



NORTHERN POWERHOUSE LOCAL GROWTH DASHBOARD

February 2020

Produced by the ERC at the request of the
Northern Powerhouse Growth Hub Network.

UK Local Growth Dashboard

1 Introduction

The UK Local Growth Dashboard has been developed by the Enterprise Research Centre (ERC) and builds on the LEP Growth Dashboard first launched in June 2014. Its purpose is to present a set of growth metrics for start-ups and existing firms across a range of sub-national geographies in the UK with a specific focus on each of the 38 English Local Enterprise Partnership (LEP) areas. Alongside these metrics it provides some other contextual data for each LEP including the changing sectoral composition of local economies over time. This version of the Local Growth Dashboard was requested by the Greater Manchester Growth Company for the 11 Northern Powerhouse LEPs: Cheshire and Warrington, Cumbria, Greater Manchester, Humber, Lancashire, Leeds City Region, Liverpool City Region, North East, Sheffield City Region, Tees Valley and York, North Yorkshire and East Riding.

The Local Growth Dashboard can be used as a source of evidence to inform discussions on priorities in business support concerning small business growth and includes easily understood metrics which can be readily updated on an annual basis. This report is designed to simply present the data for others to use and it is not the intention here to investigate the reasons for these variations as that can be found elsewhere in the research outputs of the ERC and the wider research and policy literature.

The growth metrics which are used in the Dashboard are:¹

- 3-year survival rates of start-ups (2015-18)
- Proportion of 2015 start-ups that reach £1m+ T/O (2015-18)
- Proportion of £1-2m T/O businesses born before 2014 which grow to £3m+ T/O (2015-18)
- High-Growth Firm (OECD Definition) Incidence Rate (2015-18) – using both the traditional 20% threshold and the revised 10% threshold.
- Small High-Growth Incidence Rate (2015-18) – a metric adopting a methodology advocated to avoid the exclusion of firms with less than 10 employees from the OECD definition
- Productivity Growth metric (2015-18) – a new metric this year looking at firms who growth both in terms of jobs and revenues but have a faster rate of growth in revenues

1.1 Data Sources

The dataset used in the production of the growth and start-up data is the Business Structure Database (BSD). This is a dataset produced by the Office of National Statistics (ONS) and is an annual snapshot of the Inter-Departmental Business Register (IDBR) which is a live register of data collected by HM Revenue and Customs via VAT and Pay as You Earn (PAYE) records. The IDBR data are complemented with data from ONS business surveys. If a business is liable for VAT (turnover exceeds the VAT threshold) and/or has at least one member of staff registered for the PAYE tax collection system, then the business will appear on the IDBR (and hence in the BSD). We use the firm-level BSD for firm growth rates, start-ups, and T/O calculations and the site-level BSD for the calculation of new and gross new jobs. All the data contained in this report can be downloaded from the Data Hub on the ERC website.

The BSD itself consists of a series of annual snapshots (March each year) of the IDBR which we have linked together to form firm-level longitudinal records. The resulting dataset has some disadvantages. Although the IDBR is a 'live register' which is updated more or less continuously (and the data is then picked up by the BSD every March) there are lags in the data. For example, because the IDBR is a 'live' register the March snapshots are not a conventional time series – they do not necessarily record data which reports activity levels for March, they are data as at March. Further, that data at March each year can refer to a range of time periods over the previous years. We make the assumption that the nature of those lags are consistent in each annual snapshot.

¹ Metric Definitions: Start-up is defined as a UK-owned employer firm born in 2018; Start-ups growing to £1m turnover refer to UK-owned firms born in 2015 whose turnover reached at least £1m in 2018; Firms growing to £3m+ turnover refer to UK-owned firms born prior to 2015 that survived to 2018, whose turnover grew from £1-2m in 2015 to at least £3m in 2018; High-Growth is defined by the OECD as annualised average growth in employment of 20% or more over a three year period (2015-18) and restricted to a business having at least 10 employees in 2015.

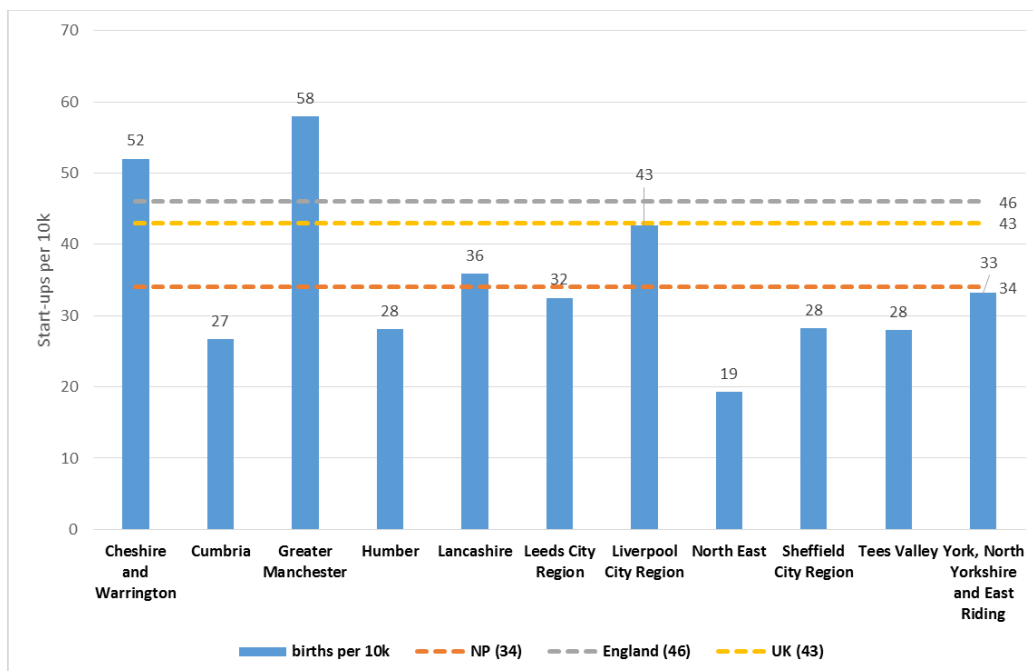
² Note: The use of these data does not imply the endorsement of the data owner or the UK Data Service at the UK Data Archive in relation to the interpretation or analysis of the data. This work uses research datasets which may not exactly reproduce National Statistics aggregates.

2 Business Start-up and Growth Metrics

The number of start-ups in an economy is often seen as the headline metric of ‘enterprise’ and ‘entrepreneurial ability’. Start-ups rates have begun to falter in recent years as reported earlier this year in ERC analysis of job creation and destruction.³ That analysis presented evidence on the faltering level of job creation in business entry and the rise in job losses in existing businesses and through business exit which are indicative of the early signs of concern in the current economic context.

