HERTFORDSHIRE FUTURES

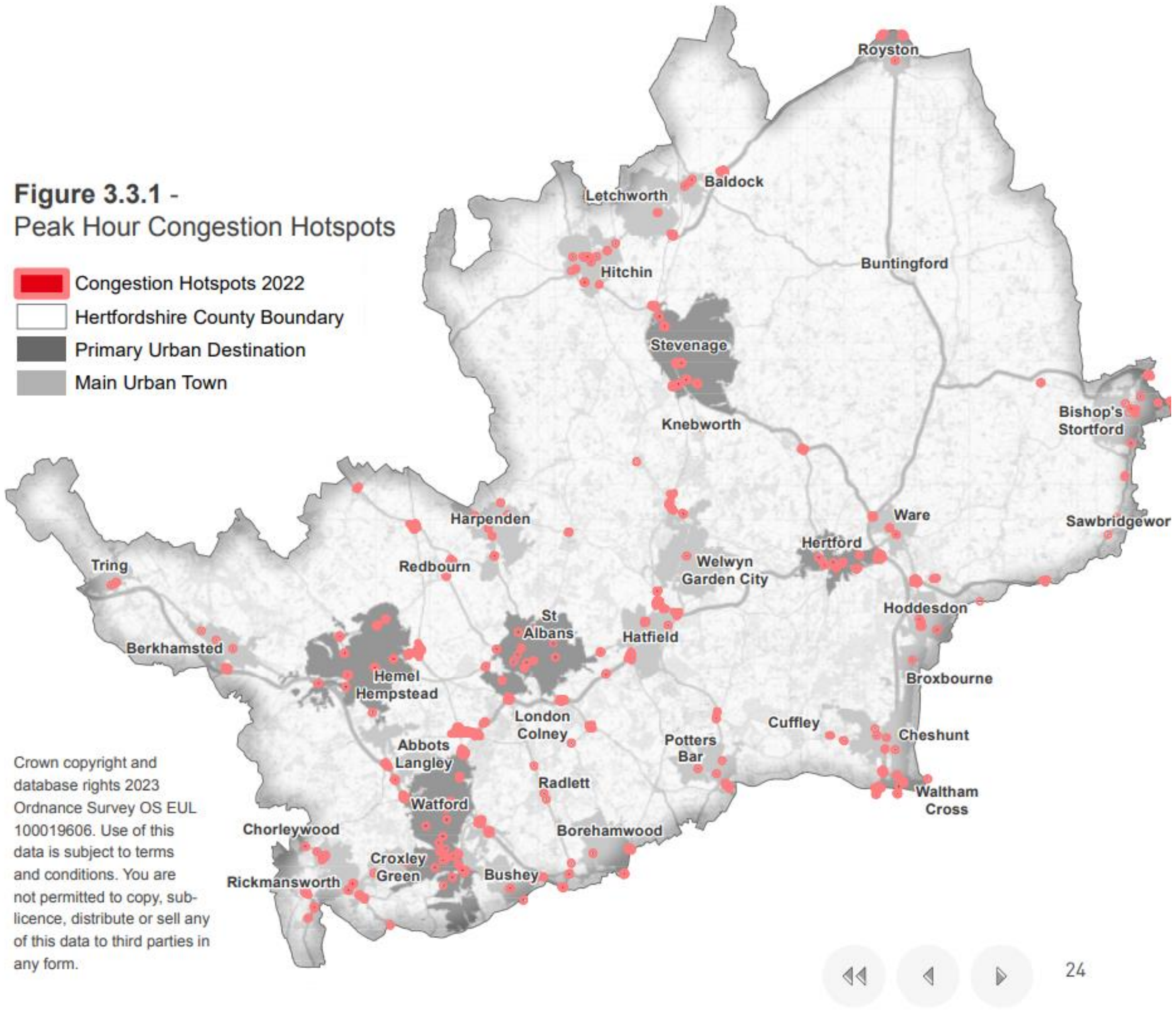
Accelerating employment, enterprise and investment

Developing Hertfordshire's Economic Strategy

SHAPING OUR FUTURE

Hertfordshire is a big and productive local economy

1.2m People (in total)	**756,000** People aged 16-64	**720,000** Jobs
61,000 Enterprises	**£46.4bn** GVA	**£40.80** GVA per hour worked



Where are we now?

