SQW

North Hertfordshire Economic Development Strategy

Evidence Report

November 2024 (updated June 2025)

Overview

This Evidence Report accompanies North Hertfordshire District Council's (NHDC) new Economic Strategy and Action Plan.

It summarises the evidence that underpins the district's new Economic Development Strategy.

The analysis draws on secondary data (mainly from ONS datasets). It also relies on feedback from stakeholder and business consultations that were completed in spring/summer 2024.

The Evidence Report is divided into seven main sections.

- **Section 1:** Local and national policy context
- **Section 2:** North Hertfordshire in its spatial context
- **Section 3:** Understanding North Hertfordshire's workplace economy
- **Section 4:** Understanding North Hertfordshire's residence-based economy
- **Section 5**: Understanding spatial variation within North Hertfordshire
- **Section 6:** Economic forecasts
- **Section 7:** Summary assessment of strengths, weaknesses, opportunities and threats

Key figures for North Hertfordshire

£4.3bn

GVA in 2022

83,700

Working age population in 2022

66,000

Jobs in 2022

6,225

Enterprises in 2023

1: Local and national policy context

Local and county policy context

The policy context for North Hertfordshire's new Economic Development Strategy needs to be understood at local, regional/county and national levels.

Locally, it is framed by NHDC's own policy statements. These include the *North Herts Council Plan (2024-28)*. This provides a clear commitment to the local economy; Responsible Growth is one of its four main priorities.

The *Local Plan, 2011-2031* was adopted in 2022. It is currently being reviewed. A timetable for review is set out in the Local Development Scheme on the Council's website.

At a county level, Hertfordshire Futures is a new organisation (formed following the LEP transition). It is in the process of developing a new economic strategy. The last Strategic Economic Plan was finalised in 2017 and it emphasised the scope for Hertfordshire to develop its knowledge economy, recognising particularly the significance of three growth corridors (one of which, A1(m), is highly relevant to North Hertfordshire).

North Herts Council Plan

The Council Plan is a high-level strategic document which sets out NHDC's key priorities and themes for the period 2024 to 2028. Within an overall vision – working with you for a fairer, greener North Herts – four main priorities are identified:

North Hertfordshire Local Plan

The current Local Plan relates to the period 2011 to 2031. It was adopted in 2022. Note that it is currently being reviewed. A timetable for the review is set out in the Local Development Scheme on the Council's website.

The current Local Plan (2011-2031) outlines strategic policies and development management policies:

- A spatial strategy
- Sustainable development
- The economy and town centres
- Countryside and the green belt
- Transport and infrastructure
- Strategic housing sites
- Design
- Healthy communities
- The natural and historic environment.

Hertfordshire LEP Strategic Economic Plan

The SEP was refreshed 2017 and covers the period 2017 to 2030. A Local Industrial Strategy was under development pre-pandemic. A new Hertfordshire-wide Economic Strategy is currently being prepared under the auspices of Hertfordshire Futures.

Vision:

By 2030, Hertfordshire should be recognised as the **functional core of the UK's Golden Triangle**

Priority 1: Maintaining global excellence in science and technology… …particularly in life sciences, advanced engineering/manufacturing, agri-science/agri-tech, sustainable construction and the creative industries

Priority 2: Harnessing Hertfordshire's relationship with London and elsewhere… …with a focus on three growth corridors (including the A1(M) corridor, which bisects North Hertfordshire

Priority 3: Reinvigorating Hertfordshire's places for the 21st century… …including discussion of a need for progress towards an overarching economic vision for Hertfordshire

Priority 4: 'Foundations for growth' …with a focus on addressing skills challenges of the workplace population in Hertfordshire

National policy context

With the election of a new Labour government in July 2024, the national policy context is still evolving.

Five main 'missions' have been emphasised. One of the five is to 'kickstart economic growth'.

The government has announced a major focus on housing growth, including through changes to the planning system (with new mandatory targets for councils), a review of the green belt and a commitment to build 1.5 million new homes over the next parliament. Potentially, a new generation of New Towns may have a role to play.

The government has also published a Modern Industrial Strategy. It has a focus on sectors and clusters (the IS-8), some of which are highly relevant to North Hertfordshire (most notably advanced manufacturing).

Cutting across all of this is a commitment to wider and deeper devolution. The Devolution White Paper was published in late 2024.

Other 'missions' that could have an important bearing locally are: 'make Britain a clean energy superpower' and 'break down barriers to opportunity'.

Housing targets increased to get Britain building again - GOV.UK (www.gov.uk)
Chancellor unveils package to deliver on promises of new government - GOV.UK (www.gov.uk)

2: North Hertfordshire in its wider spatial context

North Hertfordshire's strategic location

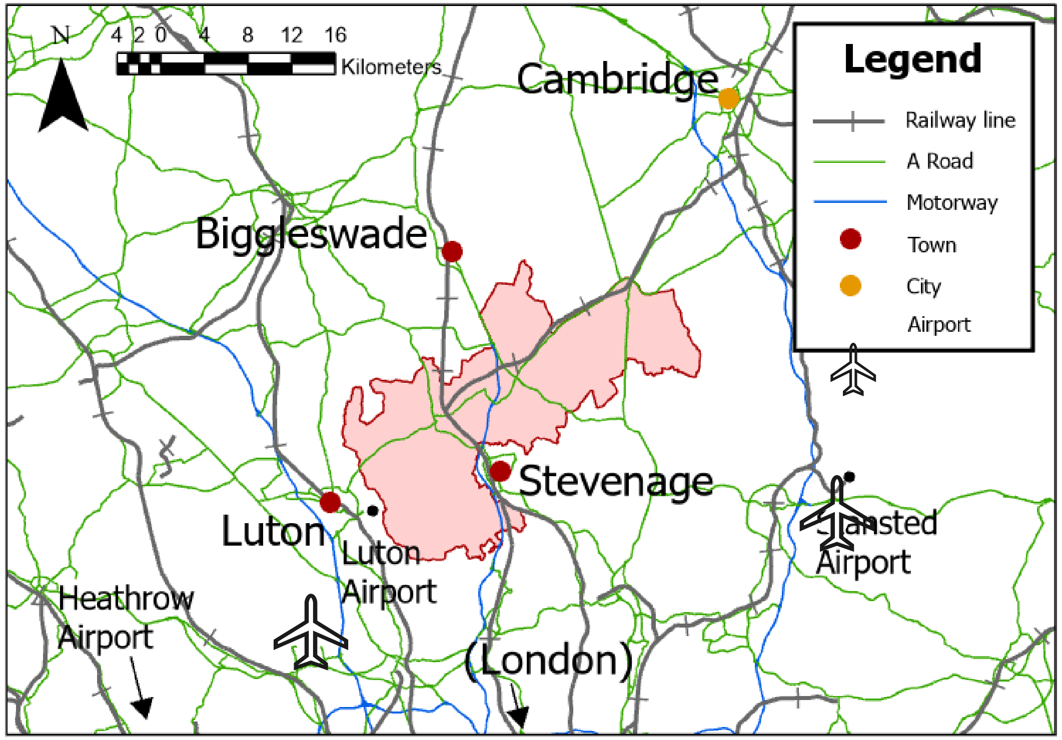
North Hertfordshire is well located in relation to **London** and **Cambridge**, with good rail and road links to both, and strong 'corridor' possibilities linked especially to the **A1(m)** and **A505** trunk roads.

For North Hertfordshire, the close proximity of **Stevenage and Luton** present opportunities and challenges: both are growing quickly within tight boundaries, and this is generating some pressure for the district.

There are strong links to **Central Bedfordshire** (which are evident through commuting flows in particular).

North Hertfordshire is well served by key infrastructure: **Luton Airport** borders North Hertfordshire, and **Stansted Airport** and **Heathrow Airport** are nearby.

North Hertfordshire has strong links – of many forms – to **London** (commuting, migration, supply chains, etc.).



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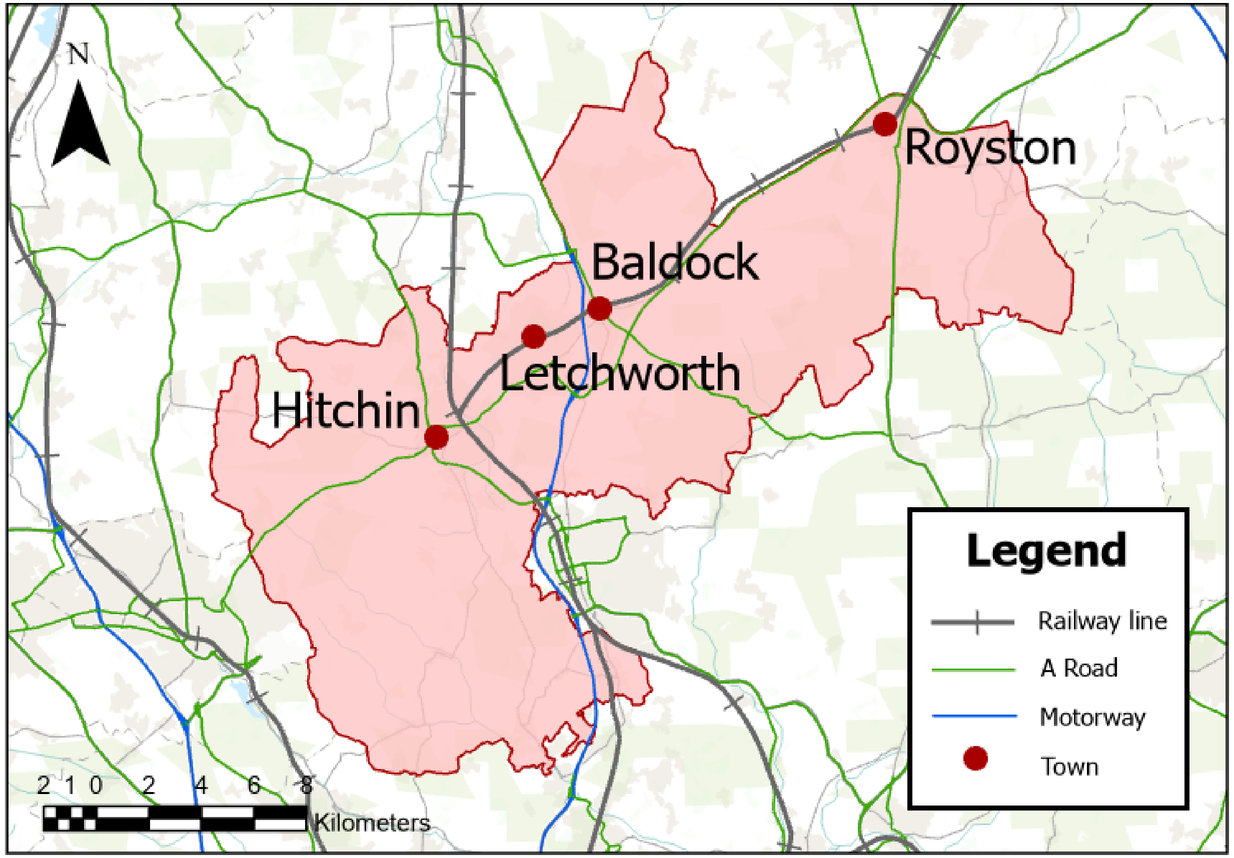
North Hertfordshire's towns – and its rural areas

In the north of the district, **Royston** is a free-standing town with strong functional links to Cambridge (and South Cambridgeshire).

In the central part of the district, **Baldock**, **Hitchin** and **Letchworth Garden City** are located close to each other.

The economic characteristics of each of these towns is considered in detail in Section 5.

In addition, much of North Hertfordshire is rural, and some of it is within the Metropolitan Green Belt. Parts of the district are within the Chilterns National Landscape.



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Perspectives on North Hertfordshire – from its businesses

*"**Logistics company**: It's a good location because of the road network with it being so close to the A1 and simple to get across to the M1 as well. The rates in North Hertfordshire are better than going further south to Stevenage and so forth, where it's really expensive. […] [We set up here] because there was a facility available at the time, but there's not many sites. There's no sites in North Hertfordshire that could accommodate us other than this one.*

*"**Marketing company**: I lived in [a North Hertfordshire village] already, so it was a natural thing to set up my business here and work from home. […] But even with working remotely, I'm very well serviced by Luton, Harpenden, Knebworth, Stevenage and Hitchin. There are five train stations all within a 15-minute drive that mean I could go up north or to London. So even though I work from home, I'm very well serviced from a train network perspective and a motorway perspective.*

*"**Not for profit**: One of the things that we love about being in North Hertfordshire, and particularly being in Letchworth, is that we really do value green space and we often take our participants and coaches for outdoor coaching. So we always put a lot of consideration into space and place. That's really important to us. And we have in the past taken individuals and groups to places like Norton Common and the Sadie Centre, where you've got lots of outdoor paths and green spaces.*

Economic flows (1/2)…

North Hertfordshire's location and connectivity translates into economic flows – which are a critical part of the local economy.

