

HERTS OF THE MATTER

TRADITIONALLY ONE OF THE MOST PROSPEROUS REGIONS IN THE UK, HERTFORDSHIRE HAS BEEN FEELING THE PINCH, WRITES **WILF ALTMAN**

Hertfordshire, located immediately to the north of Greater London, isn't only renowned for the world's first garden city – Letchworth – and the first town, Stevenage, developed under the New Town's Act of 1946, but also for Berkhamsted Castle where William the Conqueror accepted the final Saxon surrender.

The county has a lot going for it: a good rail system; easy accessibility to London, the Midlands and the North; excellent private and state schools; stunning countryside; and proximity to international airports.

It has also become well-known for housing many corporate headquarters, including DSG, Tesco, Ocado, JD Wetherspoon, Comet, BAE Systems, as well as the University of Hertfordshire, Ashridge Management College and Ashridge and Berkhamsted golf clubs.

But with all this history, infrastructure and big business, is the county dealing with the recession? Colin Howe, vice president of the UK200Group and senior partner at Hillier Hopkins, with local offices in Hemel Hempstead and Watford, argues it will take another 12 to 14 months before real improvements filter through.

'Property and construction are worst hit. Estate agents are doing marginally better.'

This invariably impacts on the day-to-day running of an accountancy firm. 'People are using the economy as an excuse to try and get fees cut. Everybody is trying harder to gain new business. We are looking aggressively to pick up work from the big firms,' says Howe.

James Abbott, partner at Baker Watkin in Stevenage, also believes recovery is a long way off. 'Local firms are suffering from cash flow problems, and they are taking longer to pay bills. It's a good time, though, for independent contractors, IT consultants and interim managers – and companies able to use temporary labour rather than hiring permanent staff.'

With the British Bankers Association stating that lending is increasing to SMEs, are local banks becoming more supportive? Mark Wilkins, partner at Hardcastle Burton

LLP in Royston, claims there is a slight change. 'But any business in need of cash from banks needs a good track record and prospects worth backing,' he says.

In Barnet, Andrew Hill, partner at Cartwrights agrees that banks are becoming a little more supportive – although he says it's a mixed picture locally.

'Some clients are doing exceptionally well, especially service businesses. Manufacturers are still struggling, but performing better than earlier this year,' he adds.

'We've had a relatively – I stress relatively – good year so far,' says Charles Olly, partner at Price Bailey, whose offices include Bishops Stortford. 'Business around East Anglia, (where Price Bailey has several offices) isn't too bad. Our clients are weathering the storms fairly robustly, although recovery is taking time. We are seeing more demand for outsourcing, payroll and the whole accounts function. There are price pressures and people are taking longer to pay.'

'Like others, we are looking aggressively for new business, but big firms are pretty defensive. They don't like losing business any more than we do.'

Richard Dilley, partner at George Hay in Letchworth says: 'most of our clients are doing OK, except construction and motor accessory manufacturers. In this part of the county, as elsewhere, housing has collapsed and builders are struggling.'

Wilf Altman works with the UK200 Group

£18m
Local Area Agreement awarded by government, including £4m to help SMEs and encourage employment

1.7%
of the workforce unemployed, compared to 4.7% national average

8
finance roles at AccountancyAgeJobs in the region

14.5%
increase in citizens seeking debt advice in first three quarters of 2008/09 on previous year

44,635
VAT-registered businesses in Herts

14%
of local workers in business and finance roles

Sources:
Hertfordshire.com,
Department for Business,
Innovation and Skills,
Citizens Advice Bureau,
AccountancyAgeJobs.com,
hertsahead.co.uk

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