

RURAL HERTFORDSHIRE ECONOMIC ISSUES AND CHARACTERISTICS

April 2015

Glenn Athey

glenn@atheyconsulting.co.uk

www.mylocaleconomy.org

tel 01223 655181

SUMMARY

RURAL HERTFORDSHIRE

The rural population of Hertfordshire (according to the DEFRA/ONS classification) totalled 128,584 in 2011, out of a total population for Hertfordshire of 1,116,062.

The most rural districts in terms of population share include East Hertfordshire (29.5 per cent of population considered rural); North Hertfordshire (18.1 per cent); Hertsmere (15.0 per cent) and Dacorum (13.0 per cent).

THE MAIN FEATURES OF RURAL HERTFORDSHIRE

- Lower rates of economic participation
- Much lower rates of employment growth in recent years compared to average
- A higher share of part-time employment
- Higher level of dependence on public sector jobs, and on public administration for jobs growth
- The visitor economy is over twice as important for in Rural Hertfordshire compared to the County as a whole
- Slow growth in Professional, scientific and technical employment and higher growth in ICT employment compared to the rest of the County
- A higher share of very small businesses (employing under 10 employees)
- Higher rates of self-employment
- Slower growth in business population
- Better qualified residents

CHALLENGES FACING THE RURAL ECONOMY IN HERTFORDSHIRE

Despite more reliance on small businesses, slow growth in the business population. The economy of Rural Hertfordshire is more reliant on very small businesses, but the overall rate of growth in the business population has been much slower than the rest of the County.

The economy of Rural Hertfordshire less able to generate private sector jobs. There is more reliance on public sector employment, including for jobs growth.

The visitor economy is over twice as important for in Rural Hertfordshire compared to the County as a whole, and there is a high level of dependence on in-commuters to work in these jobs.

Rates of economic participation are lower in Rural Hertfordshire.

Despite high qualifications attainments, the economy of Rural Hertfordshire is unlikely to generate sufficient opportunities to use these. It is more likely that highly skilled residents will commute to work outside of the rural area, thus decreasing the economic and environmental sustainability of the rural area.

Overall the risk if one of long-term decline in providing sufficient businesses and jobs to sustain the economy of Rural Hertfordshire in the long-term.

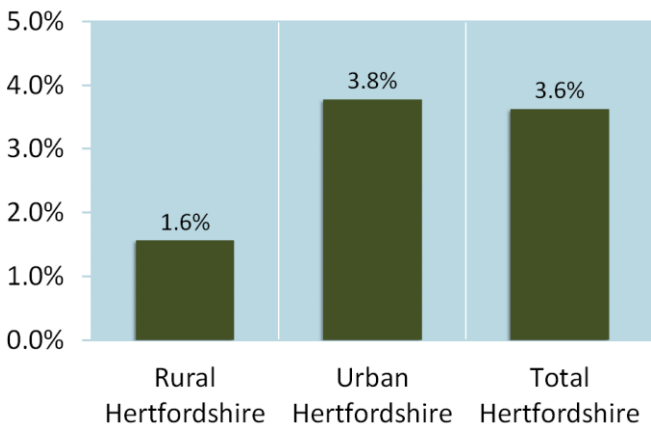
EMPLOYMENT

From Mid-layer super output area data, it is estimated that there are 35,740 employees in Rural Hertfordshire, comprising 6.7 per cent of Hertfordshire’s total employment.

LOWER RATE OF EMPLOYMENT GROWTH IN RURAL HERTFORDSHIRE

Significantly, at 1.6 per cent over the 4 years from 2009 to 2013, employment growth has been much weaker in Rural Hertfordshire than for Hertfordshire as a whole (3.6 per cent).