Census 2021 provides an indication of patterns of commuting (albeit the volume of commuting flows was substantially affected by lock down guidance during the pandemic).

Excluding both those working at home and those living and working in North Hertfordshire, the data opposite show which places had the strongest connections to the district through commuting in 2021.

Broadly, flows into North Hertfordshire are mostly from the north. Flows out of the district tend to be to the south.

In-commuters to workplaces in North Hertfordshire were most likely to live in:

- *Central Bedfordshire (4,567 persons); Stevenage (2,899); South Cambridgeshire (1,251); Luton (1,222); and East Hertfordshire (726)*

Out-commuters from North Hertfordshire were most likely to work in:

- *Stevenage (3,841 persons); Welwyn Hatfield (1,777); South Cambridgeshire (1,308); Central Bedfordshire (1,216); and St Albans (895)*

Economic flows (2/2)...

The 2021 Census was pandemic-affected, so it is helpful to consider the patterns reported a decade earlier, at the time of the **2011 Census**.

Data from Census 2011 were examined in detail in a *Functional Economic Market Area Study* for Stevenage, North Hertfordshire and Bedfordshire which was completed by Nathaniel Lichfield and Partners in 2015. This formed part of the evidence base for the current Local Plan.

The study found that at the time of the 2011 Census:

- 62.2% of North Hertfordshire's employed residents commuted outside the district for work
- the outflow from North Hertfordshire equated to 32,650 workers, with the largest flows being to Stevenage (19.4%), Welwyn Hatfield (12.0%), and Westminster (8.6%)
- the total proportion of working residents commuting from North Hertfordshire to Greater London equated to approximately 22.9%
- approximately 20,270 workers travelled into North Hertfordshire for work, mainly from Central Bedfordshire (28.2%), Stevenage (18.2%) and South Cambridgeshire (8.9%).

North Hertfordshire was – and is – characterised as a **net exporter of labour** with an overall net outflow of 12,385 persons in 2011.

…and the implications

Because of commuting, there are differences between what the working residents of North Hertfordshire earn, and the wages/earnings of those who work in the district (who may live elsewhere).

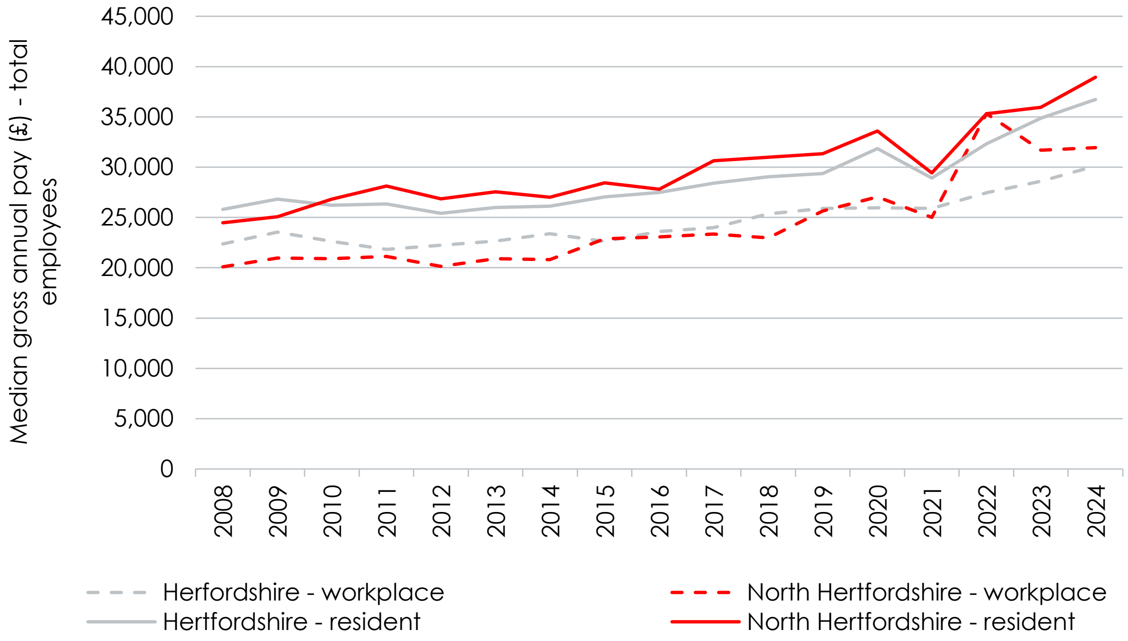
In general terms, **people who work in North Hertfordshire earn less than those residents who commute out of the district for employment**.

This pattern is seen across Hertfordshire, but the pattern in North Hertfordshire is generally more extreme as the chart opposite shows.

In part, this is the consequence of London-bound commuting – but that is not the only factor.

It can mean that those who work locally cannot afford to live in the area – with implications for the housing market.

Workplace-based and resident-based gross annual pay in North Hertfordshire and Hertfordshire (all employees, median)



Source: SQW analysis of ONS, Annual Survey of Hours and Earnings

3: Workplace economy

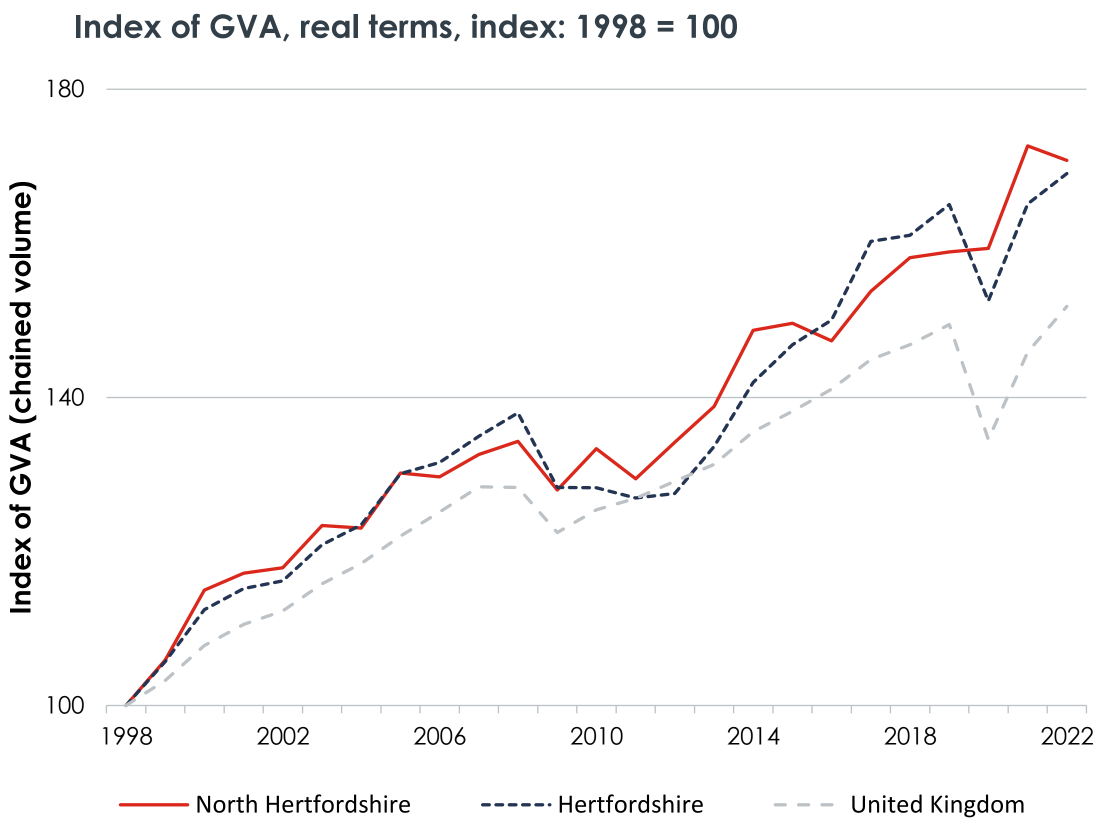
Gross Value Added (GVA)

In 2022, North Hertfordshire's GVA was £4.3bn. This was about 9% of Hertfordshire's total GVA.

In line with the county-wide picture, North Hertfordshire has seen **faster growth in GVA than the UK average** since the late 1990s.

The data suggest that North Hertfordshire saw a **35% increase in GVA between 2016 and 2022 (N.B. in current prices). This increase was greater than in Hertfordshire (30%) and the wider UK (27%)**.

There are issues surrounding data robustness at a local level – so these observations need further testing, and they should be considered alongside other evidence.



Source: SQW analysis of ONS, regional accounts. Released April 2024

GVA by LSOA

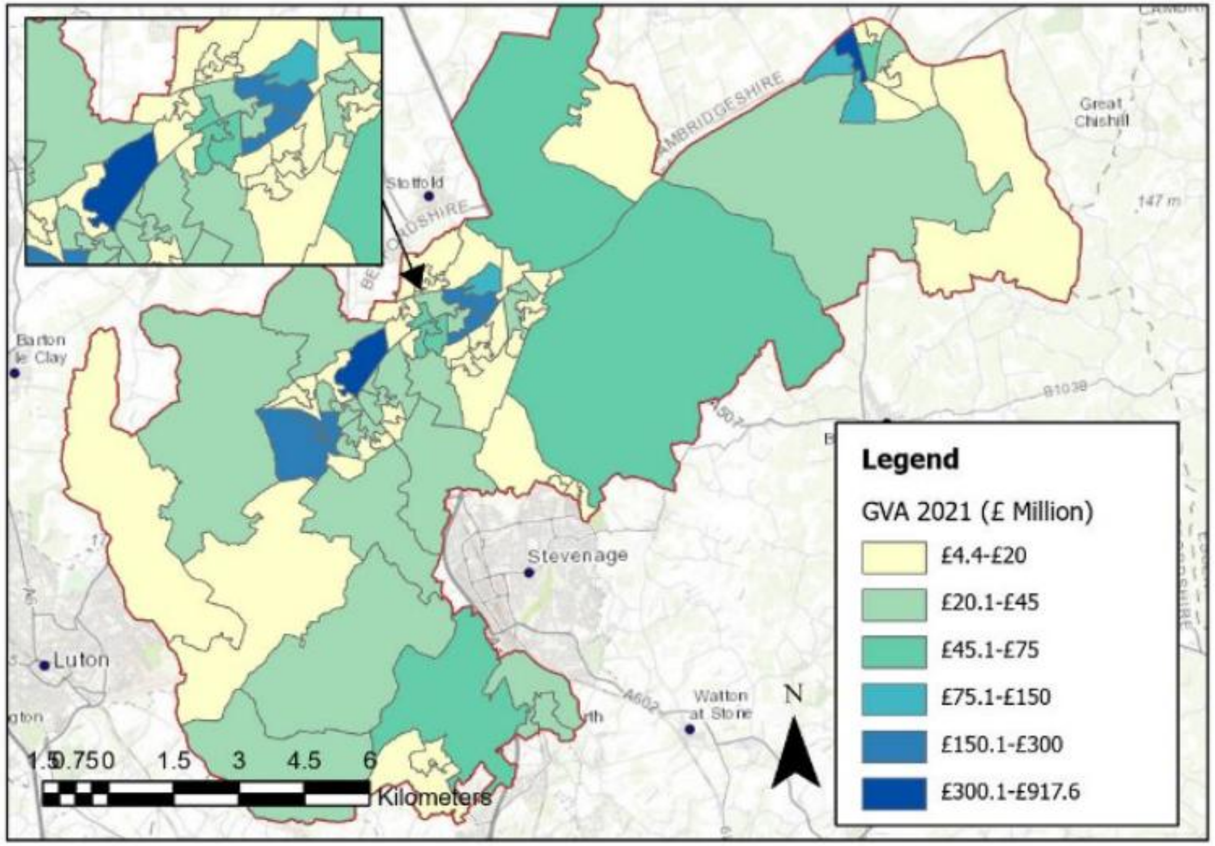
Economic output is generated across North Hertfordshire, but there is substantial variation at a local level.