…and its challenges

- local businesses struggle to recruit – because of labour and skills shortages
- appropriate commercial (particularly grow on space) is often in short supply
- east-west connectivity is difficult
- the affordability of housing is an on-going challenge, particularly for those in low pay employment
- within Hertfordshire, there are still pockets of significant deprivation
- economic activity from long term sick has doubled over the last decade
- we need to accelerate progress in adapting to climate change

Where do we want to be?

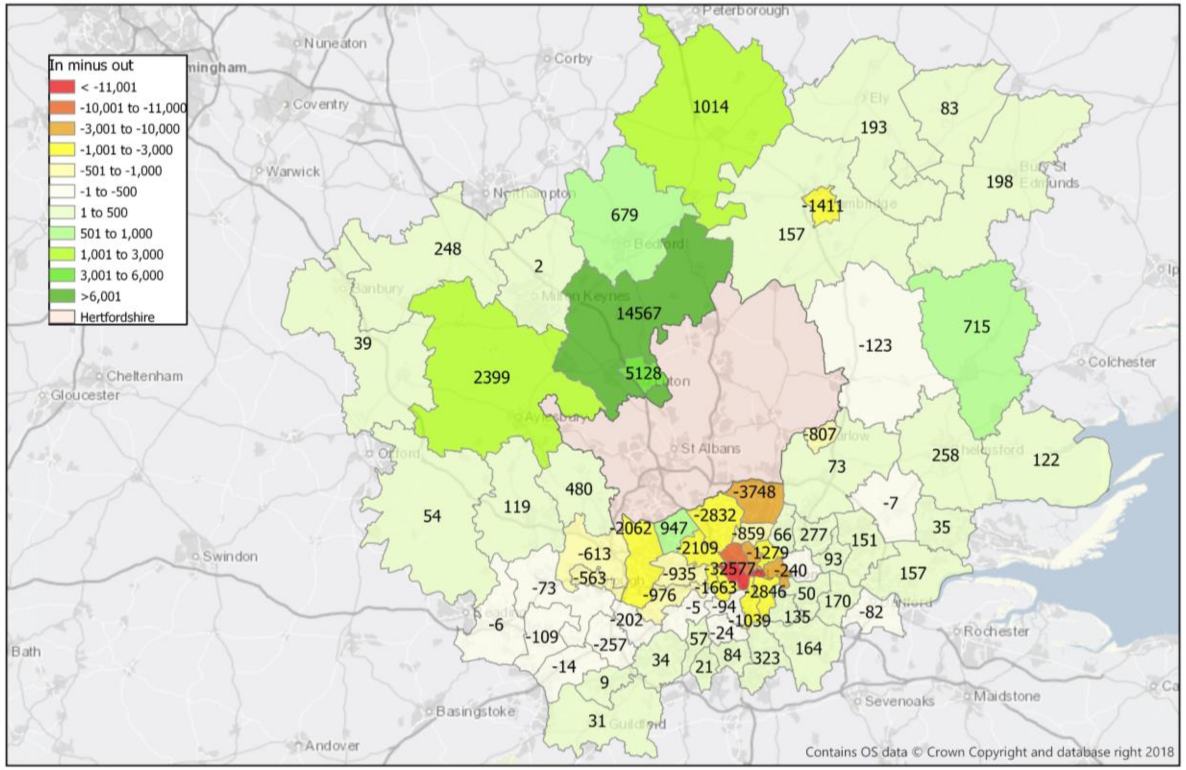
Strategy imperatives…

Hertfordshire will look different by the mid 2030s…

In economic terms, it has influences from different directions – and it needs to navigate these carefully, particularly Oxford-Cambridge Arc and (especially) London. It is on the edge of a world city which will change over the next decade.

