

# Business Statistics

January 2020

## Business births (start-ups)

*Health warning:* we no longer use local authority business births data from the **Business Demography (2018)** (available from ONS website) dataset as the figures can be skewed by short-term businesses (including self-employed contractors) that are registered at a single address such as the address of a management company.

**We have decided that the most reliable way to calculate net changes in the business population is to use the UK business: activity, size and location (2019) (available from ONS website) dataset.**

**This dataset suggests:**

- There were 14,275 active businesses in Cheshire West and Chester in March 2019. The number of active businesses had increased by +215 since March 2018. This increase takes into account any additional births and any deaths between the two points in time. (See Table 1.)

**Further information on the business population is available in the Business Counts section of this document.**

## Survival Rates

Business survival rates cannot be calculated using any other datasets so we continue to use Business Demography (2018) data for this purpose.

We can use survival rates to understand how start-ups fare in CWAC for up to a 5-year period compared to other areas

- For businesses born in 2017 in CWAC, there was a 90.6% one-year survival rate. That means 1,545 of the 1,705 businesses born in CWAC in 2017 survived to 2018.
- This rate is very similar to all of the statistical neighbour authorities. (See table 3.) Cheshire West and Chester's one-year survival rate is lower than Cheshire East or Warrington, but higher than the England and North West averages. (See Chart 1.)
- Survival rates decrease with each year for Cheshire West and Chester and all of its statistical neighbour authorities. For businesses born in CWAC in 2012 an estimated 45.0% of these survived five years.
- Cheshire West and Chester's survival rate is 12<sup>th</sup> highest out of its 16 statistical neighbours. (See Chart 2.)
- Five-year survival rates are higher than those in Cheshire East (44.0%) the North West (41.9%) and England (42.5%). (See table 2.)

## Business Counts

There is another dataset called **UK business: activity, size and location (2019)** (available from ONS website) that looks at the count of all the businesses in an area on exactly the same date in March each year. If we look at the change in the business count from one year to the next we can get an idea about the number of net change in the business population (e.g. number of business births minus the number of business deaths).

- There were 14,275 active businesses in Cheshire West and Chester in March 2019. The number of active businesses had increased by +215 since March 2018. This increase takes into account any additional births and any deaths between the two points in time.
- The number of active businesses has steadily increased every year since 2013 in Cheshire West and Chester. Most of its statistical neighbours have also seen a gradual annual increase over this time period. However in the last year Cheshire East, Wiltshire and Warrington saw a decrease in the number of active businesses in the area in 2019.
- In England, the count of active businesses was 2.36 million in March 2019, which is the highest count since the dataset began being collected. (See Table 1.)

We can use this dataset to get an idea of the business density too (e.g. the number of businesses per 10,000 people aged 16 and above). Looking at the business density allows us to make fairer comparisons between the numbers of businesses in areas with different sized populations.

- Using 2019 business counts, there were 510 businesses for every 10,000 people aged 16 and above in Cheshire West and Chester (population figures from latest mid-2018 population estimates). This number has been steadily increasing since 2012.
- Compared to our statistical neighbours Cheshire West and Chester ranks mid-table. At the top end of the table, in Herefordshire, there were 640 businesses for every 10,000 people aged 16 and above. At the opposite end, in North Lincolnshire, there were 392 businesses for every 10,000 people aged 16 and above.
- This figure does not account for the size of the businesses present in an area.

This dataset also gives us an idea about the turnover and employment size band of businesses in an area.

- In Cheshire West and Chester 89% of businesses are considered to be 'micro' enterprises with 0-9 employees. Only 0.4% of businesses are considered to be large, and have over +250 employees. The remaining 10% are small or medium businesses with 10-249 employees. These proportions are similar to all of the other statistical neighbours, England and the North West region. (See Table 4 and Chart 3.)
- Over 71% of businesses in CWAC have a turnover under £199,000 and over 90% have a turnover under £1million. These proportions are also similar for of all of the other statistical neighbours, England and the North West region. (See Table 5 and Chart 4.)