There is a high degree of spatial variation in start-up rates across the Northern Powerhouse (NP) LEPs (Figure 1). Greater Manchester and Cheshire & Warrington have the largest rate of start-ups and well above the average for the NP LEPs, and indeed the UK overall. The Liverpool City Region performs above the NP average but slightly below the average for England. However, at the other end of the spectrum the North East LEP records the lowest start-up rate in the whole of the UK in 2018. Many of the NP LEPs perform poorly on this metric and as a result the average of the 11 NP LEPs is well below the average for England and the UK.

Figure 1: Start-ups per 10,000 Population in the Northern Powerhouse LEPs (2018)



Source: ONS Business Structure Database (BSD)

³ Hart, M and Prashar, N (2019) Job Creation and Destruction in the UK 1998-2018, ERC Insight Paper, March 2019. <https://www.enterpriseresearch.ac.uk/wp-content/uploads/2019/03/ERC-Insight.-Job-Creation-and-Destruction-in-the-UK-1998.-2018.pdf>

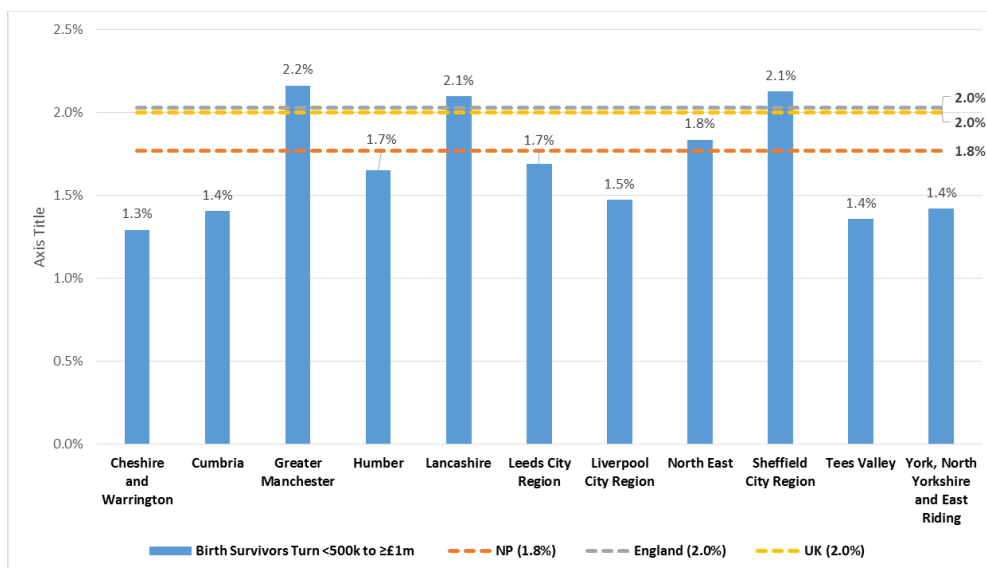
Since 2013 the ERC research programme has emphasised the importance of small business growth to the objective of driving economic growth and re-balancing the UK economy. So we now turn to a range of business growth metrics which can provide a more fine-grained analysis of the local business dynamic in the NP LEPs which can inform the development of local, regional and national business support initiatives.

2.1 Growth of Start-ups – Initial Scaling

It is a matter of record that the UK has now a larger number of start-ups than ever before. However, the overall survival rate for this 2015 cohort of start-ups is 55.1% so almost half of all start-ups do not make it to their third year – a fact that holds for all the cohorts of start-ups we have analysed since 1998. Yet what is less well known is the proportion, if they survive, that go on and generate at least £1m in revenues after 3 years. This threshold, while arbitrary, reflects the ambitions of many entrepreneurs as they strive to sustain and grow their businesses – getting to the ‘first million’ is frequently cited as an important milestone.

Figure 2 shows that the proportion of UK-owned start-ups that achieve this early indication of ‘scale’ is very small indeed (2% nationally) but that there is a great deal of variation across the NP local economic areas. Once again Greater Manchester stands out but is joined by Sheffield City Region and Lancashire in registering above average proportions of start-ups achieving in excess of £1m revenues after 3 years. Of note are those local economies with relatively high levels of start-up activity that have the lowest proportions of their start-ups achieving at least £1m in revenues after three years. Both Cheshire & Warrington and Liverpool City region fall into this group with above average start-up rates but with well below the NP average in the share of surviving start-ups that go on to achieve £1m+ in revenues.

Figure 2: Proportion of Start-ups Generating £1m+ Revenues after 3 Years in the NP LEPs (2018)

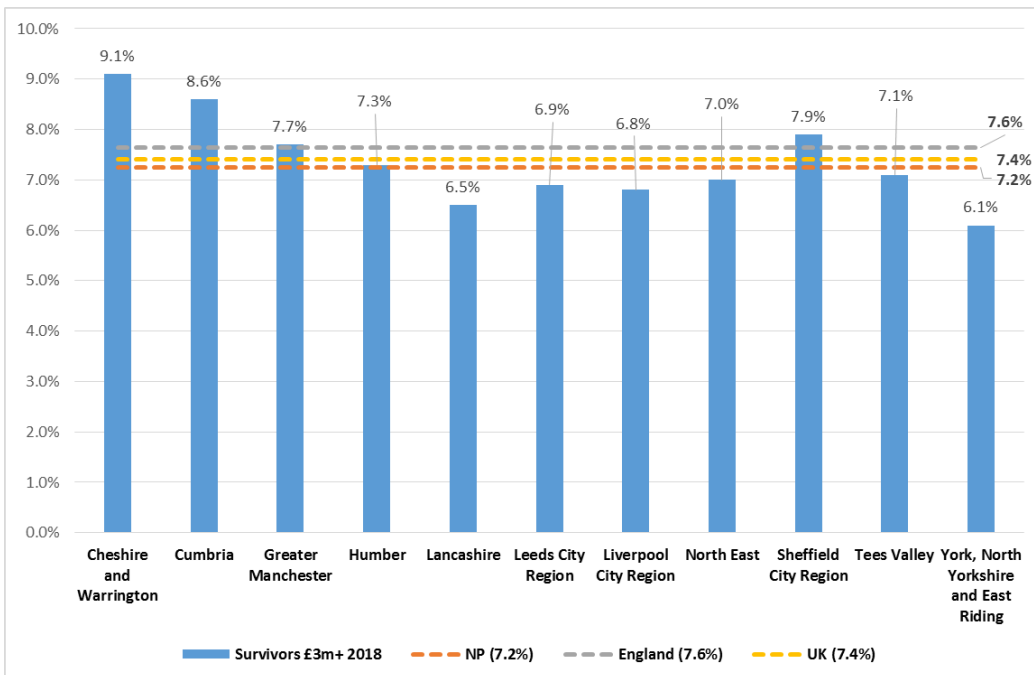


Source: ONS Business Structure Database (BSD)

2.2 Growth of Existing Businesses - Stepping Up

Across the UK we observe that 7.6% of existing firms with turnover of £1-2m per annum in 2015 grow to at least £3m turnover in 2018 which is slightly higher to that observed in previous years: that is, 6% in 2014 and 2015 and 7% in 2016 and 7.2% in 2017. This metric of businesses scaling varies across the LEPs in the Northern Powerhouse with Cheshire & Warrington and Cumbria recording a greater proportion than the other NP LEPs and indeed above the national average (Figure 3). London records the highest proportion in the UK at 9.5%.