Key questions as we look forward:

- how is Hertfordshire going to create value – as a basis for building resilience and navigating risk…
- what are the opportunities for Hertfordshire as the centre of ‘convergent technologies’



Most of the jobs we will be doing in the 2030s have yet to be invented

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Local Place Analysis: St Albans

SQW 2024

Key figures: St Albans

75k

Jobs

(10% of Hertfordshire's jobs)

8,335

Enterprises

(14% of Hertfordshire's enterprises)

[And, on a different measure, there are 9,325 local units in St Albans]

149k

People

(12% of Hertfordshire's population)

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Key themes for St Albans

- SADC is very constrained – most of the district is within the Metropolitan Green Belt
- The affordability of housing is a major concern – the affordability ratio deteriorated to 17.6 –*the highest figure outside of London*
- Residence-based earnings are 25% higher than workplace-based measures – because of commuting, local job types etc…
- Skills issues appear to be an ongoing challenge… in 2021, Highest Qualification level (Degree – SADC 59.1% v HCC 41.6%) (L4 – SADC 53% v HCC 39.4%) (App – SADC 9.1% of total county starts 512 in total)
- the number of unique job postings has declined in SADC – from about 3,841 to around 2,593 over the last year – and there has been a particular fall circa 43% in sales & customer services and 42% in professional & technical occupations

Source: OpenStreetMap

Key themes for St Albans (2/2)

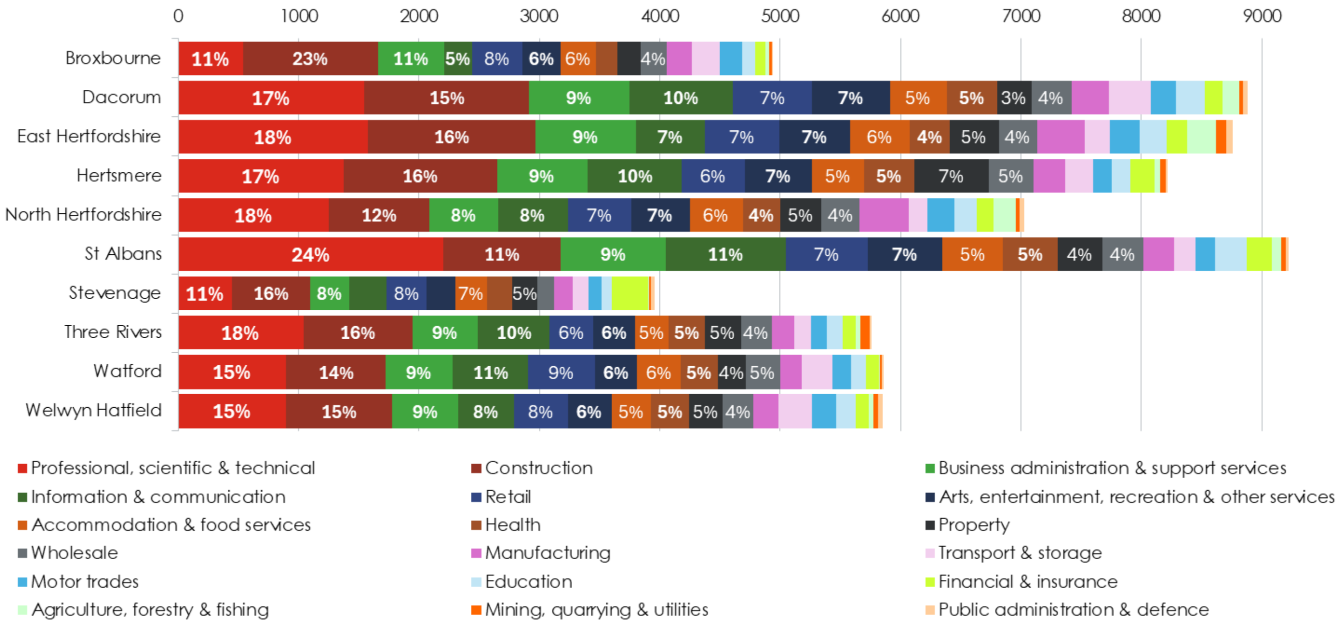
St Albans has an entrepreneurial local economy, with a (very) high incidence of small businesses…

There are more businesses in St Albans than any other district in Hertfordshire…

…and 24% of its businesses are in the 'professional, science and technical' sector with 11% in the information & Communication sector (both highest in Herts)

St Albans is a district that is full of enterprise. We need to make the most of this…

Number of businesses (local units) by district in Hertfordshire, and their sectoral distribution