## Tables and Charts

UK business: activity, size and location (2019) (available from ONS website)

Table 1: Total Business Counts

Total Business Counts from 2019 Business Size and Activity data								
	2013	2014	2015	2016	2017	2018	2019	Annual change +/- (2018-2019)
North Lincolnshire	4,670	4,825	5,240	5,400	5,410	5,390	5,500	+110
Bedford	5,510	5,810	6,270	6,585	6,960	6,915	7,045	+130
York	6,065	6,240	6,670	6,865	6,955	7,010	7,105	+95
Solihull	6,705	6,940	7,560	7,900	8,215	8,225	8,295	+70
Bath and North East Somerset	7,150	7,380	7,825	8,065	8,210	8,240	8,440	+200
Calderdale	6,795	7,085	7,685	7,925	8,100	8,050	8,540	+490
North Somerset	7,320	7,670	8,355	8,595	8,790	8,655	8,755	+100
Warrington	6,415	6,760	7,340	7,760	7,970	9,775	9,475	-300
South Gloucestershire	8,385	8,805	9,400	9,770	10,140	10,105	10,155	+50
Herefordshire	9,420	9,590	9,950	10,070	10,140	10,130	10,235	+105
Stockport	9,760	10,080	10,875	11,230	11,665	11,535	11,630	+95
Cheshire West and Chester	11,630	12,195	13,175	13,615	14,025	14,060	14,275	+215
Shropshire	14,180	14,420	15,210	15,480	15,650	15,710	15,850	+140
Cheshire East	16,710	17,315	18,480	18,915	20,035	20,225	19,575	-650
Wiltshire	19,740	20,350	21,585	22,200	25,620	22,520	22,405	-115
Cornwall	21,005	21,480	22,940	23,270	23,630	23,795	24,255	+460
North West	206,815	216,665	235,955	245,170	260,060	267,765	266,810	-955
England	1.9M	2.0M	2.1M	2.2M	2.3M	2.3M	2.4M	+42,720

Source: ONS Crown Copyright Reserved [from Nomis on 3 January 2020]

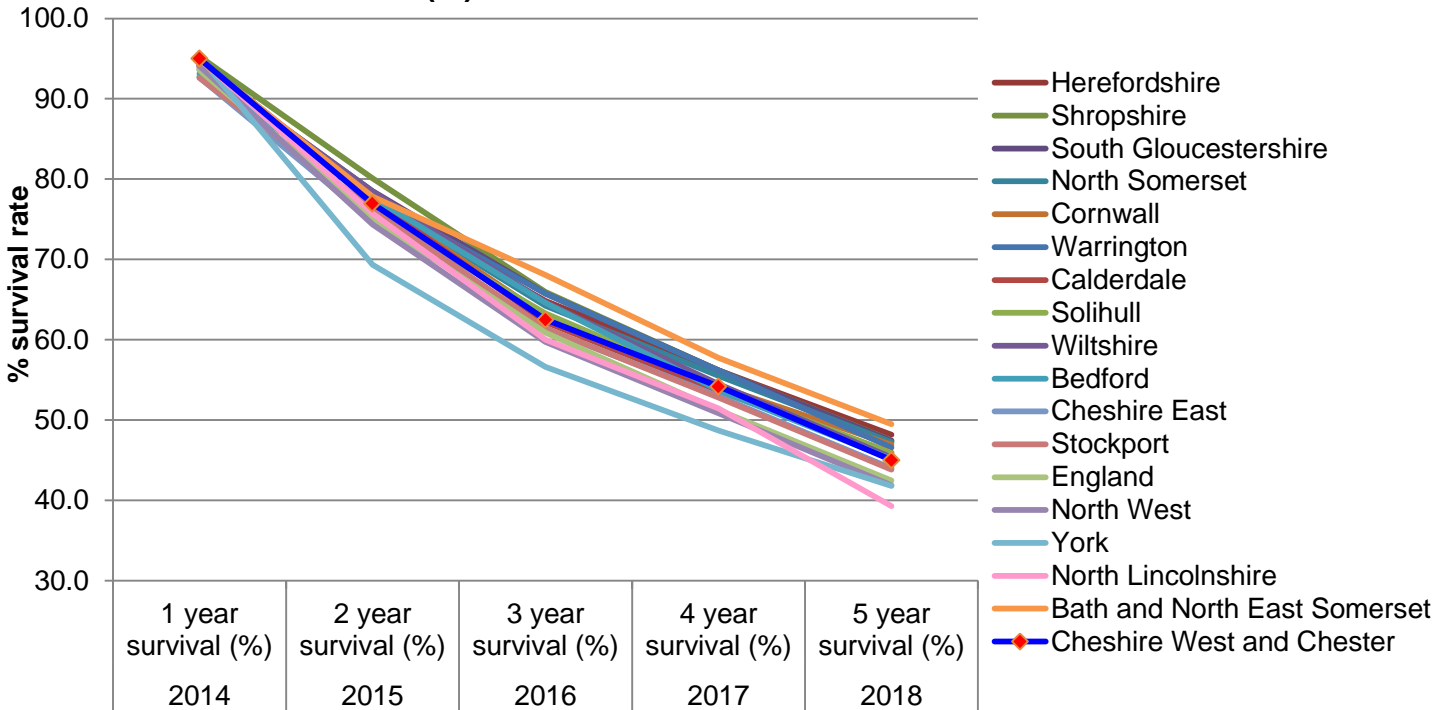
Business Demography (2018) (available from ONS website)