FIGURE 1: EMPLOYMENT CHANGE 2009 TO 2013

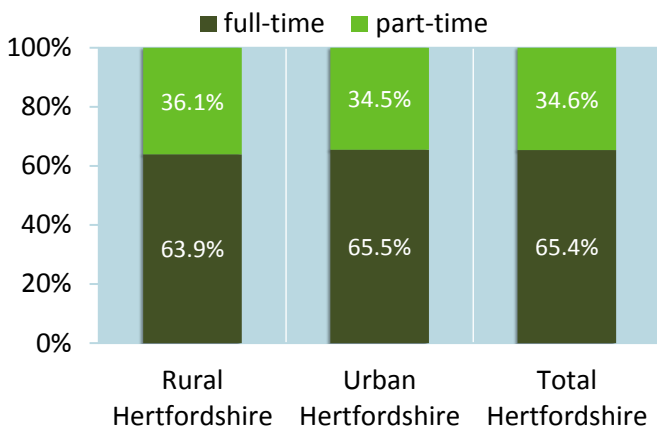


Source: Business Register and Employment Survey, analysis of rural classification of Mid-layer Super Output Areas, Office for National Statistics.

HIGHER SHARE OF PART-TIME EMPLOYMENT IN RURAL HERTFORDSHIRE

Analysis of employment statistics suggests that there is a slightly higher propensity of employment to be part-time, with 36.1 per cent of employment part-time in 2013 in Rural Hertfordshire compared to 34.6 per cent for Hertfordshire as a whole.

FIGURE 2: FULL AND PART-TIME EMPLOYMENT, 2013



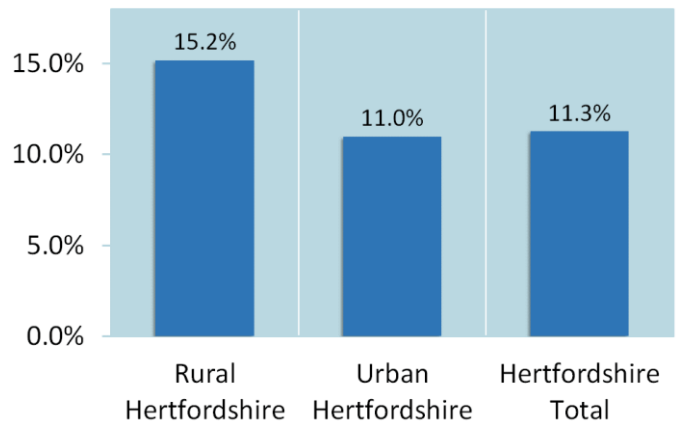
Source: Business Register and Employment Survey, analysis of rural classification of Mid-layer Super Output Areas, Office for National Statistics.

RURAL HERTFORDSHIRE IS MORE DEPENDENT ON PUBLIC SECTOR EMPLOYMENT, AND THIS DEPENDENCY HAS INCREASED OVER RECENT YEARS

As can be seen in **Figure 3** below, Rural Hertfordshire is more reliant on the public sector for jobs. In Rural Hertfordshire in 2013, 15.2 per cent of employment was in Public Administration and Defence, and Compulsory Social Security; and Education compared to 11.3 per cent for Hertfordshire in total.

Employment in public administration has growth in Rural Hertfordshire (by 47.8 per cent between 2009 and 2013) compared to contraction in Urban Hertfordshire. This means that the rural areas of Hertfordshire have been increasingly reliant on public jobs in an environment of cuts to public sector employment.

FIGURE 3: SHARE OF TOTAL EMPLOYMENT IN PUBLIC ADMINISTRATION AND DEFENCE, AND COMPULSORY SOCIAL SECURITY; AND EDUCATION IN 2013



Source: Business Register and Employment Survey, analysis of rural classification of Mid-layer Super Output Areas, Office for National Statistics.

VISITOR ECONOMY-RELATED JOBS ARE MORE SIGNIFICANT IN RURAL HERTFORDSHIRE

As can be seen in **Figure 4**, 12.3 per cent of Rural Hertfordshire’s employees worked in Accommodation and food service activities in 2013 – compared to 5.0 per cent for Urban Hertfordshire and 5.5 per cent for Hertfordshire County in total. Conversely, the share of Rural Hertfordshire residents working in this industry was lower than the average for the whole county, indicating that a significant proportion of the workforce in-commutes from outside of Rural Hertfordshire.

PROFESSIONAL, SCIENTIFIC AND TECHNICAL JOBS ARE IMPORTANT IN RURAL HERTFORDSHIRE BUT ARE NOT GROWING AT THE HIGH RATE ENJOYED IN URBAN AREAS

Professional, scientific and technical employment is significant in Rural Hertfordshire, accounting for 10.4 per cent of all employment in 2013 – similar to the Hertfordshire average. However, the increase in employment, at 9.3 per cent over the four years to 2013 is

much lower than the 30.2 per cent increase enjoyed in Urban Hertfordshire. By contrast, employment in ICT increased at a higher rate in Rural Hertfordshire than in the rest of the County.