Source: UK Business Counts

Employment Change by Occupation (SOC 2020) and Replacement Demand, 2015-2035, Hertfordshire

thousands

Levels	2020-2035 Net Change	Replacement Demand	Total Requirement
11 Corporate managers and directors	3	31	34
12 Other managers and proprietors	12	19	31
21 Science, research, engineering and technology professionals	11	23	34
22 Health professionals	5	14	19
23 Teaching and other educational professionals	4	17	21
24 Business, media and public service professionals	15	30	45
31 Science, engineering and technology associate professionals	0	6	6
32 Health and social care associate professionals	1	6	8
33 Protective service occupations	3	3	6
34 Culture, media and sports occupations	1	8	10
35 Business and public service associate professionals	2	22	24
41 Administrative occupations	-7	28	21
42 Secretarial and related occupations	-4	8	4
51 Skilled agricultural and related trades	2	3	5
52 Skilled metal, electrical and electronic trades	0	9	9
53 Skilled construction and building trades	0	9	9
54 Textiles, printing and other skilled trades	1	6	7
61 Caring personal service occupations	9	29	38
62 Leisure, travel and related personal service occupations	1	9	10
63 Community and civil enforcement occupations	0	0	0
71 Sales occupations	-6	19	14
72 Customer service occupations	6	8	14
81 Process, plant and machine operatives	4	7	11
82 Transport and mobile machine drivers and operatives	3	14	17
91 Elementary trades and related occupations	-1	3	2
92 Elementary administration and service occupations	-1	36	35
All occupations	**65**	**367**	**432**

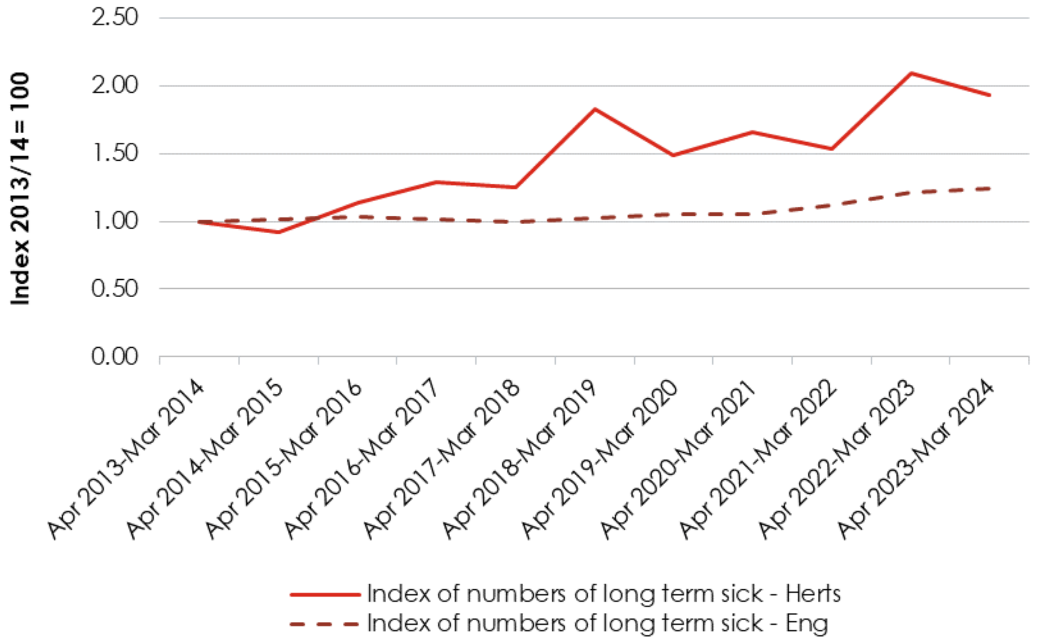
Taking into account replacement demand, the requirements for some occupations are likely to be substantial…