Table 2: Survival Rates

<b>Survival rates (%) for businesses born in 2013 from 2018 Business Demography data</b>						
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
	Number of births	1 year survival (%)	2 year survival (%)	3 year survival (%)	4 year survival (%)	5 year survival (%)
Bath and North East Somerset	970	94.8	77.8	68.0	57.7	49.5
Herefordshire	810	94.4	77.2	64.8	56.2	48.1
Shropshire	1380	95.3	80.1	65.9	56.2	47.5
South Gloucestershire	1255	94.0	78.5	65.7	56.2	47.4
North Somerset	1090	95.0	77.5	64.2	55.5	47.2
Cornwall	2280	93.9	77.4	62.9	54.2	46.9
Warrington	1095	93.6	77.6	65.8	56.2	46.6
Calderdale	1045	94.3	77.5	62.2	53.6	45.9
Solihull	1035	92.8	75.8	63.3	54.1	45.9
Wiltshire	2460	94.1	78.5	64.6	54.5	45.3
Bedford	875	93.1	77.7	64.6	53.7	45.1
Cheshire West and Chester	1800	95.0	76.9	62.5	54.2	45.0
Cheshire East	2445	92.6	74.8	61.3	53.0	44.0
Stockport	1620	92.6	76.2	61.4	52.8	43.8
England	308565	93.6	75.1	60.9	51.2	42.5
North West	35285	94.1	74.4	59.7	50.8	41.9
York	945	95.2	69.3	56.6	48.7	41.8
North Lincolnshire	700	95.0	75.7	60.0	51.4	39.3
Source: Office for National Statistics licensed under the Open Government Licence v.3.0.						
Numbers are rounded to nearest 5						

Chart 1

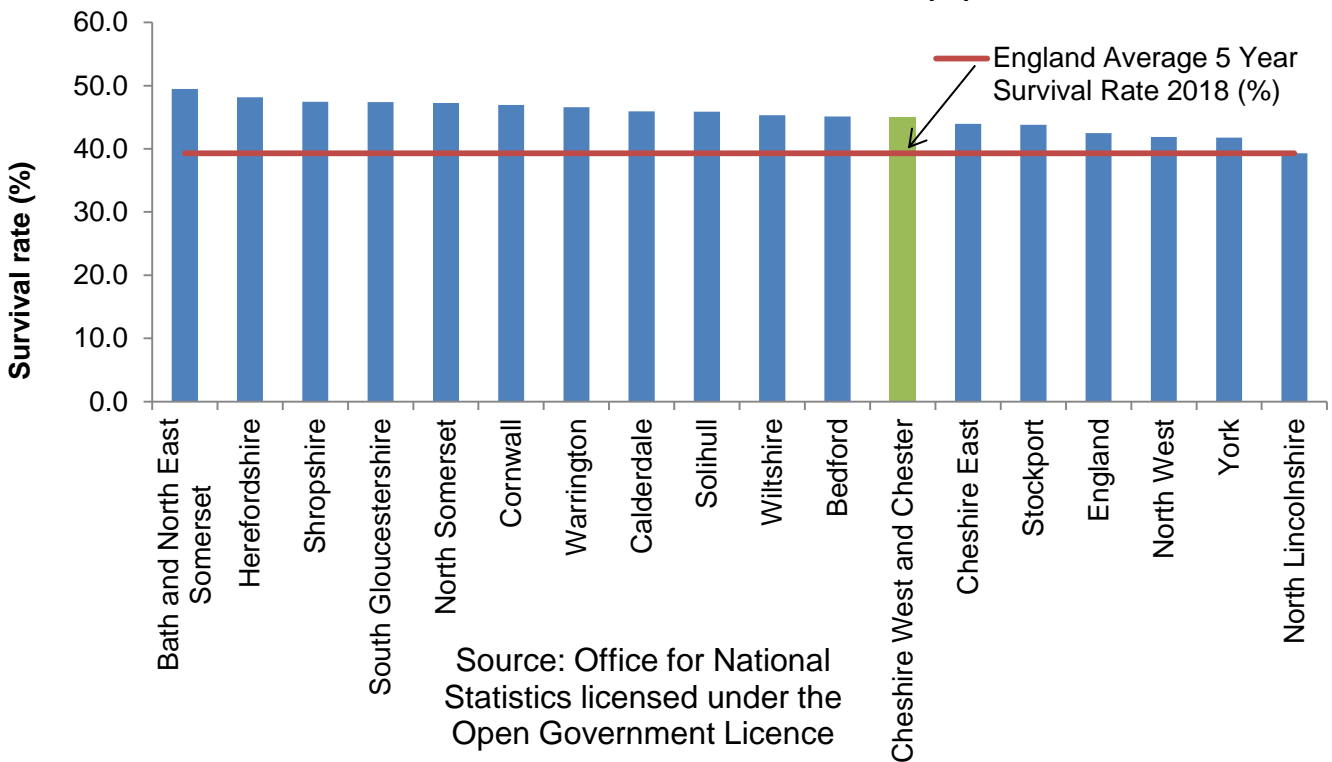
**Survival Rate (%) of businesses born in 2013**



