

SMEs growing at fastest rate since 2008

By Rebecca Burn-Callander

SMALL firms are growing at their fastest rate since 2008 and have regained the ground lost in the Great Recession, with jobs, start-up and growth rates returning to pre-crisis levels, a new report says.

Last year, small to medium-sized enterprises (SMEs) added more than 600,000 new jobs across the UK, according to the report from independent research outfit the [Enterprise Research Centre \(ERC\)](#).

It examined data from Local Enterprise Partnerships and found growth hotspots have appeared all over the UK. While London remains the commercial centre, other cities are outpacing it on growth.

Hertfordshire and Buckinghamshire have the highest ratios for job creation, above London in third place. More small firms in Northern Ireland hit the “magic milestone” of £1m in revenues within their first three years than anywhere else, with 10pc, compared with 7.9pc in London and 6.2pc in England overall.

600,000

Number of new jobs created across the UK by small to medium-sized enterprises last year, according to the ERC's report

Cumbrian firms have the lowest rate with just 2.2pc making it to the £1m mark.

London still has the highest proportion of fast-growing firms, with 18.6pc showing annual employment growth of 20pc

or more between 2011 and 2014, with Scotland close behind. The capital is in the bottom 10 for survival rates, however, with just 54pc of start-ups lasting three years or more. Entrepreneurs in Cornwall stand the best chance, at 61.7pc.

Scaling up still poses a challenge for UK entrepreneurs. Just 6pc of existing firms managed to increase turnover from £1-2m to £3m between 2011 and 2014.

The report found a shortage of skilled staff, lack of a cohesive sales and marketing strategy and poor access to finance were holding fast-growth firms back.

“Small businesses in every corner of the UK are growing at their fastest rate since the Great Recession,” said Prof Mark Hart, deputy director of ERC. “More and more entrepreneurs have the confi-

dence to take the plunge.”