Figure 3: Firms (born <2014) turnover £1-2m in 2015 and reaching £3m+ in 2018 in the NP LEPs



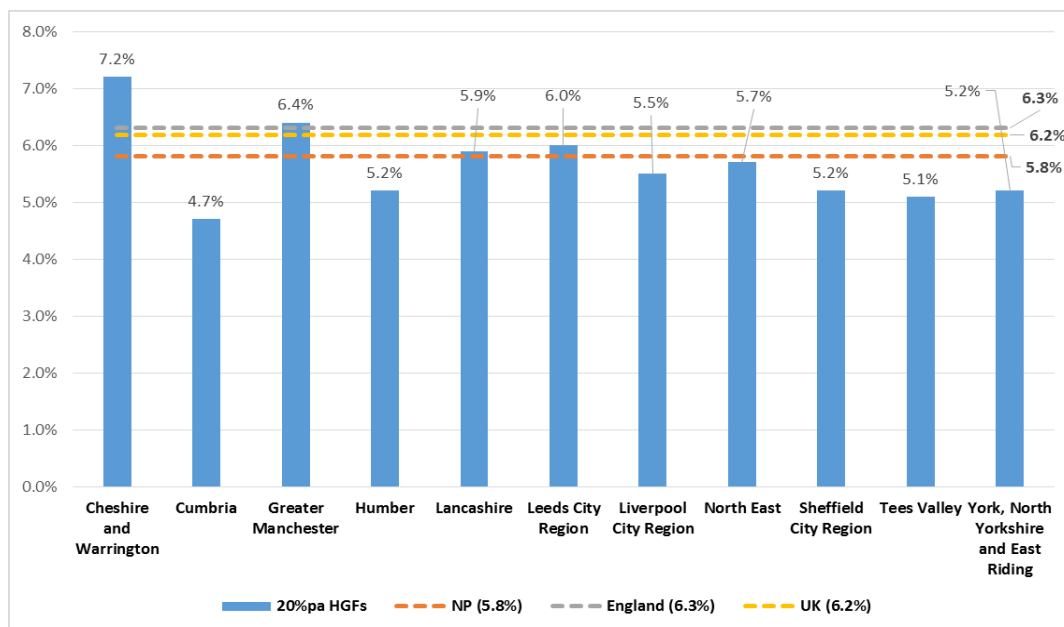
Source: ONS Business Structure Database (BSD)

2.3 High-Growth Firms

One metric had dominated the policy debate on firm growth in recent years and that is the OECD defined 'High-Growth Firm'. ERC has been tracking this metric over the last 20 years and what we observe is that the trend in the number of high-growth firms (employment definition) has demonstrated a slow down since 2015 following the 'bounce-back' after the great recession. The absolute number has fallen year on year since 2015 although the incidence remains stuck at around 6% as a consequence of a growing business stock – the simple mechanics of the metric. These data may differ from other analysis on high-growth firms in the UK published by the Scale-Up Institute using firm-level ONS data as we adhere to the definition of the private sector first used in our work for NESTA in 2009 which led to the origin of the phrase the 'Vital 6%'.

More precisely, the number of high-growth firms (HGFs), as defined by the OECD⁴, in the UK declined very slightly in the 2015-18 period – the absolute number fell from 11,855 (2012/15) to 10,968 (2015/18) which means that the overall incidence rate is now 6.2% for the UK compared to 7.5% in the earlier period. The incidence rate of high-growth firms in England varies from 4.3% in the Black Country to 7.9% in London. The spatial pattern within the NP LEPs shows that there is one area which is well above the national average – Cheshire & Warrington (Figure 4). While the average for the NP LEPs is only slightly below the national average (England or the UK) there are some areas which record a low incidence rate of HGFs – namely, Cumbria, Tees Valley, Humber, Sheffield and York, North Yorkshire and East Riding.

Figure 4: High-Growth Firm Incidence Rate (20% threshold) in NP LEPs (2015-18)

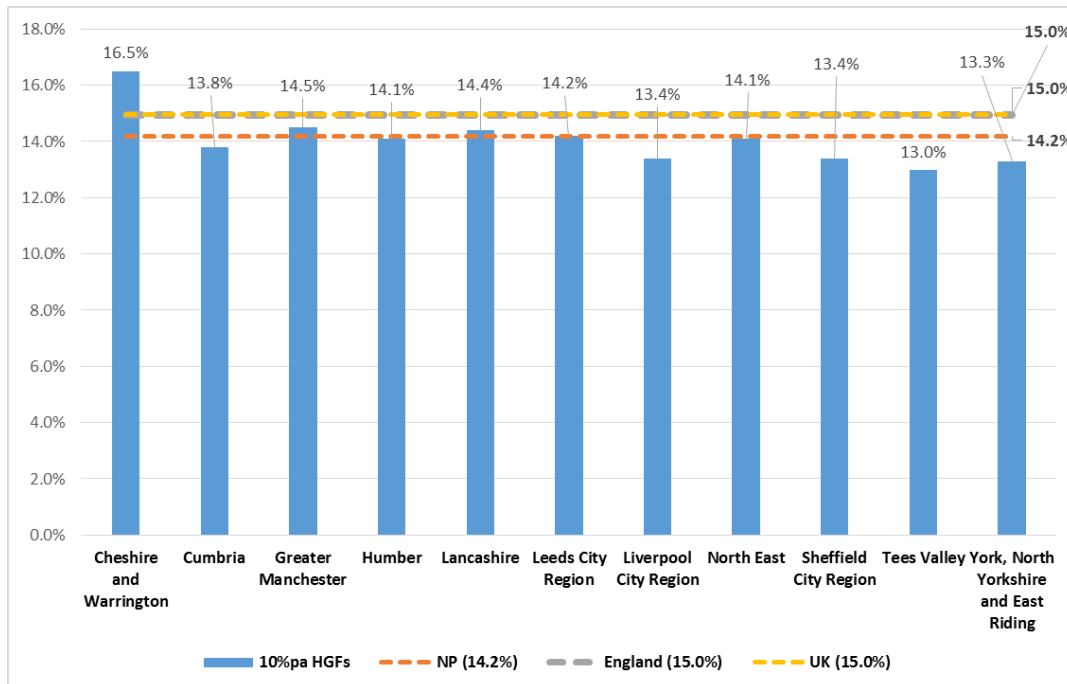


Source: ONS Business Structure Database (BSD)

⁴ High-Growth is defined as annualised average growth in employment of 20% or more over a three year period (2015-18) and restricted to a business having at least 10 employees in 2015.