Source: Office for National Statistics licensed under the Open Government Licence v.3.0.

Chart 2

**2018 5-Year Business Survival Rates (%)**



Source: Office for National Statistics licensed under the Open Government Licence

See Table 2 for further information on data points.

Table 3: CIPFA Statistical Neighbours

<b>Cheshire West and Chester CIPFA Statistical Neighbours 2019</b>
Cheshire West and Chester
Cheshire East
Shropshire
Solihull
Herefordshire
South Gloucestershire
Stockport
Bath and North East Somerset
Cornwall
York
North Somerset
North Lincolnshire
Wiltshire
Bedford
Calderdale
Warrington
Source: CIPFA 2019

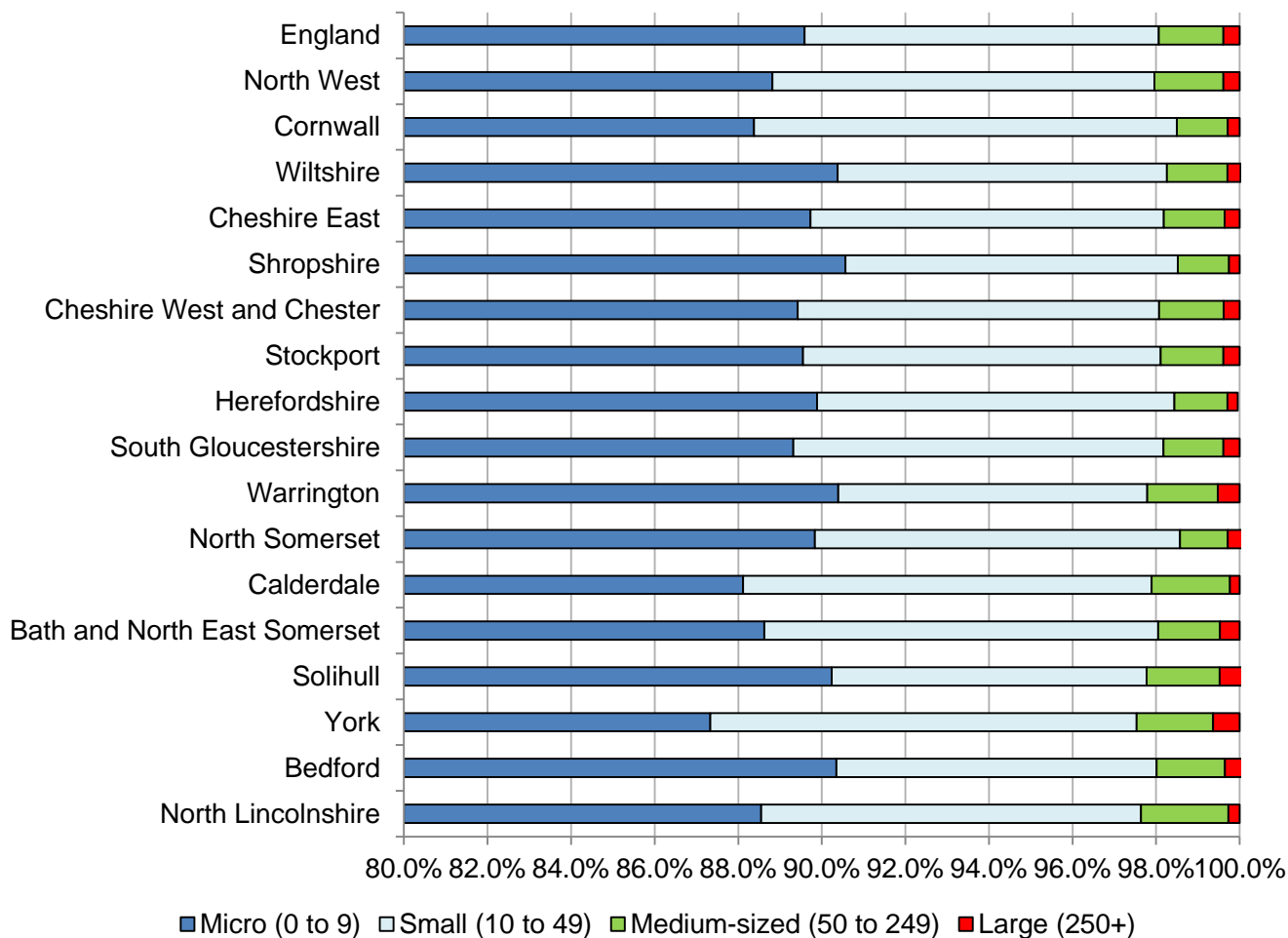
UK business: activity, size and location (2019)