The LSOAs that generate the greatest GVA are within Hitchin, Letchworth, and Royston. They map onto the principal industrial areas.

The area around Wilbury Way Industrial Estate, in the north of Hitchin, is one of the highest GVA areas in North Hertfordshire.

The predominantly rural areas on the edge of Luton and Stevenage, and in the north east of the district, generate relatively little economic output. This is unsurprising – but it points to the contrasts that exist within the district.

Gross Value Added by LSOA in 2021 (£ Million)



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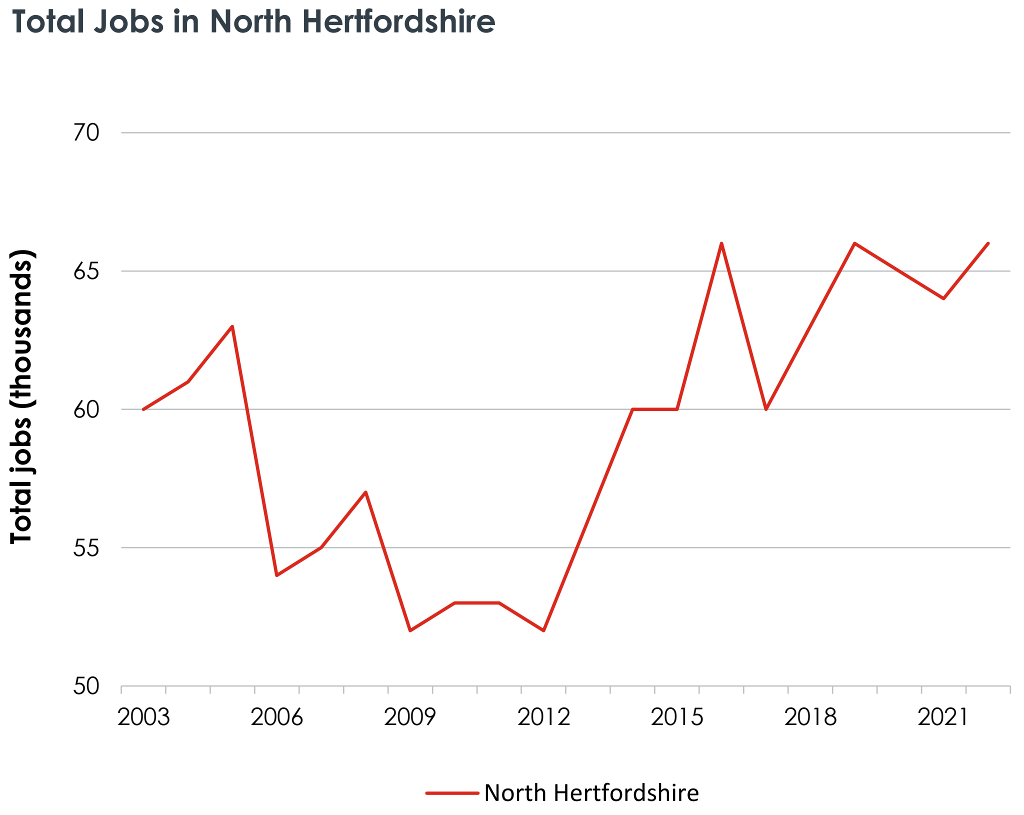
Total jobs (1/2)

In 2022, there were 66,000 jobs in North Hertfordshire (including employee and self-employment jobs).

The time series data in the chart opposite suggest three broad 'phases' in relation to the district's employment narrative over the last two decades:

- the period to about 2012 saw employment decline in North Hertfordshire, in absolute terms; this picture was captured in much of the evidence base underpinning the current Local Plan
- from 2012 to about 2016, there was relatively rapid jobs growth
- subsequently, there has been year-on-year volatility (some covid-related) but limited growth overall.



Source: SQW analysis of ONS, Jobs count. Released February 2024

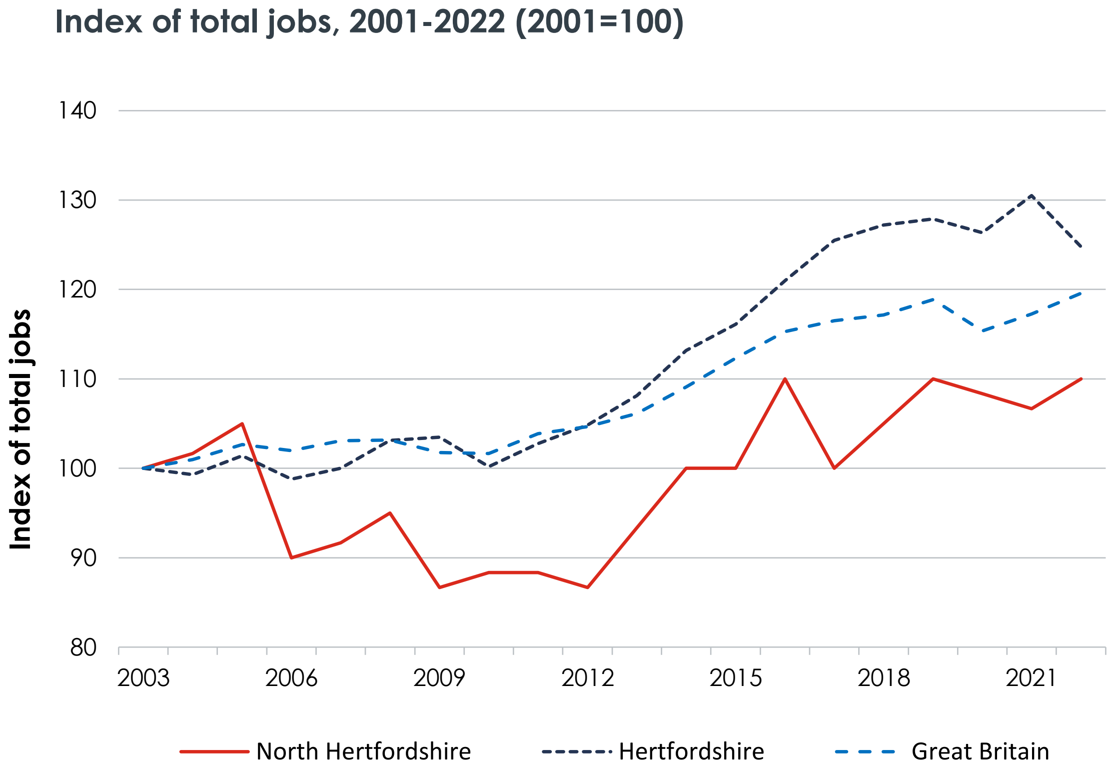
Total jobs (2/2)

This picture is similar to, but more exaggerated than, that across Hertfordshire as a whole and nationally.

Overall, the number of jobs in North Hertfordshire increased by 12% over the period 2001-22.

This was around half of the overall increase seen county-side (24%) and it was also lower than the growth seen nationally.

This indicates that **over the previous two decades, North Hertfordshire has seen substantially slower jobs growth than other parts of Hertfordshire**.



Source: SQW analysis of ONS, Jobs count. Released February 2024

Productivity (1/2)

Productivity is, in many respects, the key indicator in relation to economic performance.

It relates to the efficiency of an economy – literally the value of output per unit of input (typically GVA per job or GVA per hour worked). Ultimately it relates directly to living standards.

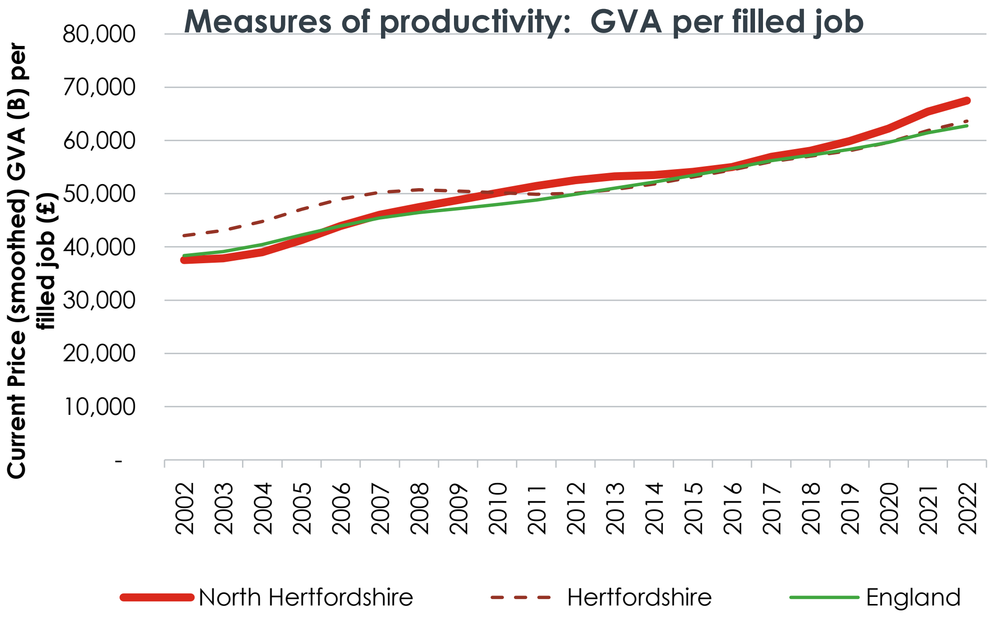
The charts on the next slide are important for North Hertfordshire.

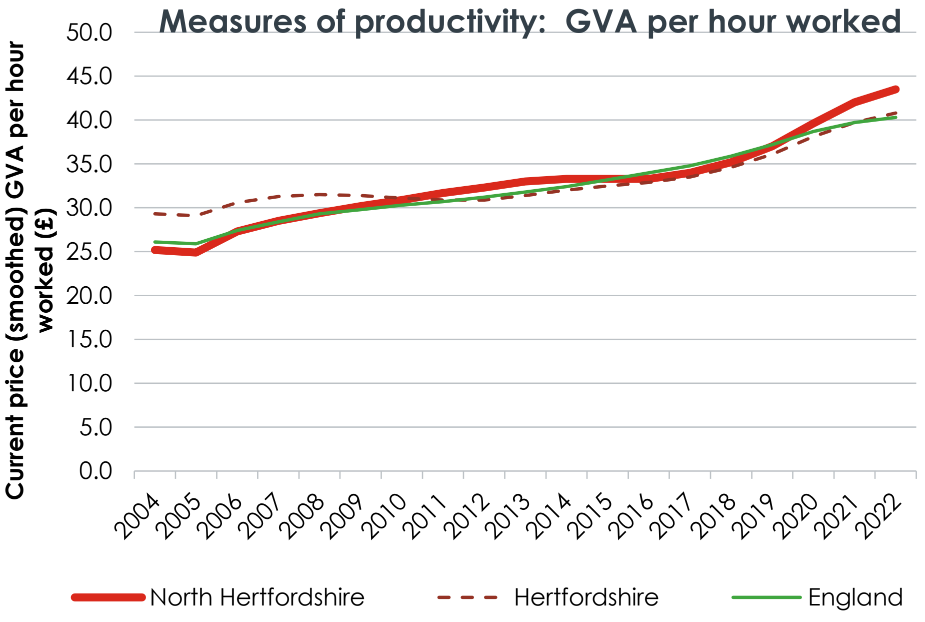
Overall:

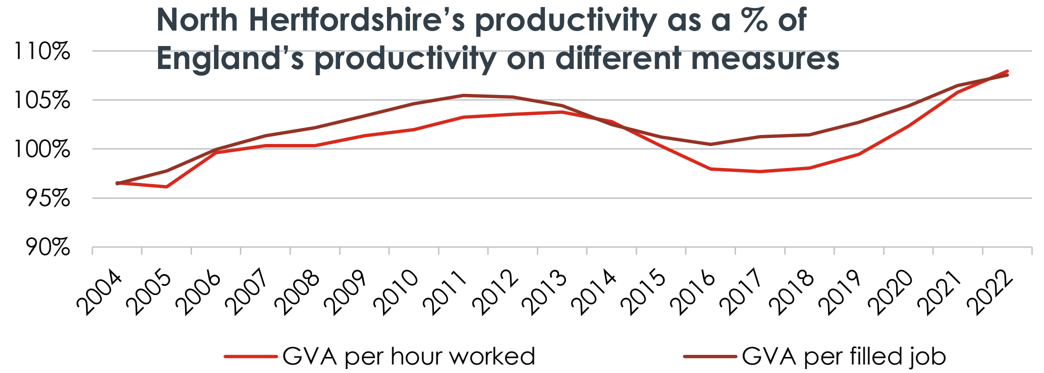
- North Hertfordshire appears to have seen steady productivity growth (on two different measures)
- by the end of the time series, the level of productivity in North Hertfordshire was higher than for both Hertfordshire and England
- relative to England, over the last 20 years, there have been periods when productivity in North Hertfordshire has been above the average; but there have also been periods when it has been below
- relative to England, North Hertfordshire has generally performed better on GVA per filled job than GVA per hour worked.