In recent years the OECD have decided to relax their 20% threshold for the definition of a HGF to 10% for both measures (i.e., using employment or revenue). Figure 5 shows that there is very little variation across the NP LEPs but once again Cheshire & Warrington is well above the national average on this new HGF metric. The comparison with Figure 4 (i.e., the standard OCED HGF definition) makes the point that the definitions of growth metric matter in terms of understanding the challenges and opportunities for the LEPs across the Northern Powerhouse.

Figure 5: High-Growth Firm Incidence Rate (10% threshold) in NP LEPs (2015-18)



Source: ONS Business Structure Database (BSD)

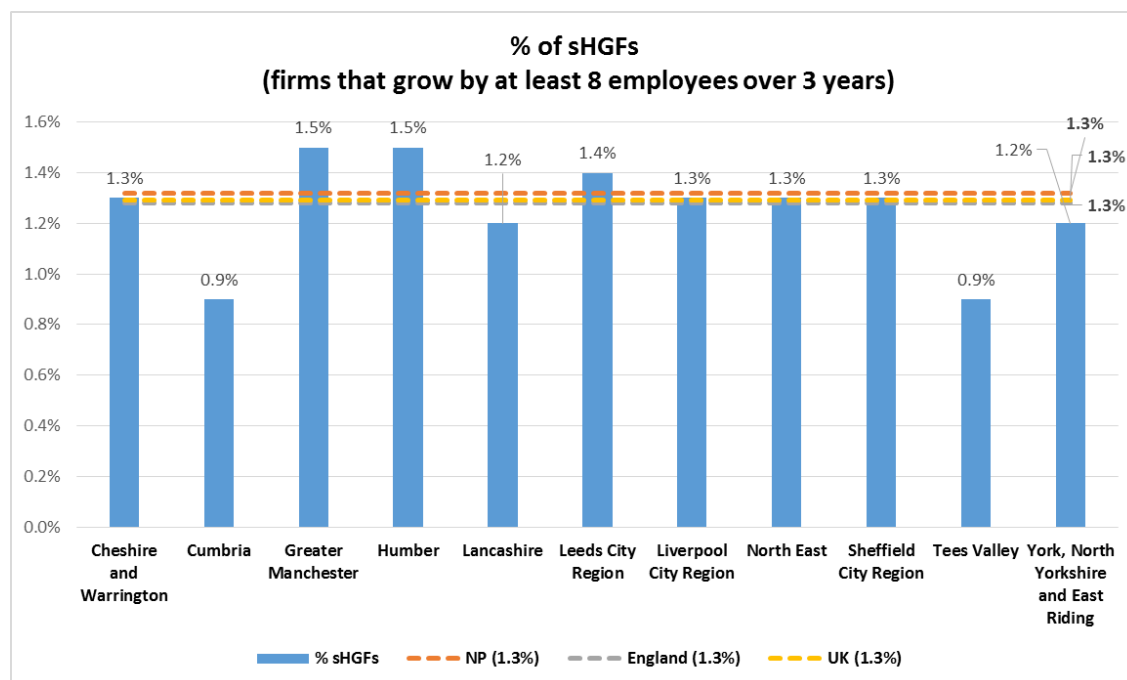
2.4 Small High-Growth Firms

There has been growing criticism of the OECD HGF measure in recent years and in the US the Bureau of Labor Statistics (BLS) argued that the OECD measure was too narrow and excluded firms with less than ten employees in the first year of the three year growth period. The BLS developed an alternative measure which extended the definition of a high-growth firm to focus on firms with less than ten employees if the firm added eight or more employees during the three year growth period. Here we adopt this measure and refer to these as Small High Growth Firms (SHGFs).

Overall, the UK SHGF incidence rate is 1.3% for the 2015-18 period which is again a slight fall on previous periods: 2.0% in 2012-15 and 2.4% in 2011-14. As with the HGF measure the SHGF measure exhibits a complex geography and, in general, stands in contrast to that for the two HGF measures (Figure 6). The only common feature is that London dominates on both measures.

However, there is very little variation across England with the incidence rates ranging from 1.6% in London to 0.9% in Cumbria and Tees Valley LEP areas. Beyond the capital, however, it is the more peripheral parts of England together with the northern powerhouse cities of Greater Manchester and Leeds that record above average shares of SHGFs as does the Humber LEP.

Figure 6: Small High-growth Firm Incidence Rate in NP LEPs (2015-18)



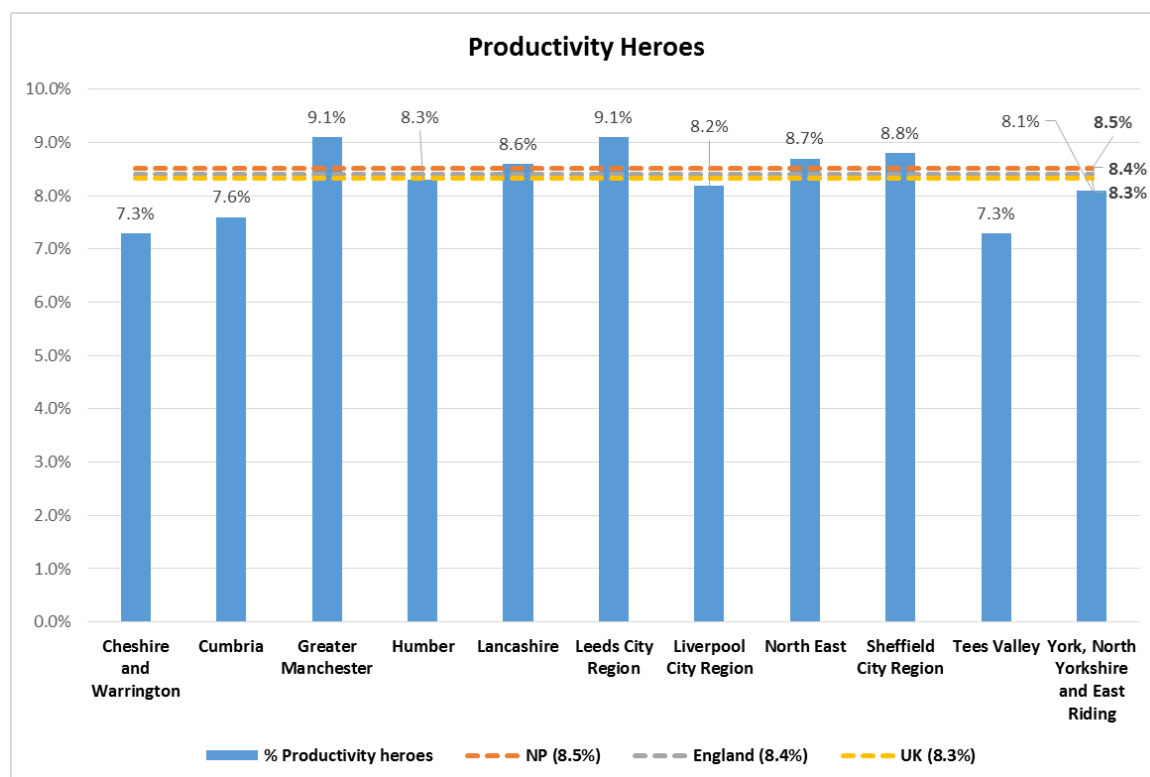
Source: ONS Business Structure Database (BSD)