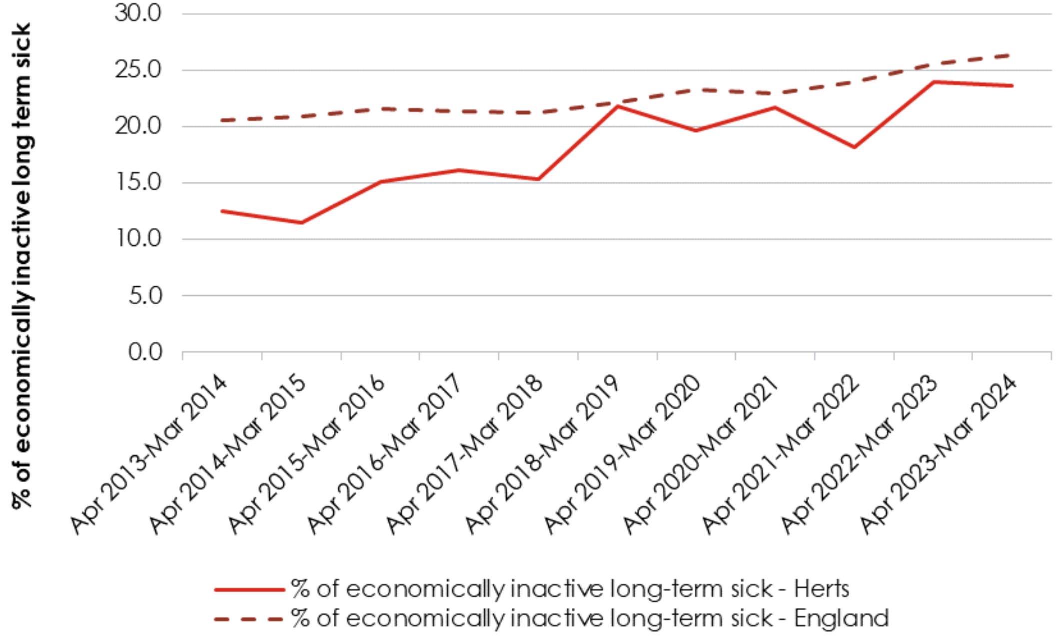
… and across major occupations, the fastest replacement demand rate is in ‘caring personal service occupations’

This all raises important questions for further and higher education providers

- Is this ‘as expected’?
- In which occupations might the county struggle to satisfy demand?
- What are the implications for the county’s ‘everyday economy’?

Economic inactivity and long-term sick (APS)





The number of people who are economically inactive because they are long term sick has risen dramatically in Hertfordshire – from 16,800 in 2013/14 to 32,400 a decade later