There are many different factors that together help to explain productivity performance – workforce skills is a key one, business demography is another and sectoral structure also has an influence. The Economic Strategy will need to address these (and other) elements.

Productivity (2/2)







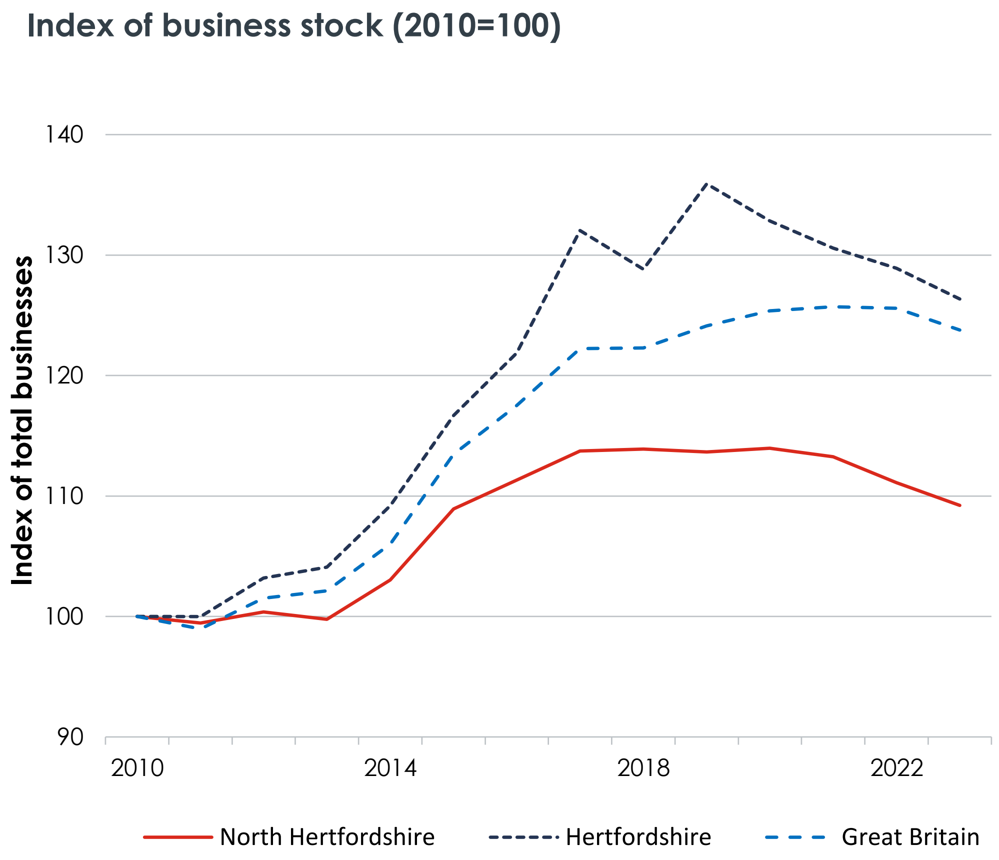
Source: ONS sub-national productivity estimates

Businesses (i) – overall business stock

In 2023, there were just over 7,000 'local units' in North Hertfordshire (of which 6,225 were defined as 'enterprises').

In North Hertfordshire, the stock of businesses grew rapidly between about 2013 and 2017; it then appeared to plateau before falling from about 2021.

The overall pattern has been similar across Hertfordshire and nationally – although the early growth in stock was less marked in North Hertfordshire. It means that the business stock now is similar to that which was seen in 2015.



Source: SQW analysis of ONS, UK Business Counts (IDBR).

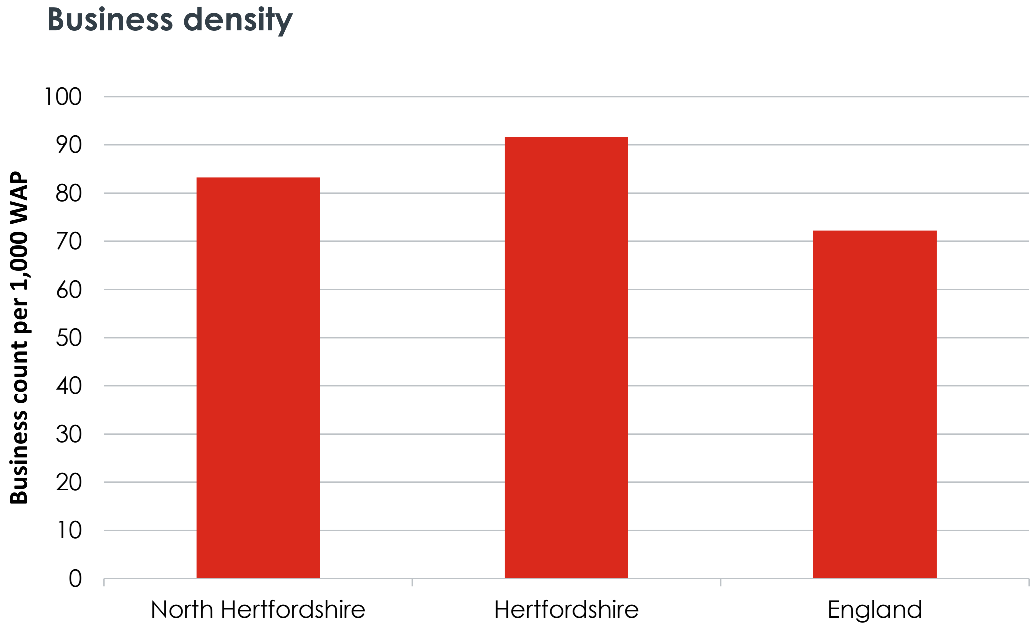
Businesses (ii) – business density and structure

‘Business density’ is the number of businesses per 1,000 working age population. Generally, a high business density signals a high local incidence of SMEs.

North Hertfordshire has a slightly lower business density than Hertfordshire – but both are above the national average.

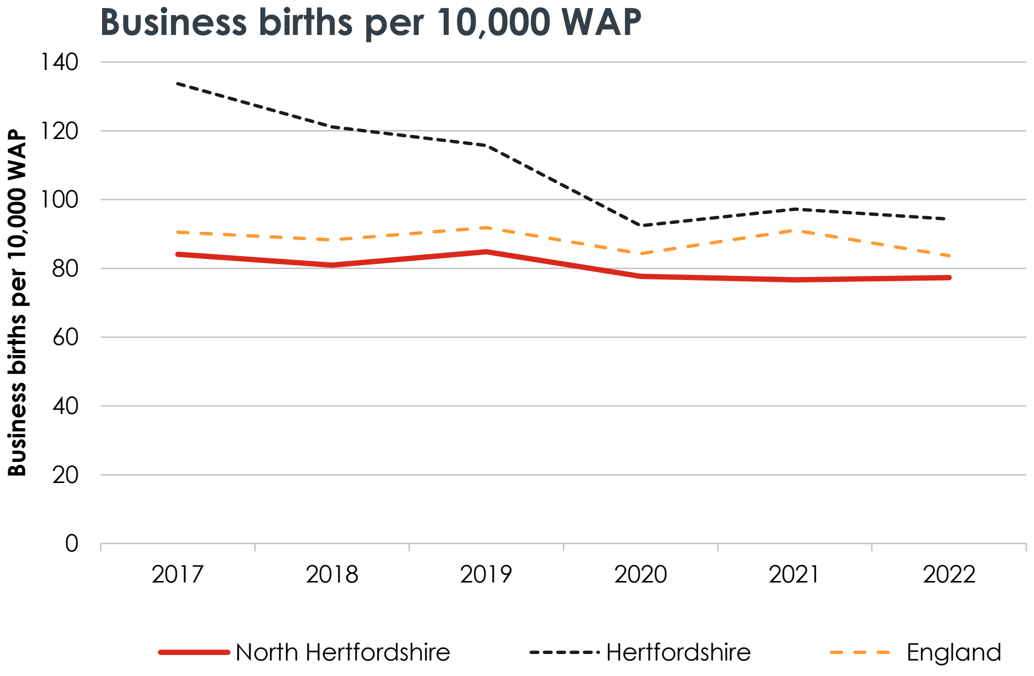
In North Hertfordshire, just under 90% of enterprises are micro (0-9 employees) and 2% have 50 or more employees.

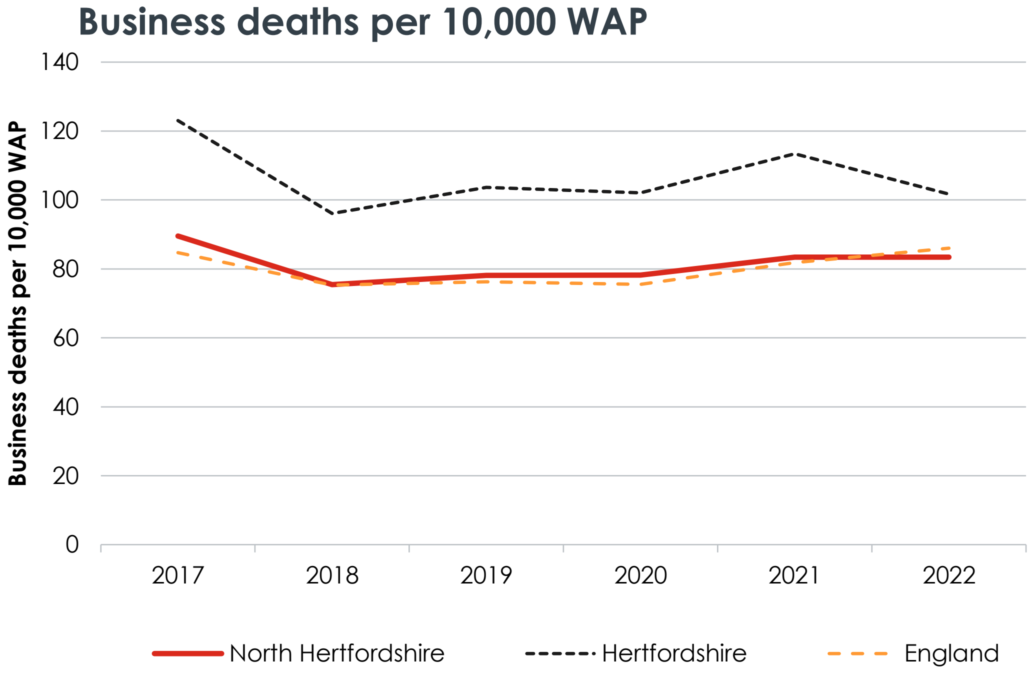
It is also notable that North Hertfordshire’s self-employment rate is slightly higher than the Hertfordshire and UK figures.



Source: SQW analysis of UK Business Counts data. Data are averaged over three years (2020-22 inclusive)

Businesses (iii) – births and deaths





(Source: SQW analysis of ONS Business Demography and ONS Population Estimates)

North Hertfordshire's business birth rate has been lower than that across either Hertfordshire or England, and it has drifted downwards. Its death rate has also been lower. Latterly, the death rate has been higher than the birth rate – although the differences are slight.

Sectoral dimensions (1/2)

At an aggregate level, the table opposite (derived from BRES) shows the sectoral distribution of employee jobs in 2022 – in North Hertfordshire, Hertfordshire and England.

Of particular note are those sectors for which North Hertfordshire diverges from either or both of the two comparators.

The incidence of jobs appears particularly high in North Hertfordshire in two key sectors:

- **Manufacturing** – where the share of employment is double that found nationally and almost three times the county average
- **Accommodation and food services** – where the share is about 50% higher than the county or national figures.

Conversely, North Hertfordshire has relatively little employment in health; business admin and support services; and in professional, scientific and technical activities.