The introduction of this new variation on the official OECD HGF measure is an important innovation and provides a more comprehensive overview of growth in local businesses. The fact that it provides a rather different geography across the NP LEPs underlines the importance of resisting the acceptance of a single metric for 'high-growth' firms and this metric serves to capture the growth in the micro-business sector where, as we have seen from the ERC's 'Micro-Business Britain' report published in 2018, there is not only growth but significant levels of ambition and innovative business practices.

2.5 Productivity Growth

We devised this growth metric for two reasons. First, as a result of our previous research which showed that there was a very poor correlation between jobs growth, increases in revenues and productivity gains. Indeed, we found that only 5% of the OECD’s high-growth firms (employment definition) recorded productivity growth in the period 2008-2015⁵. Second, the current ‘Long Tail Productivity Review’ prompted us to probe and extend the evidence base using the datasets we have access to on the population of employer enterprises rather than the sole reliance on ONS survey data which normally excludes smaller businesses.

Figure 7: Proportion of firms with positive productivity growth 2015-18 (where turnover and employment both increased but turnover grew at a faster rate) – NP LEPs



Source: ONS Business Structure Database (BSD)

The new productivity metric reveals that only 8.3% of all job-creating employer enterprises in the UK achieved positive productivity gains (revenue per employee) while still increasing jobs over the period 2015-18. Across the English LEPs the pattern is complex with the North (Leeds City Region and Greater Manchester – both 9.1%) having the highest proportions of firms with productivity growth measured in this way. Cheshire & Warrington and Tees Valley record below average shares of these ‘productivity heroes’ compared to other areas in the Northern Powerhouse.

⁵ British Business Bank (2018) “Small Business Finance Markets Report”, February 2018. <https://www.britishbusiness-bank.co.uk/research/small-business-finance-markets-report-2018/>

3 Conclusion

This overview of a range of business growth metrics has underlined the fact that, irrespective of the measure adopted, there are very few firms in the UK which can be categorised as 'high-growth' or 'scaling' and indeed contributing to productivity growth. We also know that this small group of firms, whether start-ups scaling or more established businesses growing rapidly for the first or second time, have had a disproportionate impact on job creation. They are crucial to the growth of the UK economy and the re-balancing of the economy away from London and the South East but the evidence points to little impact on the 'productivity gap'.

The data shows a complex geography of 'growth' in the Northern Powerhouse LEPs. Overall, there is evidence of strong business growth underpinning the development of the Northern Powerhouse with some LEP areas exceeding the national average on a number of metrics – most notably Cheshire and Warrington and Greater Manchester. However, at the other end of the spectrum Tees Valley is weak on all metrics and indeed comes bottom of the 38 English LEPs when ranked on all 7 'metrics'.

A single-minded preoccupation with HGFs and indeed SHGFs, whatever definition the OECD decide to use, may not be a sensible focus for policy-makers as they seek to address the growth and productivity problems confronting the UK economy. Not only are these measures somewhat artificially defined, they also have the disadvantage of rendering invisible the reality of growth for the majority of businesses which is usually episodic and not constrained by an arbitrary 3-year period.

As we have argued on many previous occasions it would be more informative to concentrate on the importance of creating a growth pipeline at local level and monitoring its development over time. Tracking cohorts of start-ups over time, and other groups of established firms as they begin to engage in a range of activity which prepares them for future growth, would be a more meaningful focus for business support policy and demands richer data. Initial analysis was reported in the 2019 State of Small Business Britain Report which is available on the ERC website along with a more detailed Research Paper.⁶

⁶ Anyadike-Danes, M and Hart, M (2019) 'Fecundity, fertility, survival and growth: high-growth firms in the UK and their contribution to job creation, a demographic perspective'. ERC Research Paper No 74.

Cheshire and Warrington

CONTEXT 2018

Population:
926,500

Private Sector Firms:
44,424

Private Sector Jobs:
346,280

START-UPS

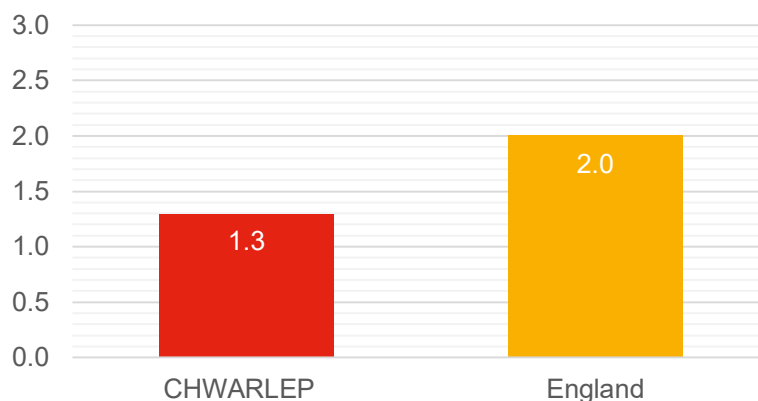
- 4,821 new registered businesses in 2018
- 52 start-ups per 10,000 population in 2018
- 56% of 2015 start-ups survived to 2018
- 1.3% of surviving 2015 start-ups grew from <500k to £1m + T/O by 2018