The pattern in Hertfordshire has rapidly converged with the England average

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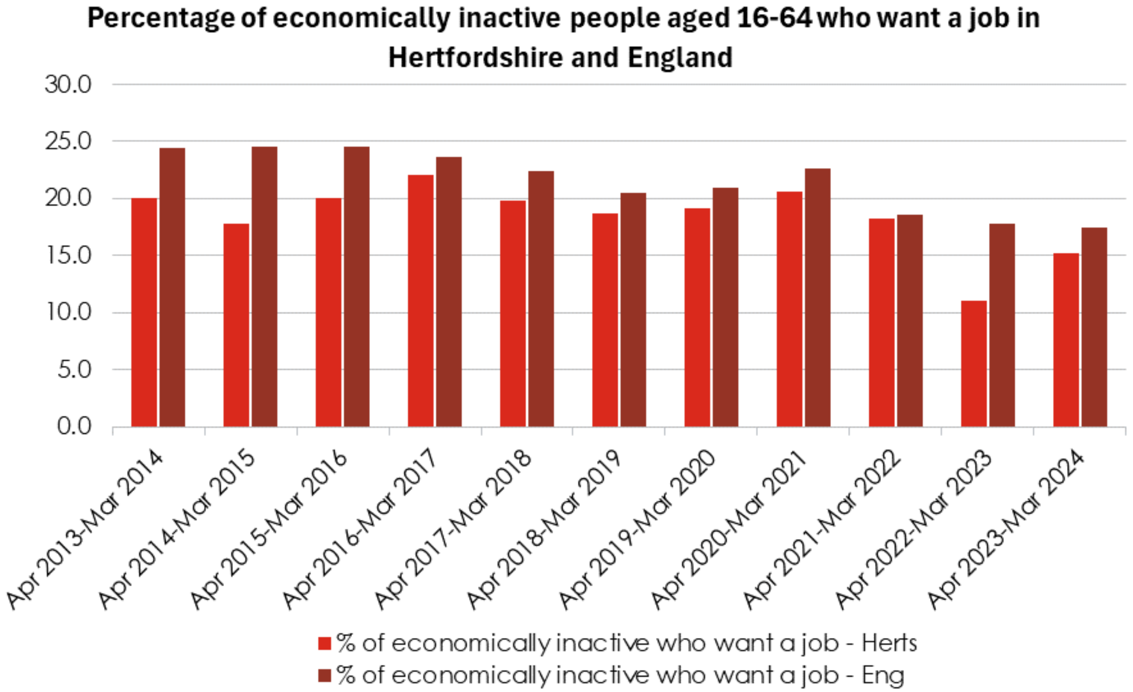
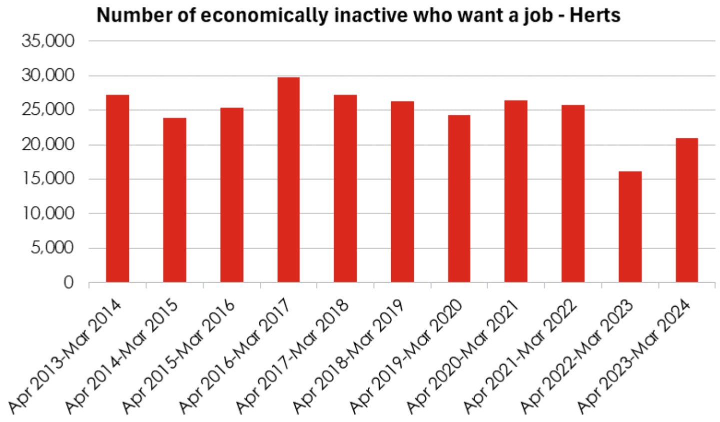
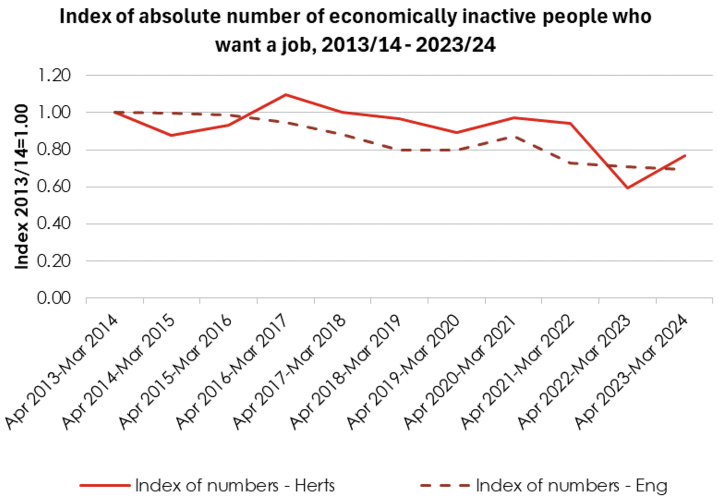
Economic inactivity and 'want a job' (APS)





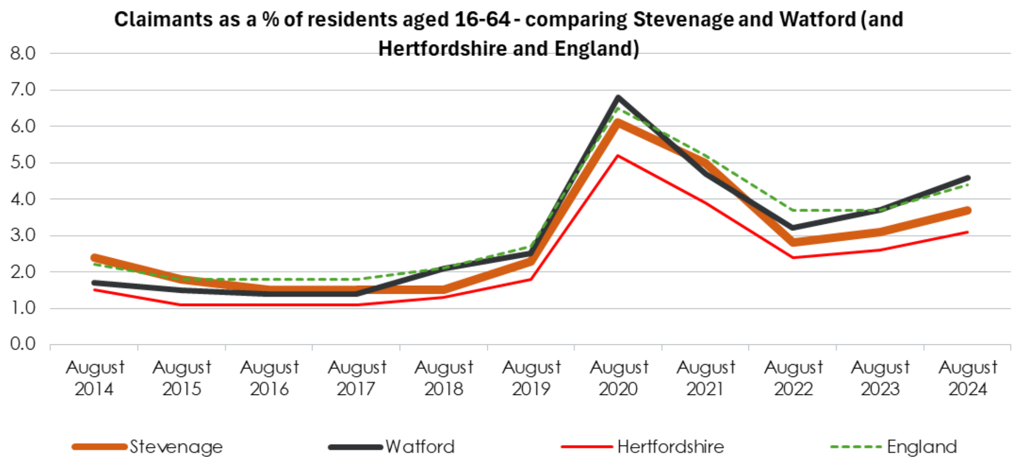


There are 15,000-20,000 economically inactive people aged 16-64 in Hertfordshire who want a job – this number is smaller than previously and a declining share of all economically inactive people