Table 4: Proportion of Employment Band Size (%)

<b>Business Counts (2019) by Proportion of Employment Band Size (%)</b>					
	<b>Total</b>	<b>Micro (0 to 9)</b>	<b>Small (10 to 49)</b>	<b>Medium- sized (50 to 249)</b>	<b>Large (250+)</b>
North Lincolnshire	5,500	88.5%	9.1%	2.1%	0.3%
Bedford	7,045	90.3%	7.7%	1.6%	0.4%
York	7,105	87.3%	10.2%	1.8%	0.6%
Solihull	8,295	90.2%	7.5%	1.7%	0.5%
Bath and North East Somerset	8,440	88.6%	9.4%	1.5%	0.5%
Calderdale	8,540	88.1%	9.8%	1.9%	0.2%
North Somerset	8,755	89.8%	8.7%	1.1%	0.3%
Warrington	9,475	90.4%	7.4%	1.7%	0.5%
South Gloucestershire	10,155	89.3%	8.9%	1.4%	0.4%
Herefordshire	10,235	89.9%	8.5%	1.3%	0.2%
Stockport	11,630	89.6%	8.6%	1.5%	0.4%
Cheshire West and Chester	14,275	89.4%	8.7%	1.5%	0.4%
Shropshire	15,850	90.6%	7.9%	1.2%	0.3%
Cheshire East	19,575	89.7%	8.5%	1.5%	0.4%
Wiltshire	22,405	90.4%	7.9%	1.5%	0.3%
Cornwall	24,255	88.4%	10.1%	1.2%	0.3%
North West	266,810	88.8%	9.1%	1.7%	0.4%
England	2,360,780	89.6%	8.5%	1.5%	0.4%
Source: ONS Crown Copyright Reserved [from Nomis on 3 January 2020]					

Chart 3

**Proportion (%) of Businesses in each employment size band (2019)**



Source: ONS Crown Copyright Reserved [from Nomis on 3 January 2020]

See Table 4 for further information on data points.