GROWTH

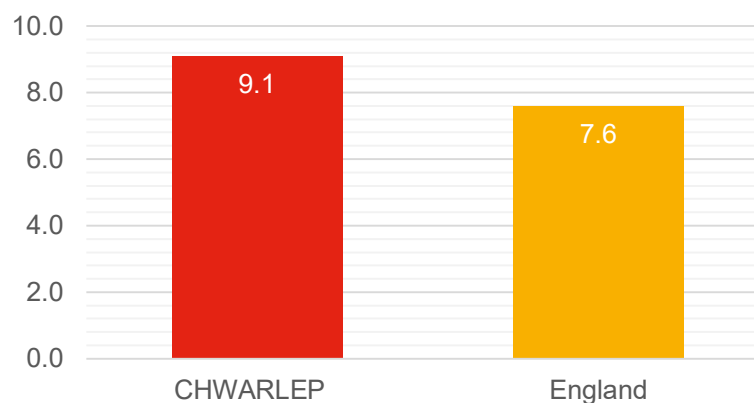
- 7.2% high-growth firms (OECD 20% employment definition) incidence rate (2015-2018) – 193 firms
- 16.5% high-growth firms (OECD 10% employment definition) incidence rate (2015-2018) – 441 firms
- 1.3% small high-growth firm (Clayton variation to OECD definition) incidence rate (2015-2018) – 1.3% for England – 218 firms
- 9.1% of £1-2m T/O businesses in 2015 grew to a minimum of £3m by 2018 – 82 firms
- 7.3% of job-creating firms with positive productivity growth (2015-18) – 1,445 firms

Growth Hub Website:
www.candwgrowthhub.co.uk

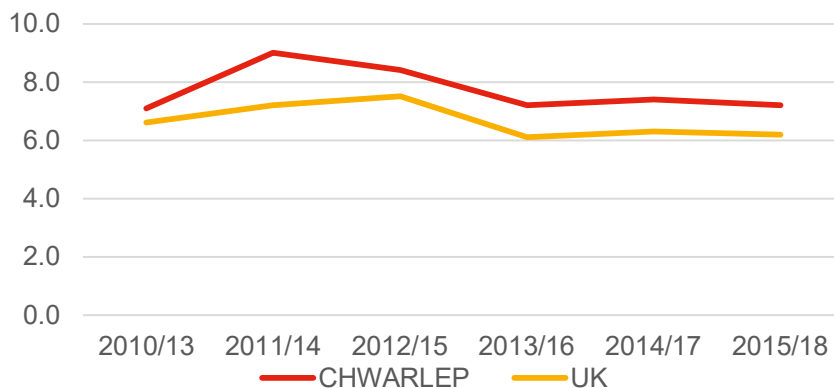
Start-ups Scaling <£500k to £1m + in 3 years 2015-18 (%)



Scaling Survivors £1-2m to £3m+ in 3 years 2015-18 (%)



High Growth Firm (OECD definition) Incidence Rate 2010/13 – 2015/18 (%)



Cumbria

CONTEXT 2018

Population:
498,400

Private Sector Firms:
17,830

Private Sector Jobs:
154,578

START-UPS

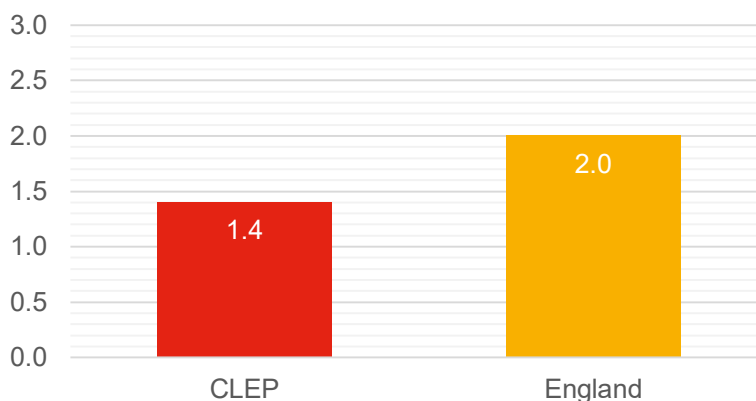
- 1,330 new registered businesses in 2018
- 27 start-ups per 10,000 population in 2018
- 59% of 2015 start-ups survived to 2018
- 1.4% of surviving 2015 start-ups grew from <500k to £1m + T/O by 2018

GROWTH

- 4.7% high-growth firms (OECD 20% employment definition) incidence rate (2015-2018) – 74 firms
- 13.8% high-growth firms (OECD 10% employment definition) incidence rate (2015-2018) – 218 firms
- 0.9% small high-growth firm (Clayton variation to OECD definition) incidence rate (2015-2018) – 1.3% for England – 65 firms
- 8.6% of £1-2m T/O businesses in 2015 grew to a minimum of £3m by 2018 – 38 firms
- 7.6% of job-creating firms with positive productivity growth (2015-18) – 679 firms

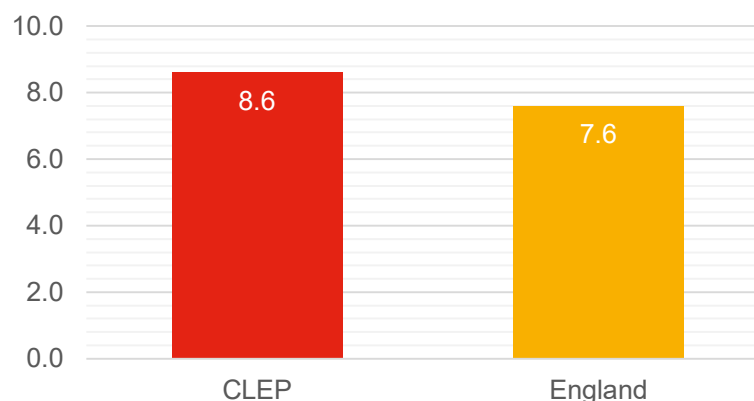
Growth Hub Website:
www.cumbriagrowthhub.co.uk

Start-ups Scaling <£500k to £1m + in 3 years 2015-18 (%)

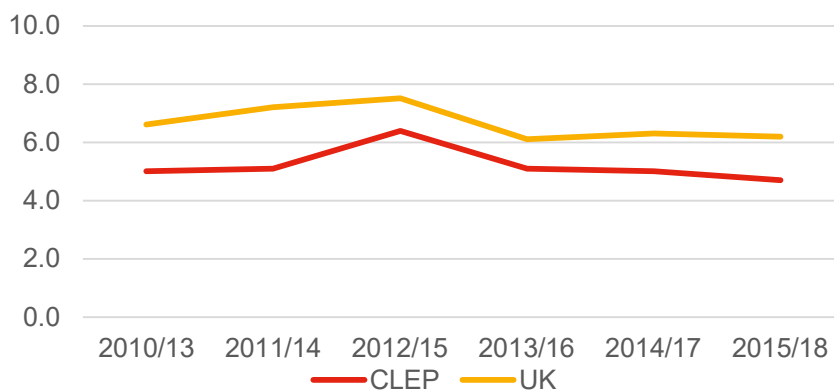


*the number is suppressed for CLEP because it is disclosive.

