sky, Warner Brothers, Bovingdon, BBC Studio Works, and OMA Film and TV Studios, remain at capacity employing thousands of micro and self-employed specialists. Warner Brothers is expanding in Leavesden, while Sky Studios Elstree appealed in October against a planning refusal to add 10 sound stages. New owners of BBC Elstree, AXA Investment Management and Oxygen Studios have indicated they too will be going ahead with a planning application. Sunset Waltham Cross Studios remains paused.

A [Waltham cross community hub](#) is reported to have helped over 100 people into work since opening in September 2023

Ahead of the budget, the ICAEW (Institute of Chartered Accounts in England and Wales) published its business monitor for the East of England, covering the Quarter ending Q3 2024. The key findings were:

- Business Sentiment dropped to +12.1 in Q3 2024, falling below the UK (+14.4) for the first time in a year.
- Domestic and export sales growth slowed slightly stronger performance over the next 12 months.
- However, customer demand is the second-most widely cited business challenge behind concern about the tax burden ahead of the autumn Budget.
- Weaker employment growth in Q3 2024 may be indicative of more difficult conditions for businesses as input price inflation ticked up and profits growth slowed.
- Companies in the region expanded capital investment and had the strongest R&D budget growth in the UK in Q3 2024, but plan to cut growth considerably for both.

The Department for Business and Trade DBT confirmed that the Minister has now signed off on a regional allocation of £1.2m for the roll out of the Made Smarter Programme in the East of England. The programme which was announced in the budget provides help for manufacturing companies to become more productive through the adoption of digital technologies. Hertfordshire, which has the second largest manufacturing base in the East of England, is set to benefit from the launch of the programme in April 2025.

The chancellor also announced in the budget, that the government would continue the shared prosperity fund, for a further year as a "transitional arrangement" but at a "reduced level".

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<sup>i</sup> **UK business; activity, size, and location: 2024.** Published by ONS on 25<sup>th</sup> September 2024

<sup>ii</sup> **Annual Population Survey.** Published by ONS on 5<sup>th</sup> November 2024