Sector	North Hertfordshire	Herts.	England
1 : Agriculture, forestry & fishing (A)	1%	0%	1%
2 : Mining, quarrying & utilities (B,D and E)	1%	1%	1%
3 : Manufacturing (C)	13%	5%	7%
4 : Construction (F)	7%	7%	5%
5 : Motor trades (Part G)	3%	2%	2%
6 : Wholesale (Part G)	6%	6%	4%
7 : Retail (Part G)	8%	8%	8%
8 : Transport & storage (inc postal) (H)	3%	4%	5%
9 : Accommodation & food services (I)	11%	7%	8%
10 : Information & communication (J)	4%	5%	5%
11 : Financial & insurance (K)	3%	2%	3%
12 : Property (L)	3%	2%	2%
13 : Professional, scientific & technical (M)	7%	11%	9%
14 : Business administration & support services (N)	7%	16%	9%
15 : Public administration & defence (O)	2%	2%	4%
16 : Education (P)	7%	8%	9%
17 : Health (Q)	8%	10%	13%
18 : Arts, entertainment, recreation & other services (R,S,T and U)	4%	4%	4%

Sectoral dimensions (2/2)

Data from BRES are available in relation to very detailed sectors – although more granular analysis (spatially and sectorally) creates challenges in relation to robustness (so there is a need for some caution in using the data).

For disaggregated sectors with more than 300 jobs, the table opposite shows those that were most concentrated in North Hertfordshire (relative to the national average) in 2022. [*The measure of concentration is a Location Quotient (LQ) – defined as the concentration of jobs in each sector in North Herts compared to the concentration nationally*]

Manufacturing sub-sectors – some very specialised – stand out strongly, and distinctively. These correlate with some of the North Hertfordshire's major employers.

Thereafter, the list of concentrated sectors is eclectic – it includes some local service activities, and some financial and professional services.

Sector	Jobs	LQ
242 : Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	300	25.9
231 : Manufacture of glass and glass products	500	10.8
332 : Installation of industrial machinery and equipment	350	10.1
282 : Manufacture of other general-purpose machinery	900	7.2
201 : Manufacture of basic chemicals, fertilisers and nitrogen compounds, plastics and synthetic rubber in primary forms	300	6.5
651 : Insurance	800	5.1
265 : Manufacture of instruments and appliances for measuring, testing and navigation; watches and clocks	400	4.8
951 : Repair of computers and communication equipment	300	4.1
562 : Event catering and other food service activities	1,250	3.1
749 : Other professional, scientific and technical activities n.e.c.	600	3.1
222 : Manufacture of plastics products	600	2.7
453 : Sale of motor vehicle parts and accessories	450	2.6
813 : Landscape service activities	350	2.4
433 : Building completion and finishing	900	2.4
381 : Waste collection	300	2.2

Perspectives from North Hertfordshire’s businesses

“ ***Printing company***: *I was a little bit apprehensive about getting a unit anyway because of the extra expenses with business rates, insurance, utilities, etc., so after a few years I decided that I didn’t want a unit – I’m quite happy working from home. […] I belong to a networking group, but in my situation it's the artists who talk to each other and recommend me. It's a nice friendly group, so it's nice when you're working on your own. You meet people who are in the same sort of situation as yourself. […] Hitchin is a good fit in that way. It also has a good art community, along with St Albans and Harpenden, so it seems to be a good place to be.*

“ ***Heritage and events venue***: *We’re by all these other possibly more exciting counties [in terms of their heritage offer] and yet we have a huge amount to offer. We turn over extremely well within the economic world and need support and recognition for that. […] It's critical that we continue to work together and press the importance of information and engagement and working together. That’s the best way to help all businesses in promoting what they have to offer.*

4: Residence-based economy – people and skills

Population

North Hertfordshire had a resident population of 133,571 in 2021.

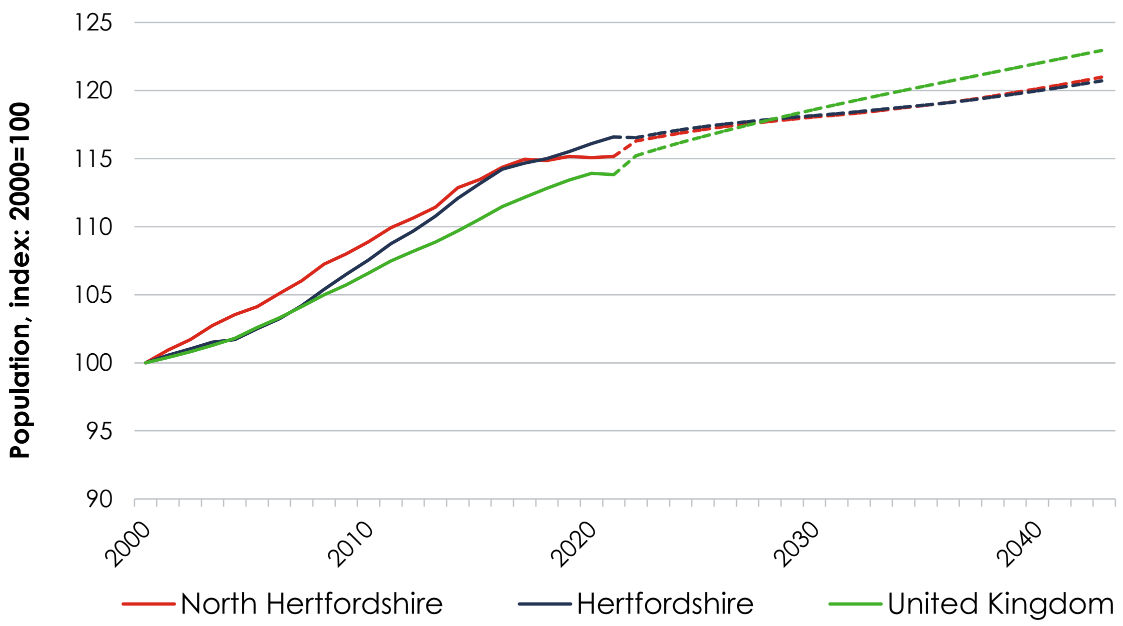
The district's population increased by 17,588 between 2000 and 2020 (at a growth rate of 0.67% per annum).

The population growth rate was higher than the national average from 2000 to 2021 – although the rate of growth slowed locally after 2017.

Projections suggest that population growth will continue but at a slower rate than previously. Looking ahead, rates of population growth are also projected to be slower than the national average.

The proportion of non-working age people (both children and adults aged 65+) to working-age people in North Hertfordshire was above the national and Hertfordshire averages between 2000 and 2021. It is expected to continue to remain above these averages into the future. The ratio is expected to reach 0.74 by 2043 (up from 0.58 in 2000).

Index of total population, index: 2000=100



(Source: ONS Population Estimates/Projections data)

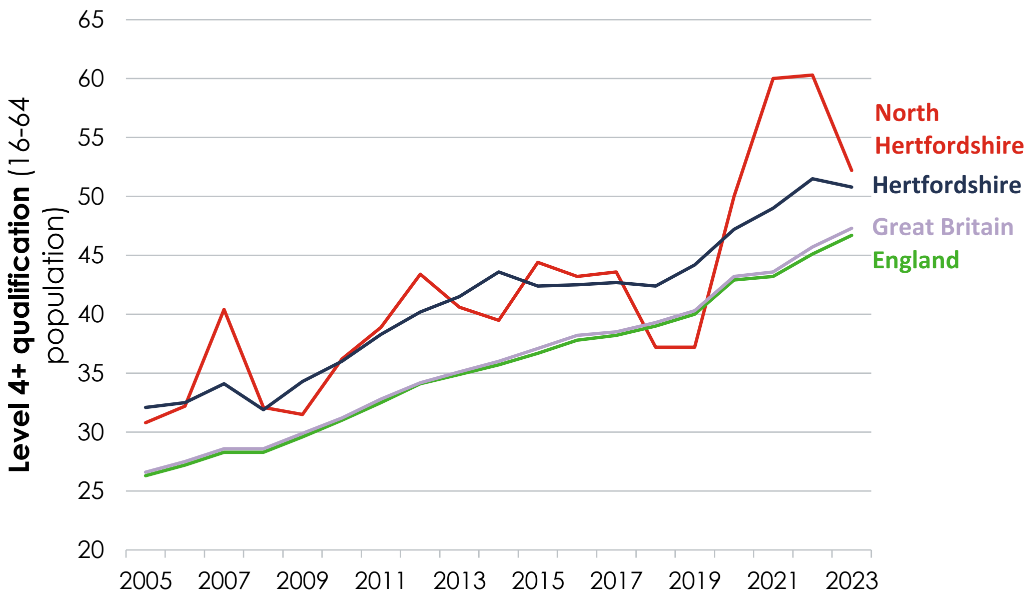
Qualifications and skills

The proportion of North Hertfordshire's working age population with degree level or higher (NVQ4+) qualifications is broadly in line with the Hertfordshire average and higher than the national average.

It suggests that North Hertfordshire has strong people and skills 'assets'.

However, as discussed earlier, many residents of North Hertfordshire commute to work elsewhere. The Local Plan identifies a Functional Economic Area which includes Stevenage and Central Bedfordshire. There is also significant out-commuting to London.

Proportion of population aged 16-64 qualified to NVQ/RQF4+



Source: Annual Population Survey

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Apprenticeships

In North Hertfordshire, there were 680 apprenticeship starts in 2022-23 and 330 achievements.

In North Hertfordshire – as elsewhere – the number of apprenticeship achievements has drifted downwards over recent years (although the pattern has been erratic year-on-year)

‘*Business, administration and law*’ and ‘*health, public services and care*’ are the subject areas with the most apprenticeship achievements in the district. A similar pattern is evident across Hertfordshire.

The data however suggest that around 12% of apprenticeship achievements are in ‘*information and communication technology*’. This is double the figure at both regional (East of England) and national levels.

Conversely ‘engineering and manufacturing technologies’ account for around 12% of achievements. This is lower than in both the regional and national figures.

Given North Hertfordshire’s sectoral strengths in advanced manufacturing, this perhaps suggests some level of misalignment.

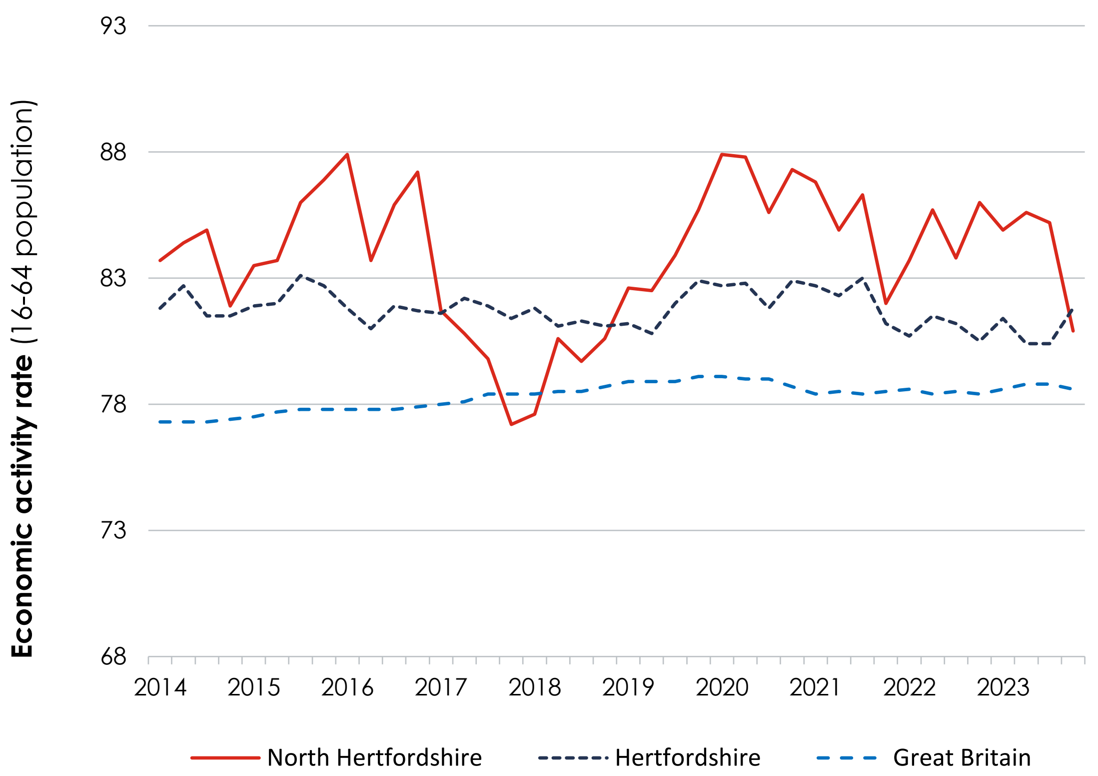
[All data for 2022-23 from DfE, Apprenticeships and Traineeships]

Economic activity

Although the data are volatile, North Hertfordshire has generally been characterised by a high rate of economic activity among its 16-64 year old population. The activity rate is high in both North Hertfordshire and county-wide, compared to the national average.