FIGURE 4: SHARES OF EMPLOYMENT BY INDUSTRY FOR EMPLOYEES (WORKPLACE) AND RESIDENTS (PER CENT)

Industry	Industry which employees work in (workplace-based) (2013) Percentage of total workplace – based employees			Industry which residents work in (2011) Percentage of residents in work		
	Rural %	Urban %	Hertfordshire %	Rural %	Urban %	Hertfordshire %
A : Agriculture, forestry and fishing	0.7	0.0	0.1	1.4	0.3	0.2
B : Mining and quarrying	0.1	0.0	0.0	0.1	0.1	0.1
C : Manufacturing	6.0	6.6	6.5	7.1	6.8	6.8
D : Electricity, gas, steam and air conditioning supply	0.0	0.2	0.2	0.2	0.3	0.3
E : Water supply; sewerage, waste management and remediation activities	0.7	0.4	0.4	0.5	0.6	0.6
F : Construction	9.0	5.3	5.6	9.1	8.3	8.2
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	12.3	20.0	19.4	14.9	16.9	17.2
H : Transportation and storage	3.0	3.2	3.2	3.6	4.9	5.0
I : Accommodation and food service activities	12.6	5.0	5.5	4.0	4.3	4.3
J : Information and communication	4.2	4.9	4.9	5.5	5.8	5.8
K : Financial and insurance activities	0.8	2.4	2.3	5.2	5.1	5.1
L : Real estate activities	2.8	1.8	1.9	2.2	1.7	1.6
M : Professional, scientific and technical activities	10.4	10.8	10.8	11.1	8.9	8.6
N : Administrative and support service activities	7.8	14.5	14.0	5.1	5.2	5.2
O : Public administration and defence; compulsory social security	2.0	2.8	2.7	4.8	5.1	5.2
P : Education	13.2	8.2	8.6	10.7	10.0	10.0
Q : Human health and social work activities	8.2	9.7	9.6	8.9	10.5	10.7
R : Arts, entertainment and recreation	4.4	2.0	2.1	5.2	5.1	5.1
S : Other service activities	1.8	2.2	2.2			

Source: Business Register and Employment Survey, analysis of rural classification of Mid-layer Super Output Areas; and 2011 Census, Office for National Statistics.

FIGURE 5: PERCENTAGE CHANGE IN EMPLOYMENT BY INDUSTRY 2009 TO 2013

Industry	Rural Hertfordshire %	Urban Hertfordshire %	Hertfordshire Total %
A : Agriculture, forestry and fishing	-0.4	-7.4	-3.8
B : Mining and quarrying	-61.3	29.2	-30.5
C : Manufacturing	-2.5	-0.5	-0.6
D : Electricity, gas, steam and air conditioning supply	100.0	41.2	41.3
E : Water supply; sewerage, waste management and remediation activities	43.6	-25.5	-21.2
F : Construction	-11.1	-10.1	-10.2
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	-1.5	-1.0	-1.0
H : Transportation and storage	-5.4	-15.2	-14.6
I : Accommodation and food service activities	11.5	9.5	9.8
J : Information and communication	10.8	2.7	3.1
K : Financial and insurance activities	-8.6	-11.1	-11.0
L : Real estate activities	10.5	0.8	1.7
M : Professional, scientific and technical activities	9.3	30.2	28.7
N : Administrative and support service activities	3.0	14.2	13.7
O : Public administration and defence; compulsory social security	47.8	-21.9	-20.1
P : Education	4.4	1.6	1.9
Q : Human health and social work activities	-0.6	15.0	14.0
R : Arts, entertainment and recreation	-6.7	2.8	1.4
S : Other service activities	-27.0	-6.1	-7.5

Source: Business Register and Employment Survey, Office for National Statistics.