Scaling Survivors £1-2m to £3m+ in 3 years 2015-18 (%)



High Growth Firm (OECD definition) Incidence Rate 2010/13 – 2015/18 (%)



Greater Manchester

CONTEXT 2018

Population:
2,798,800

Private Sector Firms:
109,413

Private Sector Jobs:
931,536

START-UPS

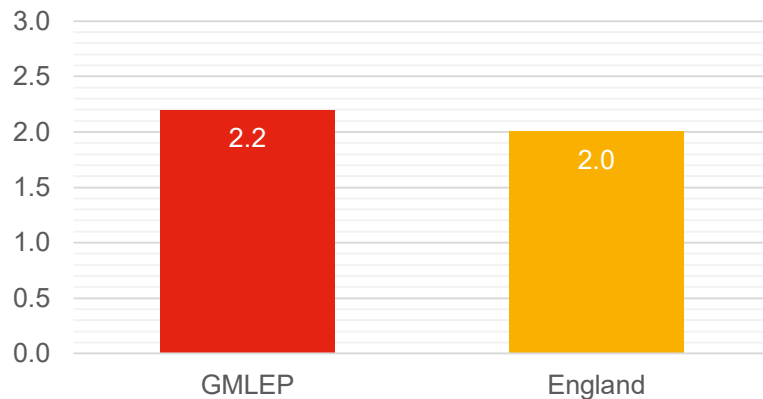
- 16,232 new registered businesses in 2018
- 58 start-ups per 10,000 population in 2018
- 53% of 2015 start-ups survived to 2018
- 2.2% of surviving 2015 start-ups grew from <500k to £1m + T/O by 2018

GROWTH

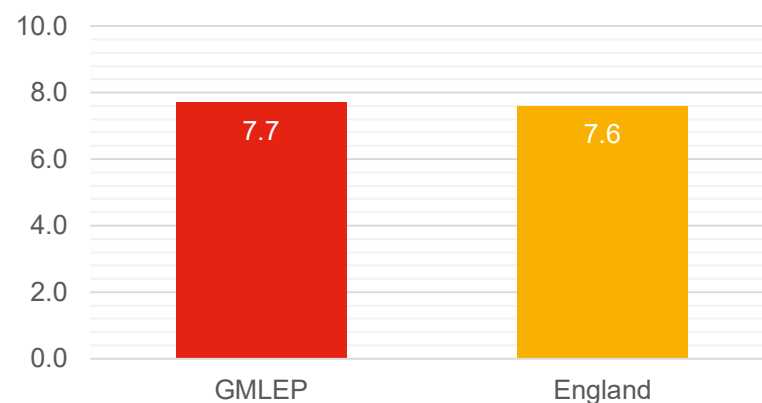
- 6.4% high-growth firms (OECD 20% employment definition) incidence rate (2015-2018) – 445 firms
- 14.5% high-growth firms (OECD 10% employment definition) incidence rate (2015-2018) – 1,107 firms
- 1.5% small high-growth firm (Clayton variation to OECD definition) incidence rate (2015-2018) – 1.3% for England – 492 firms
- 7.7% of £1-2m T/O businesses in 2015 grew to a minimum of £3m by 2018 – 191 firms
- 9.1% of job-creating firms with positive productivity growth (2015-18) – 3,660 firms

Growth Hub Website:
www.businessgrowthhub.com

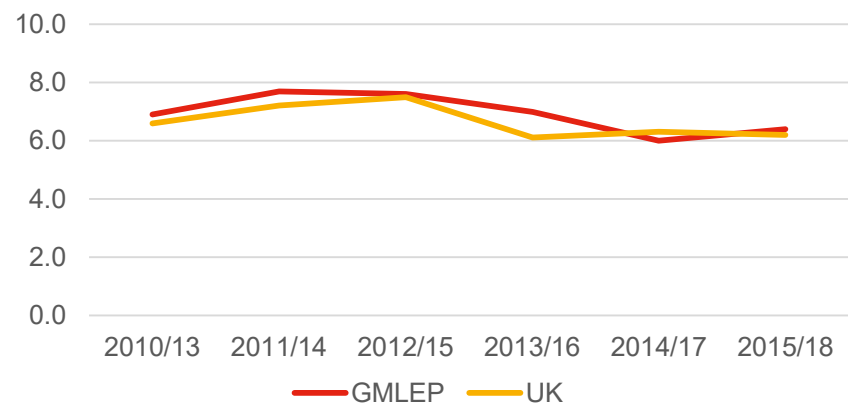
Start-ups Scaling <£500k to £1m + in 3 years 2015-18 (%)



Scaling Survivors £1-2m to £3m+ in 3 years 2015-18 (%)



High Growth Firm (OECD definition) Incidence Rate 2010/13 – 2015/18 (%)



Humber

CONTEXT 2018

Population:
929,900

Private Sector Firms:
28,352

Private Sector Jobs:
223,473

START-UPS

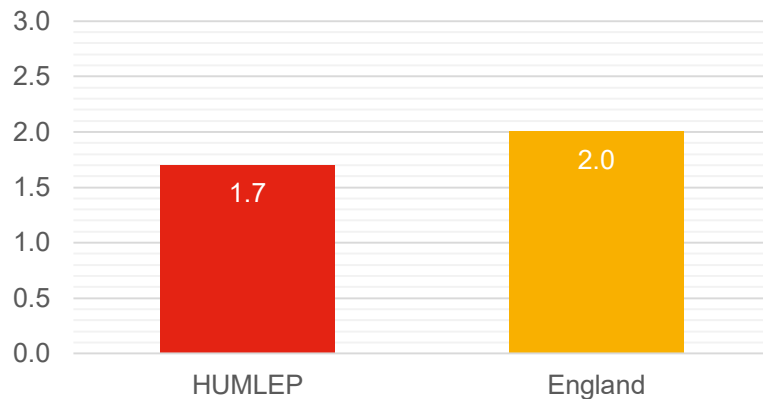
- 2,611 new registered businesses in 2018
- 28 start-ups per 10,000 population in 2018
- 55% of 2015 start-ups survived to 2018
- 1.7% of surviving 2015 start-ups grew from <500k to £1m + T/O by 2018