Table 5: Proportion (%) of total businesses in each turnover band (2019)

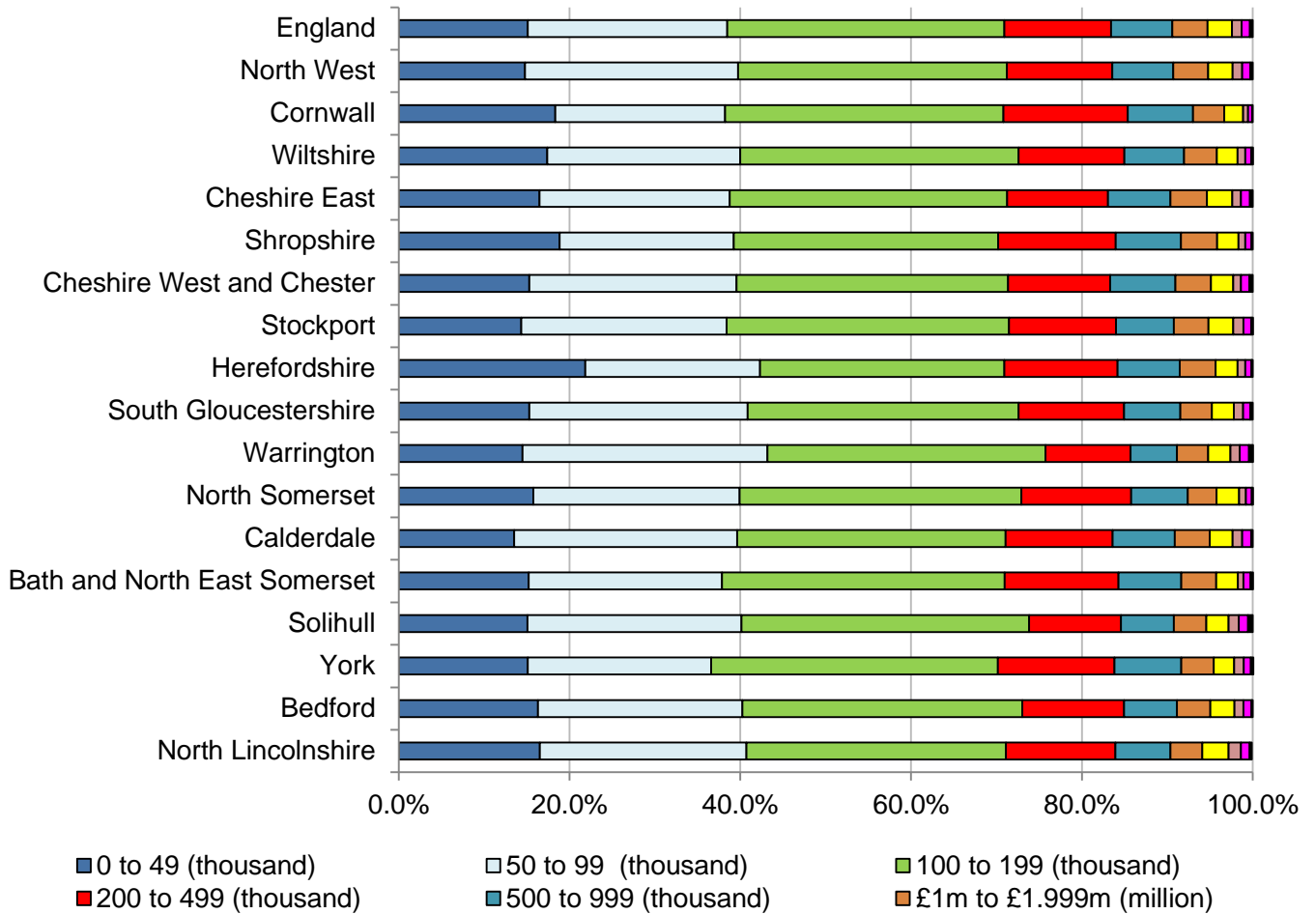
Proportion (%) of total businesses in each turnover band (2019)											
	0 to 49 (thousand)	50 to 99 (thousand)	100 to 199 (thousand)	200 to 499 (thousand)	500 to 999 (thousand)	£1m to £1.999m (million)	£2m to £4.999m (million)	£5m to £9.999m (million)	£10m to £49.999m (million)	£50m + (million)	Total
North Lincolnshire	16.5%	24.2%	30.4%	12.8%	6.5%	3.7%	3.1%	1.5%	1.0%	0.3%	5500
Bedford	16.3%	23.9%	32.8%	11.9%	6.2%	3.9%	2.8%	1.1%	0.9%	0.1%	7045
York	15.1%	21.5%	33.6%	13.7%	7.8%	3.8%	2.4%	1.1%	0.8%	0.3%	7105
Solihull	15.1%	25.1%	33.7%	10.7%	6.2%	3.8%	2.6%	1.2%	1.1%	0.5%	8295
Bath and North East Somerset	15.2%	22.6%	33.1%	13.3%	7.3%	4.1%	2.5%	0.7%	0.8%	0.3%	8440
Calderdale	13.5%	26.1%	31.4%	12.5%	7.3%	4.1%	2.7%	1.1%	1.1%	0.2%	8540
North Somerset	15.8%	24.2%	33.0%	12.8%	6.6%	3.4%	2.6%	0.8%	0.7%	0.2%	8755
Warrington	14.5%	28.7%	32.6%	10.0%	5.4%	3.6%	2.6%	1.1%	1.1%	0.5%	9475
South Gloucestershire	15.3%	25.6%	31.7%	12.4%	6.6%	3.7%	2.6%	1.1%	0.8%	0.3%	10155
Herefordshire	21.8%	20.5%	28.6%	13.2%	7.3%	4.2%	2.6%	0.9%	0.7%	0.1%	10235
Stockport	14.4%	24.0%	33.1%	12.6%	6.7%	4.1%	2.9%	1.2%	0.9%	0.2%	11630
Cheshire West and Chester	15.3%	24.3%	31.8%	12.0%	7.6%	4.2%	2.6%	0.9%	1.0%	0.4%	14275
Shropshire	18.9%	20.4%	30.9%	13.8%	7.6%	4.2%	2.5%	0.8%	0.7%	0.2%	15850
Cheshire East	16.5%	22.3%	32.5%	11.8%	7.3%	4.3%	2.9%	1.0%	1.0%	0.3%	19575
Wiltshire	17.4%	22.6%	32.6%	12.4%	7.0%	3.8%	2.4%	0.9%	0.7%	0.2%	22405
Cornwall	18.3%	19.9%	32.6%	14.6%	7.6%	3.6%	2.2%	0.6%	0.5%	0.1%	24255
North West	14.8%	25.0%	31.5%	12.4%	7.1%	4.1%	2.8%	1.1%	1.0%	0.3%	266810
England	15.1%	23.3%	32.4%	12.5%	7.2%	4.1%	2.9%	1.1%	1.0%	0.3%	2360780