From the Annual Population Survey, it is estimated that about 16,800 residents (aged 16-64) of North Hertfordshire are economically inactive. The district-level data are not very reliable but for Hertfordshire as a whole, the proportion of economically inactive people who are long term sick is around 24%; as elsewhere, this figure has increased sharply.

Economic activity rate



Source: SQW analysis of ONS, Annual Population Survey. Apr 2023-Mar 2024 release.

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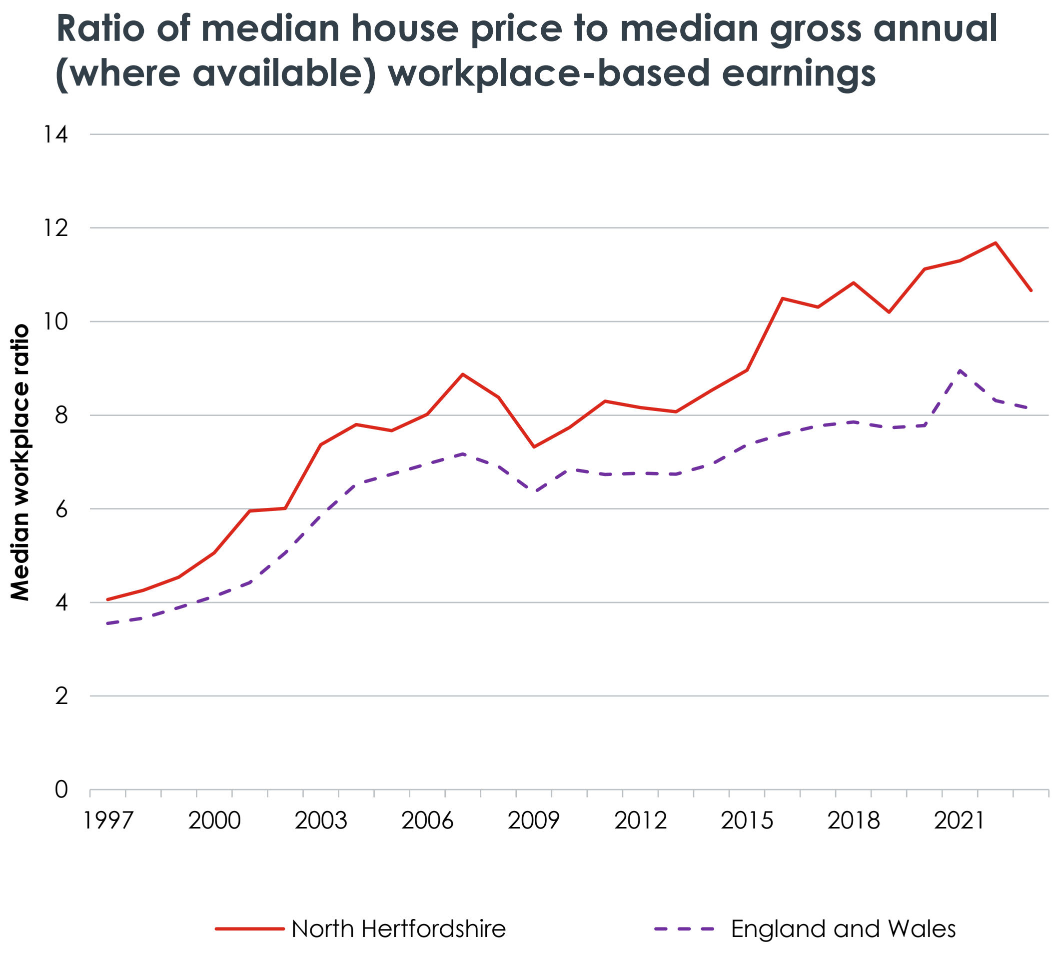
Affordability

Housing in North Hertfordshire is expensive relative to workplace-based earnings – as shown in the chart opposite.

Relative to the average for England and Wales, North Hertfordshire has become less affordable over the last two decades - particularly since about 2015.

However, the picture locally is different. In principle, North Hertfordshire is the second most affordable of the ten local authority districts within Hertfordshire.



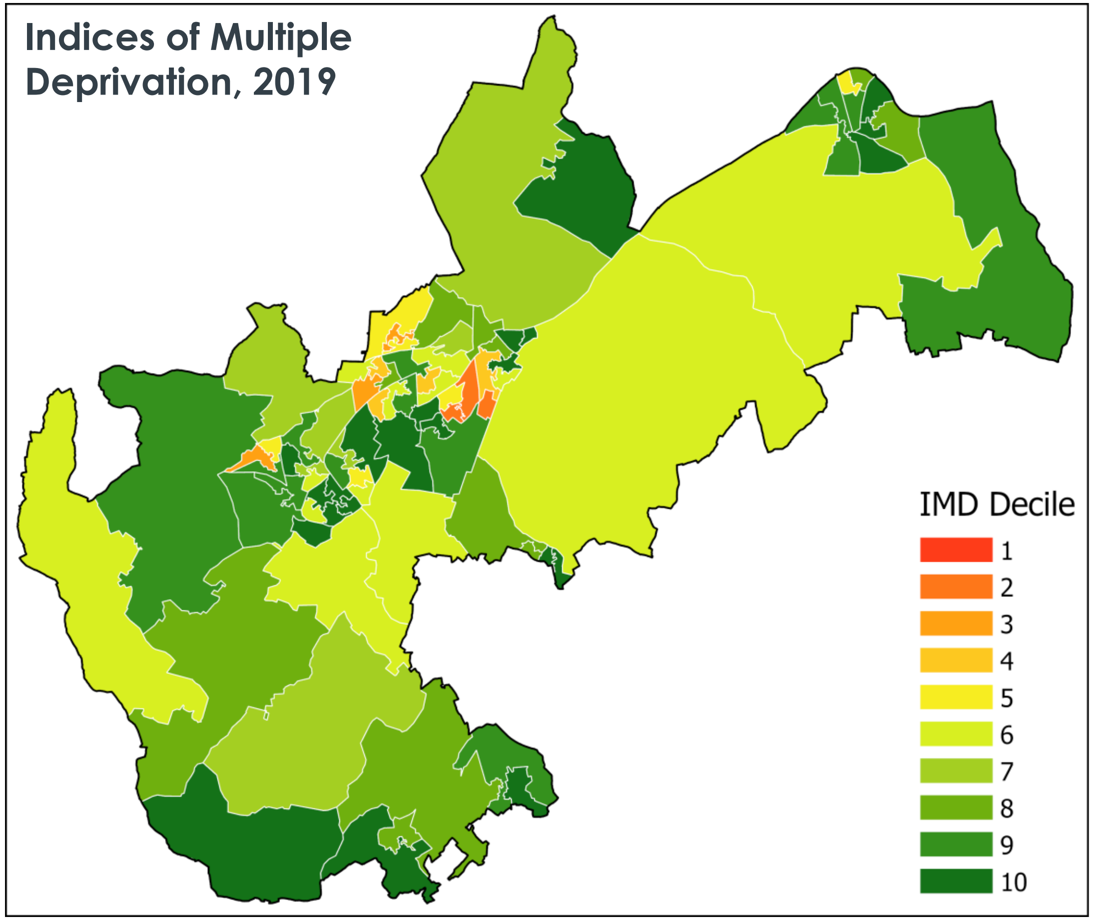
Source: House Price Statistics for Small Areas and Annual Survey of Hours and Earnings from the Office for National Statistics

Deprivation in North Hertfordshire

North Hertfordshire is generally quite prosperous. From Census 2021, over 55% of households were not recognised as deprived on any measure (slightly higher than for Hertfordshire as a whole). On the Indices of Multiple Deprivation, the district as a whole ranks as the 269th most deprived (of 317) in England).

However, there are substantial variations within the district and there are clear pockets of deprivation. These are especially apparent in some of the towns – notably Letchworth Garden City and Baldock – as the map opposite shows.

In general terms, North Hertfordshire's rural areas have lower levels of deprivation. Access to services can still be a major challenge, particularly for those without the use of a car.



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5: North Hertfordshire’s towns (and villages)

Royston

17,700

Total population in 2022

10,900

Working age population in 2022

7,800

Total number of employee jobs* in 2022

Note that these data are a sum of estimates provided at LSOA level – so they provide a broad approximation, not an accurate measure.
*Employee jobs from BRES dataset – self-employed jobs not included (as Jobs density data not available at LSOA level).

Perspectives on Royston

Royston is a small town which looks to the north as part of the Cambridge sub-region in functional economic terms. There are significant commuting flows, and broader links too.

Royston is home to some major knowledge-intensive employers. These are located within a substantial (and well-performing) industrial area on the northern side of the town, close to the Royston bypass.

The largest is Johnson Matthey. It developed catalytic converter technology in the past and is now advancing hydrogen-based fuels (having announced major investment in a factory in Royston to scale up the manufacture of components). A second is Sartorius – which came to Royston following the acquisition of TAP Biosystems. It is focused on the design and manufacture of cell culture and fermentation systems.

Royston therefore has some outstanding businesses – albeit supply chain and other local linkages appear quite limited, as do wider connections across North Hertfordshire

Royston town centre has seen some investment in recent years. It has a Business Improvement District (BID) – which has just been renewed for another five years. It is active in promoting the town and it has support from the major businesses; indeed, improving connections between the industrial area and the town centre is a priority.

Spatially, Royston abuts the administrative boundary with Cambridgeshire; because of environmental constraints, there is limited scope for Royston to grow within North Hertfordshire.

Royston is surrounded by beautiful countryside. With a railway station and good links to both Cambridge and London, the area attracts commuters. Levels of deprivation are relatively low.

Perspectives on Royston from consultees

“ *Royston does very well considering the economic pressure it’s under. It obviously benefits from being on the commuter belt to London. But people don’t necessarily spend their money in the town centre.*

“ *We have a lot of smaller shops. The business rates are not shocking and the rents are reasonable, so we can afford to have small businesses. That’s just because of the geography of the town, just by accident.*

“ *The industrial estate sectors are very different – it’s more B2B and that’s an industry that’s generally thriving. So the industrial estate is in pretty good condition. I’d say the High Street is generally under a lot more threat. Between the industrial estate and the town centre there’s very little relationship.*

Letchworth Garden City

34,400

Total population in 2022

21,200

Working age population in 2022

17,600

Total number of employee jobs* in 2022

Note that these data are a sum of estimates provided at LSOA level – so they provide a broad approximation, not an accurate measure.
*Employee jobs from BRES dataset – self-employed jobs not included. Jobs density data not available at LSOA level

Perspectives on Letchworth Garden City (1/2)

The economic character of Letchworth Garden City owes much to its origins as the first Garden City. This brings with it both strengths and weaknesses in economic terms.

Letchworth benefits from substantial commercial property – both office and industrial premises, and the Heritage Foundation is the major owner of land and property in this context. Much of the stock is dated, and there are increasing challenges linked to its environmental performance.

Letchworth has some significant businesses occupying office space – perhaps most notably Willmott Dixon (construction) in the Spirella Building. However overall, there are high vacancy rates across office space. Some individual buildings (e.g. Spirella) have potential, but new occupiers are needed in the context of an office market that has changed substantially since the pandemic and was under pressure in any case.

The industrial area is substantial. It includes Icknield Way and Works Road. Levels of occupancy are higher than for office space – albeit the stock is of a relatively poor quality.

There are many very traditional engineering and manufacturing firms in Letchworth. There is a handful of leading-edge businesses focused, for example, on medical technology and additive manufacturing.

Perspectives on Letchworth Garden City (2/2)

However, these businesses lack visibility – and business networks across Letchworth are 'thin'.

The Heritage Foundation is looking to dispose of some sites – which in time could mean that more employers own the freehold and are therefore more 'invested in' Letchworth. The Foundation is committed to active asset management (and the proceeds of disposals will be reinvested) to generate an income stream to invest in the town (see *Letchworth Garden City Heritage Foundation: Strategy 2028)*.

Letchworth's town centre is under pressure, and there are vacant retail units.