POPULATION

RURAL POPULATION OF 128,600

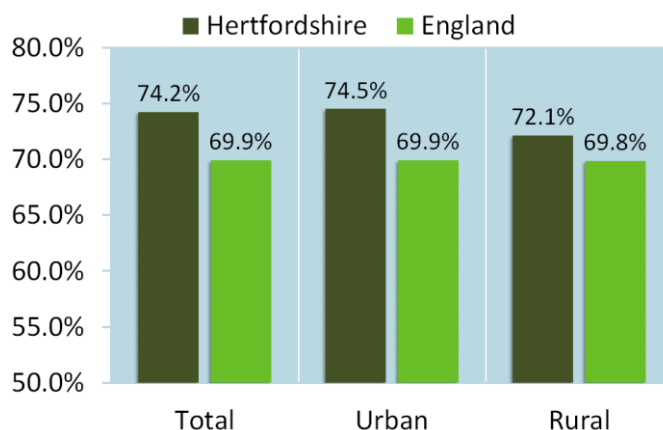
The rural population (according to the DEFRA/ONS classification) totalled 128,584 in 2011, out of a total population for Hertfordshire of 1,116,062.

The most rural districts in terms of population share include East Hertfordshire (29.5 per cent of population considered rural); North Hertfordshire (18.1 per cent); Hertsmere (15.0 per cent) and Dacorum (13.0 per cent).

LOWER RATES OF ECONOMIC PARTICIPATION IN RURAL HERTFORDSHIRE

Hertfordshire has lower rates of economic participation, with an economic activity rate of 72.1 per cent in 2011 compared to 74.5 for Urban Hertfordshire and 74.2 per cent for Hertfordshire as a whole (**Figure 7**). This contrasts the national situation where there is no diversion from the national average in either rural or urban England.

FIGURE 7: ECONOMIC ACTIVITY RATES



Source: 2011 Census, Office for National Statistics.

FIGURE 6: POPULATION IN 2011

Area / district	Rural population	% Rural	Urban population	% Urban	Total population
Broxbourne	154	0.2	93,455	99.8	93,609
Dacorum	18,875	13.0	125,972	87.0	144,847
East Hertfordshire	40,588	29.5	97,099	70.5	137,687
Hertsmere	15,024	15.0	85,007	85.0	100,031
North Hertfordshire	22,949	18.1	104,165	81.9	127,114
St Albans	13,264	9.4	127,400	90.6	140,664
Stevenage	.	.	83,957	100.0	83,957
Three Rivers	4,644	5.3	82,673	94.7	87,317
Watford	.	.	90,301	100.0	90,301
Welwyn Hatfield	13,086	11.8	97,449	88.2	110,535
Total Hertfordshire	128,584	11.5	987,478	88.5	1,116,062

Source: 2011 Census, Office for National Statistics.

A HIGHER SHARE OF BUSINESSES ARE VERY SMALL, WITH NO OR UNDER 10 EMPLOYEES

As made evident from **Figure 8**, Rural Hertfordshire has a much higher share of enterprises with no employees (17.3 per cent) compared to Urban Hertfordshire (12.4 per cent). There are also a larger share of enterprises with between 1 and 9 employees. As a result there are fewer large employers in Rural Hertfordshire.

HIGHER RATES OF SELF-EMPLOYMENT IN RURAL AREAS

Like the national situation, the share of adults in self-employment is higher Rural Hertfordshire (at 16.2 per cent) compared to the county average of 11.6 per cent – as demonstrated by **Figure 9**.

RURAL HERTFORDSHIRE EXPERIENCED MUCH LOWER RATES OF GROWTH IN THE BUSINESS POPULATION

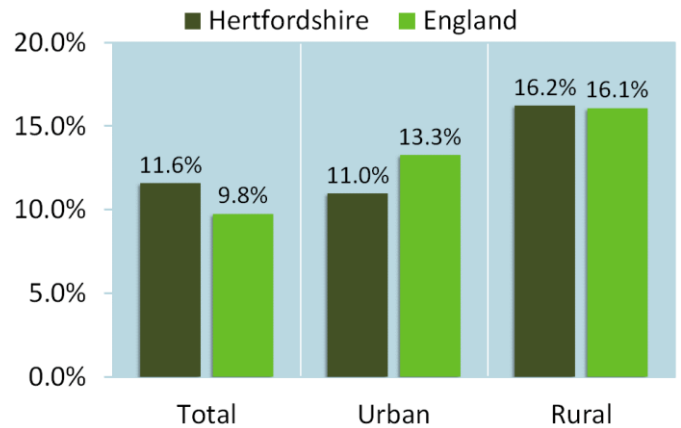
Figure 10 outlines the total business population in Rural Hertfordshire in 2010 and 2014. As can be see, the business population only grew by 2.7 per cent during this period compared to 10.4 per cent growth in Hertfordshire as a whole.