Claimants as a % of residents aged 16-64

Area	August 2014	August 2015	August 2016	August 2017	August 2018	August 2019	August 2020	August 2021	August 2022	August 2023	August 2024
Broxbourne	1.8	1.2	1.3	1.2	1.8	2.3	6.7	5.0	3.1	3.2	3.7
Dacorum	1.5	1.2	1.1	1.2	1.0	1.5	5.2	4.1	2.6	2.8	3.5
East Hertfordshire	1.0	0.7	0.7	0.7	0.6	1.1	4.1	2.9	1.8	1.8	2.1
Hertsmere	1.5	1.3	1.2	1.2	1.3	1.9	5.8	4.2	2.9	2.9	3.6
North Hertfordshire	1.4	1.2	1.1	1.2	1.1	1.6	4.7	3.3	2.1	2.0	2.5
St Albans	1.0	0.7	0.8	0.9	1.3	1.5	4.2	3.0	2.0	2.0	2.6
Stevenage	2.4	1.8	1.5	1.5	1.5	2.3	6.1	5.0	2.8	3.1	3.7
Three Rivers	1.2	1.0	0.9	0.9	1.3	1.6	4.8	3.2	2.2	2.3	2.8
Watford	1.7	1.5	1.4	1.4	2.1	2.5	6.8	4.7	3.2	3.7	4.6
Welwyn Hatfield	1.5	1.2	1.1	1.1	1.6	1.8	4.6	4.0	2.4	2.4	3.1
Hertfordshire	**1.5**	**1.1**	**1.1**	**1.1**	**1.3**	**1.8**	**5.2**	**3.9**	**2.4**	**2.6**	**3.1**
England	**2.2**	**1.8**	**1.8**	**1.8**	**2.1**	**2.7**	**6.5**	**5.2**	**3.7**	**3.7**	**4.4**

- The incidence of claimants as a % of residents aged 16-64 has been lower in Hertfordshire than England across the time series
- Locally, Broxbourne, Stevenage and Watford have all had years when they have exceeded the national average
- In the early part of the time series, Stevenage mirrored (or was worse than) the national picture, but by the end, Stevenage appeared to be performing better… whereas Watford seems to have moved in the opposite direction… Is there a different post-pandemic narrative in the two boroughs?



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St Albans District – The Debate

St Albans District has clear economic assets – particularly through its residents. However, the implication of the socio-economic data – and the consequence of the loss of employment provision in a constrained district (given the geography of the Green Belt) – is that in economic terms:

- St Albans District is, predominantly, a home for London's commuters
- Local employment is heavily focused on local services…
- …and/or activities linked to the Visitor Economy, particularly in St Albans City

The shift to hybrid working presumably means that well-qualified (and well paid) people are at home in St Albans District, even if their jobs are formally elsewhere…

…but does this make for a sustainable, resilient and inclusive economy, and one where younger people can thrive?

Key questions for St Albans

- Do employers face acute recruitment challenges, particularly in the 'everyday economy', and how do they respond?
- Jobs in the district grew quickly from 2000 until 2018 – but they appear to have fallen since… is this real?
- Growth to the north (Luton) and east (Hemel / HGC) presents challenges and opportunities – how should these be understood?
- Rothamsted Research is a major knowledge hub focused on agritech: could more be done with it?
- What is the economic future for St Albans City? It is a key visitor destination, but could it be a stronger hub for creative industries (especially post production)?
- A major new logistics terminal is proposed at Radlett – what are the economic possibilities?

Over the next decade…

…what one intervention might make the biggest positive difference for the people and communities of St Albans in terms of their overall well-being?

Engagement Timeline

July-August	September-December		January-March	May-June
Discover Awareness raising with key stakeholders	**Develop** Key engagement period to refine the evidence and examine the strategic themes in more detail	**Debate** Key strategic themes	**Consult** Draft will go out for consultation	**Approve** Launch event & UKREIIF

Further questions?

Contact:
01438 843000
info@hertfordshirefutures.co.uk

Visit
www.hertfordshirefutures.co.uk
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