Led by the Heritage Foundation, there has been a renewed attempt to develop the cultural and creative foundations of Letchworth. This has included, for example, promoting the Broadway theatre and cinema. However, new thinking in relation to Letchworth's economic purpose more generally is likely to be important.

Levels of deprivation in Letchworth are relatively high.

Perspectives on Letchworth Garden City from consultees

> *"Letchworth is Letchworth Garden City." It isn't a Hitchin, it isn't a Baldock, it isn't a Royston. It's Letchworth Garden City. If you look at pictures of Letchworth Garden City from the thirties and forties, it probably hasn't changed much.*

> *It's still a popular place to come and shop, and it's obviously still a popular place to do business. The big thing is that the type of business has just changed over the years. So can I buy a pair of Levi jeans in Letchworth? No, I can't. But I can buy the best coffee in the world in Letchworth? Yes.*

> *One of the main assets for the town is that our railways station is right in the town centre, and we should be making more of that. […] Cambridge is 20 minutes on the train. Stevenage is 5 minutes down the A1. So the transport links by car are good. The transport links by train are excellent. But the transport links by bus are woefully dreadful.*

> *Even though it's a reasonably small town we still have a massive industrial area. We should be forging stronger links with the other partners in the industrial area, because we have some big multinational companies. Getting all those big companies to work together for Letchworth would be fantastic.*

Hitchin

35,400

Total population in 2022

22,500

Working age population in 2022

16,000

Total number of employee jobs* in 2022

Note that these data are a sum of estimates provided at LSOA level – so they provide a broad approximation, not an accurate measure.
*Employee jobs from BRES dataset – self-employed jobs not included. Jobs density data not available at LSOA level

Perspectives on Hitchin

Hitchin is a vibrant town – and its character is different from that of Letchworth and Baldock, despite their proximity.

It benefits from being on the East Coast Mainline (rather than on the branch line to Cambridge). It is also close to the A1(m). It is therefore well connected. It has the 'feel' of being strongly linked to London, and it appears to be a favoured destination for out-movers from (and in-commuters to) the capital. As a place, it is relatively affluent, and house prices are high.

Some major employers have a significant presence within Hitchin. It is one of three locations nationally for LV=, a major financial services/insurance business. There is a suite of local service businesses too.

There is a major redevelopment opportunity at Churchgate, within the town centre. This is a significant project and a major focus for the District Council (and its Joint Venture partner). Work is underway currently to agree the economic focus for Churchgate; this is being considered in the light of changes to the retail sector and the need to provide a cultural/economic focus for the town. Churchgate is adjacent to the town's historic market, and it is a key project for Hitchin.

Hitchin has a well-established town centre BID, which is helping to reinforce the role of Hitchin as a visitor destination within North Hertfordshire. As well as supporting plans for Churchgate, the BID team has focused on the role of the riverside waterfront and riverside walkway.

Overall, Hitchin is regarded as the most vibrant and prosperous of the North Hertfordshire's towns. Within it, levels of deprivation are comparatively low.

Perspectives on Hitchin from consultees

“ *It’s hard to ringfence North Hertfordshire because we’re so far north […] that we get a huge draw in from Bedfordshire and Cambridgeshire – big footfall coming in. […] Hitchin certainly is the commercial hub of the district, and so we get footfall in from surrounding villages across the border into Bedfordshire, and in Hertfordshire we get footfall from Luton and Bedford, and some from Stevenage, a lot from the south side of Letchworth.*

“ *The main sectors we’ve got are eateries, a lot of coffee shops, hospitality businesses, food businesses. And then services. So estate agents, law firms, beauty places, hairdressers, as you do in lots of towns. And then we have a large section of independent retailers. And we have a pretty healthy population of national retailers. We’ve still got Fat Face, we’ve got Oliver Bonas, Jo Jo Mama Bebe, we’ve got all these sorts of chains. And I think the fact that we’ve got M&S and Waitrose in the town is a good thing, because these are the types of brands that other retailers look out for.*

“ *We don’t have the room [for larger businesses] at the moment [only have small units]. So [we need the Council to look] at this Churchgate development […]. The thing we’re really lacking in is leisure facilities like cinemas, and activities like bowling and minigolf. You know, these sorts of things for towns that we don’t have and that we could really do with – more leisure facilities, arts, cultural centres, live music venues, those sorts of things. And we are massively lacking in hotel space.*

Baldock

10,800

Total population in 2022

7,000

Working age population in 2022

2,600

Total number of employee jobs* in 2022

Note that these data are a sum of estimates provided at LSOA level – so they provide a broad approximation, not an accurate measure.
*Employee jobs from BRES dataset – self-employed jobs not included. Jobs density data not available at LSOA level

Perspectives on Baldock

Baldock is the smallest of North Hertfordshire's four towns, but it is an historic place with its own distinctive character.

The nature of the town – and its economy –changed with the opening of the Baldock by-pass almost 20 years ago.

Baldock has a range of town centre services – albeit it is a small town centre and very close to (in particular) Letchworth.

In 2023, a major fire affected one of its principal industrial areas, creating new uncertainty for the town.

Baldock is a place with significant, if localised, deprivation.

In the Local Plan, provision is made for major growth close to Baldock. This includes an allocation of employment land, alongside provision for some 3,000 homes. Originally, this was linked to unmet need in Stevenage (although in practice, Stevenage has accommodated more of its own growth than anticipated). Urban and Civic has developed a high level strategic masterplan for the scheme, recognising that it relates to 'Growing Baldock' as a whole.

Of the four towns in North Hertfordshire, **all but Baldock have a Business Improvement District (BID).**

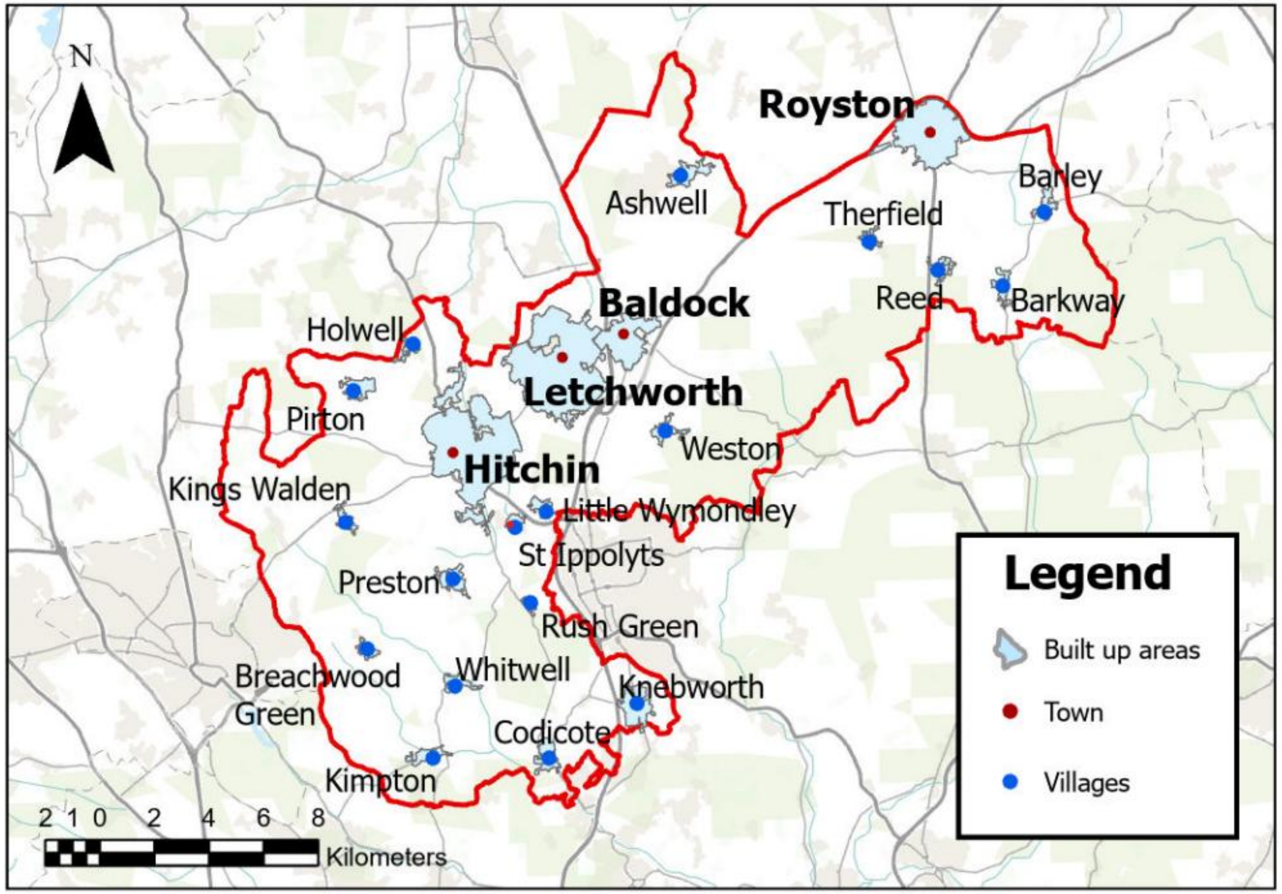
North Hertfordshire’s villages

North Hertfordshire is also home to a large number of villages.

These vary in terms of their economic roles and character.

Some are well-connected with a clear economic purpose of their own (e.g. Knebworth, Ashwell).

Others are delightful places to live but with a limited local economic base – although in all cases, working from home has become increasingly evident since the pandemic.



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6: Baseline forecasts

Economic forecasting

The slides which follow provide two sets of baseline forecasts. As with all the forecasts, there is a significant range of possible outcomes – so there is, in practice, much uncertainty.

The first set of forecasts is concerned with employment – although note that this is driven out of BRES jobs only (i.e. omitting most self-employment jobs). The second set is focused on estimates of GVA.

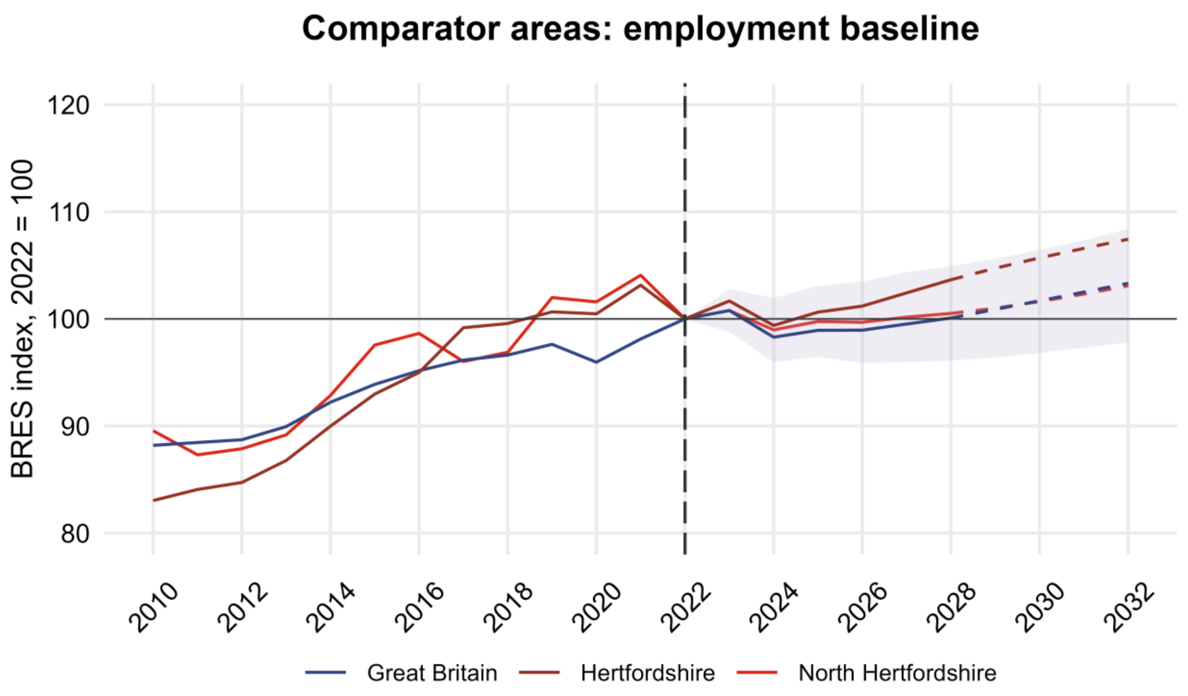
Overall, the modelled data point to slower future employment growth across North Hertfordshire than across Hertfordshire. Indeed, the local pattern is closer to the national one than the rest of the county (which is forecast to grow steadily).