FIGURE 8: ENTERPRISES BY EMPLOYEE SIZEBAND, 2013

	Total enterprises	with no employees	1 - 9 employees	10 - 49 employees	50 - 249 employees	250 and more employees
Rural Hertfordshire	8,035	17.3%	75.4%	6.1%	1.0%	0.2%
Urban Hertfordshire	40,705	12.4%	77.2%	8.2%	1.6%	0.5%

Source: UK Business Counts, analysis of rural classification of Mid-layer Super Output Areas, Office for National Statistics.

FIGURE 9: SELF-EMPLOYMENT RATES



Source: 2011 Census, Office for National Statistics.

FIGURE 10: ANALYSIS OF GROWTH IN TOTAL ENTERPRISES

Area	No. enterprises 2010	No. enterprises 2014	Change 2010 to 2014
Rural Hertfordshire	7,320	7,515	2.7%
Urban Hertfordshire	39,455	44,115	11.8%
Hertfordshire	46,780	51,625	10.4%
England	1,797,910	1,950,030	8.5%

Source: UK Business Counts, analysis of rural classification of Mid-layer Super Output Areas, Office for National Statistics.

RURAL RESIDENTS ARE MORE HIGHLY QUALIFIED

The residents of Rural Hertfordshire are better qualified than the rest of the County and the average for England, and are employed in more highly skilled jobs than average.

In 2011, 35.6 per cent of residents were qualified to degree level or above, compared to the Hertfordshire average of 32.1 per cent and the national average of 27.3 per cent.

FIGURE 11: HIGHEST LEVEL OF QUALIFICATION HELD BY RESIDENTS (AGED 16 - 74)

Occupation	Hertfordshire			England		
	Total	Urban	Rural	Total	Urban	Rural
No qualifications	18.2%	18.4%	16.8%	22.5%	22.8%	21.0%
Level 1 qualifications	13.8%	14.0%	12.8%	13.3%	13.4%	12.9%
Level 2 qualifications	15.7%	15.7%	16.1%	15.2%	15.0%	16.2%
Apprenticeship	3.2%	3.2%	3.3%	3.6%	3.4%	4.2%
Level 3 qualifications	11.8%	11.9%	11.6%	12.4%	12.4%	11.9%
Level 4 qualifications and above	32.1%	31.7%	35.6%	27.4%	26.9%	29.7%
Other qualifications	5.0%	5.1%	3.8%	5.7%	6.1%	4.1%

Source: 2011 Census, Office for National Statistics.

FIGURE 12: SHARE OF RESIDENTS IN WORK BY OCCUPATIONAL CATEGORY (AGED 16 - 74)

Occupation	Hertfordshire			England		
	Total	Urban	Rural	Total	Urban	Rural
1. Managers, directors and senior officials	12.9%	12.3%	17.5%	10.9%	10.2%	14.0%
2. Professional occupations	20.2%	20.0%	21.3%	17.5%	17.5%	17.5%
3. Associate professional and technical occupations	14.6%	14.6%	15.0%	12.8%	12.8%	12.7%
4. Administrative and secretarial occupations	12.1%	12.2%	11.6%	11.5%	11.6%	10.7%
5. Skilled trades occupations	10.2%	10.1%	11.1%	11.4%	10.8%	14.1%
6. Caring, leisure and other service occupations	8.4%	8.5%	7.4%	9.3%	9.4%	8.9%
7. Sales and customer service occupations	7.5%	7.8%	5.0%	8.4%	8.9%	6.3%
8. Process, plant and machine operatives	5.5%	5.6%	4.4%	7.2%	7.4%	6.4%
9. Elementary occupations	8.6%	8.9%	6.7%	11.1%	11.5%	9.4%

Source: 2011 Census, Office for National Statistics.