Source: ONS Crown Copyright Reserved [from Nomis on 3 January 2020]



Chart 4

**Proportion (%) of total businesses in each turnover band (2019)**



Source: ONS Crown Copyright Reserved [from Nomis on 3 January 2020]

See Table 5 for further information on data points.

# Health warnings with the data

## Business Demography (2018)

We no longer use local authority business births data from the business demography dataset as the figures can be skewed by short-term businesses (including self-employed contractors) that are registered at a single address such as the address of a management company.

Business survival rates cannot be calculated using any other datasets so we continue to use business demography data for this purpose.

Find more information on multiple registrations at a single postcode on the ONS website.

## Sources

### Business Demography (2018)

Business Demography data is taken from an extract of the Inter-Departmental Business Register (IDBR) in November each year. The data is released in November the following year i.e. extract for 2017 business demography data taken in November 2017, released in November 2018.

It includes businesses registered at Her Majesty's Revenue and Customs (HMRC) for Value Added Tax (VAT) and/or Pay-As-You-Earn (PAYE) and at Companies House.

The starting point for the calculation of business demography data is the concept of active businesses in a reference year. These are defined as businesses that had either turnover or employment at any time during the reference period.

The very smallest enterprises (with no employees and which aren't registered for VAT) are not covered within Business Demography. A business only becomes listed as a birth once it reaches the tax threshold (turnover of £67,000 or above). This could be in a later period than the point in time when the business started to trade.

The publication provides data on births, deaths and survivals of business and is different from the other publications in that the main focus is on change, rather than the size of the business population.

This dataset has National Statistical status.

### UK business: activity, size and location (2019)

UK business: activity, size and location is an extract of data compiled from the Inter Departmental Business Register (IDBR) recording the number of enterprises that were live at a reference date in March each year, broken down by employment size band, detailed industry type and legal status (public, private, company, partnership, etc.).

The Inter-Departmental Business Register (IDBR) is a comprehensive list of UK businesses that is used by government for statistical purposes. It provides a sampling frame for surveys of businesses carried out by the ONS and by other government departments.

This dataset has National Statistical status.

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