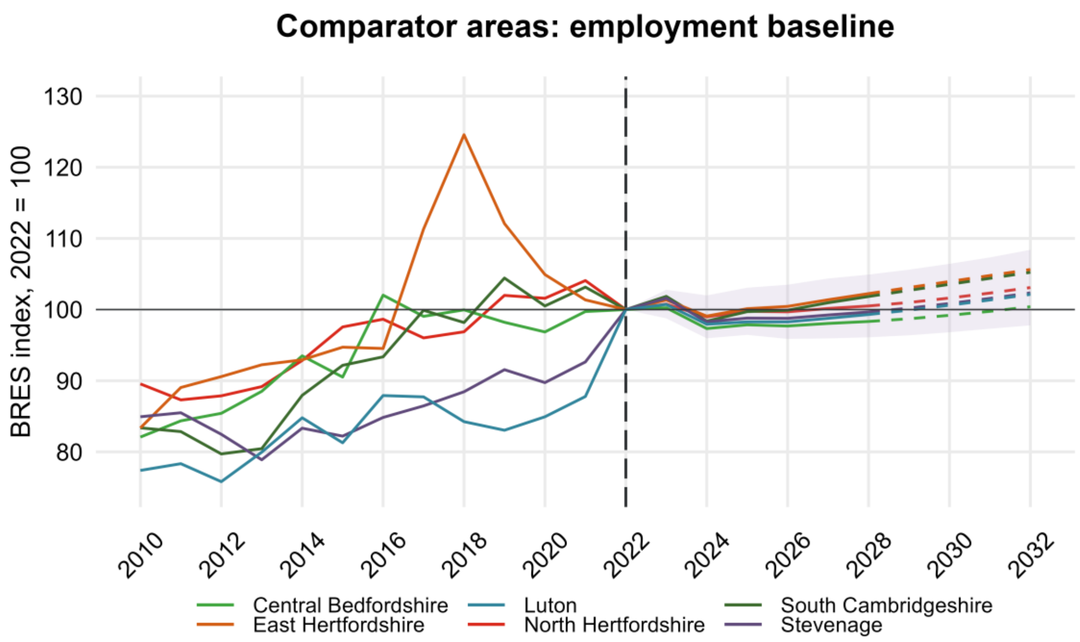
Modelled forecasts in relation to GVA are relatively weak for North Hertfordshire – compared both to the county and to Great Britain as a whole. This will be explained, in part, by its sectoral structure.

In terms of the local comparators, the picture is more complicated. The strongest growth forecasts are for South Cambridgeshire, particularly in respect of GVA; South Cambridgeshire is distinctively different from all other areas that have been considered.

However, some of the other districts are forecast to see employment decline, certainly during the early part of the forecast period. Compared to its near neighbours, North Hertfordshire should be considered to be mid-ranking.

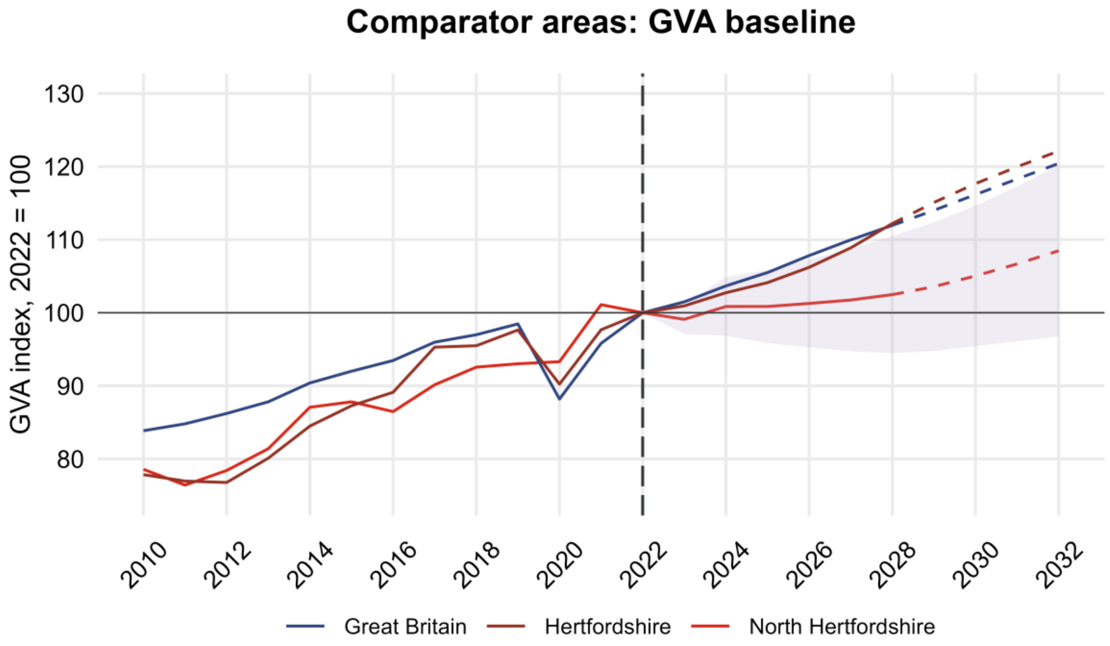
Employment forecasts

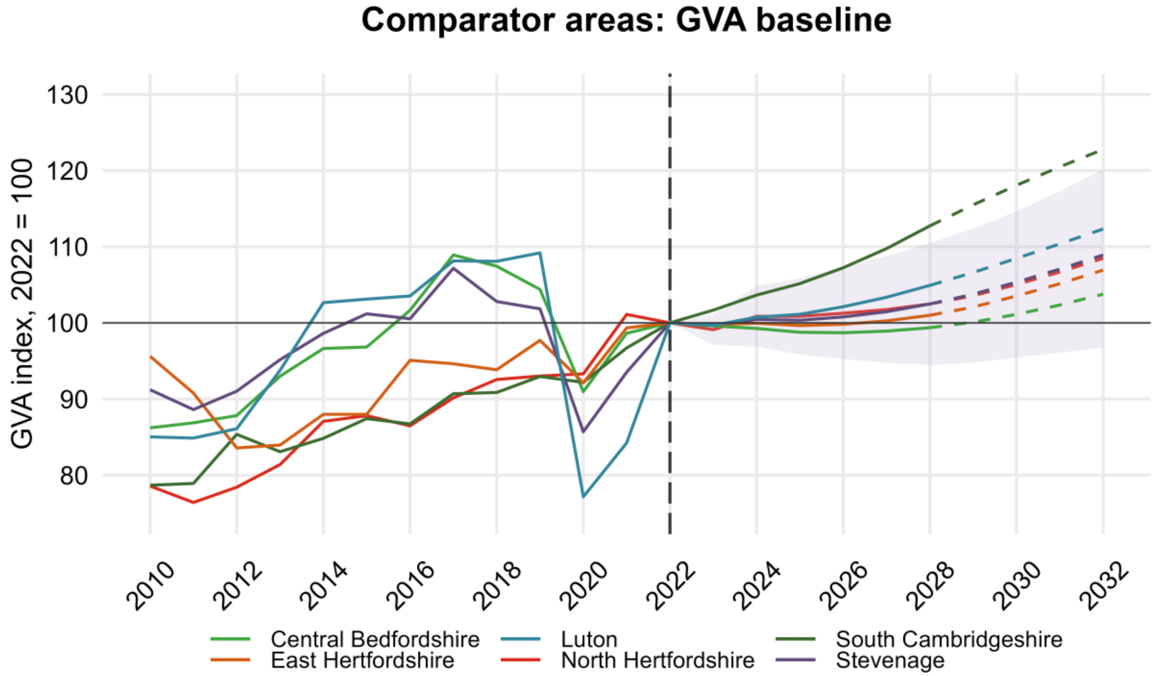




(Source: SQW)

GVA forecasts





(Source: SQW)

7: Overall assessment

Key messages from business consultations…

- *North Hertfordshire is a great place to live and work*
- *However, North Hertfordshire's 'offer' is undersold; the district is seen as 'chasing' its neighbours rather than promoting a clear vision*
- *The business community in North Hertfordshire is 'disjointed': some businesses feel isolated and under-supported, and some want more support, networking and training opportunities.*
- *Businesses are positive about local workforce skills and their ability to hire locally, although they also identify Cambridge, London and Stevenage as 'hiring competitors'*
- *The lack of commercial space, particularly larger units, is a concern for larger businesses. This is restricting the growth potential of local businesses.*
- *At the same time, some commercial space is 'underused'*
- *SMEs are important for North Hertfordshire's economy, including those in rural areas.*
- *Key concerns for the smaller businesses include*
    - *lack of training/upskilling opportunities*
    - *rising rents and Business Rates*
    - *limited bus services to bring staff and customers to/from rural areas.*
- *Some SMEs are based in villages and operate virtually. North Hertfordshire is good for remote working: when needed, clients are accessible by rail and road.*
- *Businesses view road and rail links in North Hertfordshire, as well as the proximity to areas such as London, Cambridge, Luton and Stevenage, as key economic assets.*

North Hertfordshire: Strengths and opportunities (1/2)

North Hertfordshire has some economic strengths and opportunities:

- North Hertfordshire has a diverse local economy which is shaped, fundamentally, by its connections to elsewhere – particularly to Cambridge and London
- local businesses recognise the strengths of the area, particularly in the context of its location
- there are potential opportunities (but also pressures) linked to investment in Stevenage and Luton – both have seen significant change over recent years, and more is planned (e.g. around Luton Airport, and linked to GSK's site/Gunnels Wood Road)
- there are some examples of knowledge intensive businesses investing in the district, particularly in Royston – but a limited wider footprint (cluster) associated with them: there is scope to build on this
- there are relatively strong workforce skills among those resident within the district – although the flow of people (exporting well qualified people and importing lower level skills) is a factor (suggesting that more could be done to attract/generate businesses that might use the resident skills base)
- the district has a predominantly SME-based economy – with enterprise and entrepreneurship, albeit of a diffuse form; it appears to be a place in which businesses tend to survive (if not grow)

North Hertfordshire: Strengths and opportunities (2/2)

North Hertfordshire has some economic strengths and opportunities (cont'd):

- the area has a strong visitor economy offer – Hitchin town centre, Knebworth, etc. – although more could be done to increase dwell time and spend (e.g. by promoting the district's wider offer)
- North Hertfordshire has an outstanding natural landscape (including part of the Chilterns National Landscape)
- there are exciting plans for the future of Hitchin town centre/market – although the detail of this remains to be decided
- there are possibilities linked to major growth at Baldock – albeit without a clear economic vision currently – and more could be done to advance and promote this
- North Hertfordshire is more affordable than most of the rest of the county (albeit it has become relatively less affordable over recent years)

North Hertfordshire: Challenges and threats (1/2)

North Hertfordshire also faces some challenges:

- the business base across the district is extremely fragmented and it probably lacks critical mass
- there appears to be some misalignment between the sectoral structure of the business stock and the profile of apprenticeship achievements (potentially meaning that opportunities are being lost)
- commuting distances appear to be increasing – so local business embeddedness and commitment may be eroding
- major businesses appear to be quite disconnected – ‘in’ rather than ‘of’ North Herts, but all benefiting from the location of North Hertfordshire (and the potential talent pool linked to London and Cambridge)
- the vibrancy of both Stevenage and Luton is causing competition for (and pressures on) North Hertfordshire, and – in a different way – the relationship with Central Bedfordshire causes challenges too
- all the town centres are under pressure – particularly Letchworth and Baldock
- Hitchin, Baldock and Letchworth are in close proximity but fiercely independent – considered together, their legibility (and profile) could increase, recognising that each town has a distinctive offer

North Hertfordshire: Challenges and threats (2/2)

North Hertfordshire also faces some challenges (cont'd):

- the district's commercial property stock has weaknesses (which need to be addressed through the Strategy):
    - there is surplus office space which is not well aligned with current demand
    - much of the industrial stock is of poor quality: it is providing low cost solutions for businesses that are failing to modernise (which may not be sustainable: a ticking time bomb?)
- there is a lack of sites for inward investment and marketing purposes is a challenge – and if there is demand, it is from logistics
- there is a lack of animated innovation provision and few 'anchor' points to value-added local economic drivers
- there are substantial pressures relating to housing provision

Research, analysis and advice

SQW

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