GROWTH

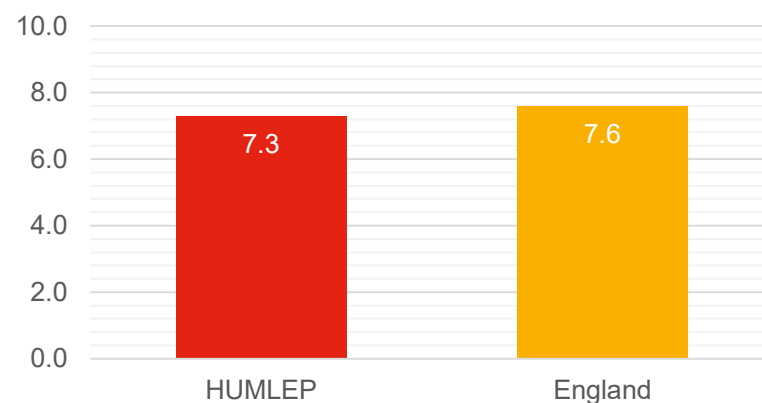
- 5.2% high-growth firms (OECD 20% employment definition) incidence rate (2015-2018) – 121 firms
- 14.1% high-growth firms (OECD 10% employment definition) incidence rate (2015-2018) – 332 firms
- 1.5% small high-growth firm (Clayton variation to OECD definition) incidence rate (2015-2018) – 1.3% for England – 152 firms
- 7.3% of £1-2m T/O businesses in 2015 grew to a minimum of £3m by 2018 – 57 firms
- 8.3% of job-creating firms with positive productivity growth (2015-18) – 1,052 firms

Growth Hub Website:
www.hub.humberlep.org

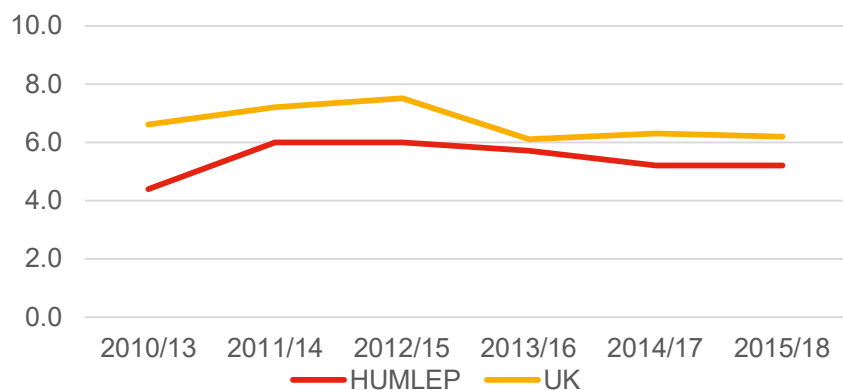
Start-ups Scaling <£500k to £1m + in 3 years 2015-18 (%)



Scaling Survivors £1-2m to £3m+ in 3 years 2015-18 (%)



High Growth Firm (OECD definition) Incidence Rate 2010/13 – 2015/18 (%)



Lancashire

CONTEXT 2018

Population:
1,490,500

Private Sector Firms:
49,974

Private Sector Jobs:
437,517

START-UPS

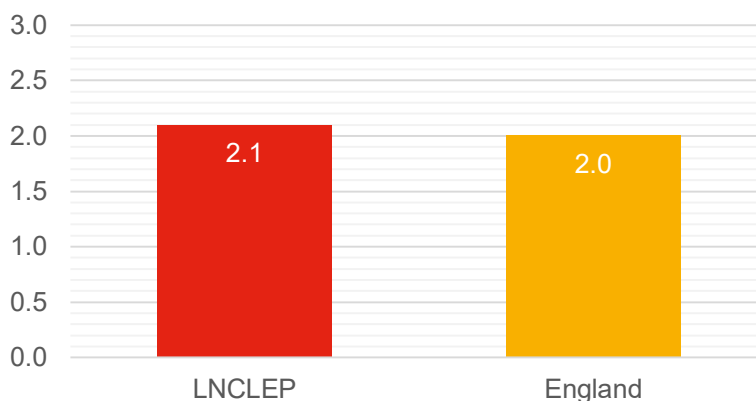
- 5,356 new registered businesses in 2018
- 36 start-ups per 10,000 population in 2018
- 54% of 2015 start-ups survived to 2018
- 2.1% of surviving 2015 start-ups grew from <500k to £1m + T/O by 2018

GROWTH

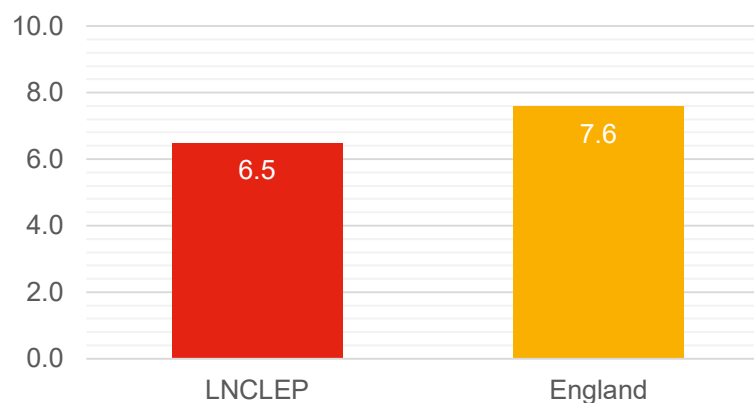
- 5.9% high-growth firms (OECD 20% employment definition) incidence rate (2015-2018) – 227 firms
- 14.4% high-growth firms (OECD 10% employment definition) incidence rate (2015-2018) – 557 firms
- 1.2% small high-growth firm (Clayton variation to OECD definition) incidence rate (2015-2018) – 1.3% for England – 218 firms
- 6.5% of £1-2m T/O businesses in 2015 grew to a minimum of £3m by 2018 – 87 firms
- 8.6% of job-creating firms with positive productivity growth (2015-18) – 1,880 firms

Growth Hub Website:
www.boostbusinesslancashire.co.uk

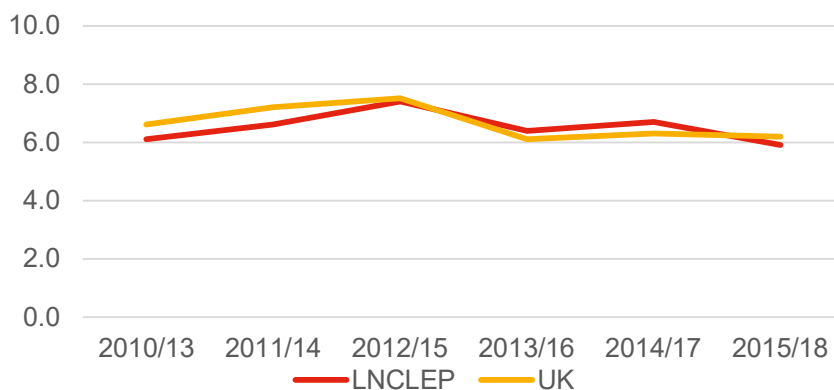
Start-ups Scaling <£500k to £1m + in 3 years 2015-18 (%)



Scaling Survivors £1-2m to £3m+ in 3 years 2015-18 (%)



High Growth Firm (OECD definition) Incidence Rate 2010/13 – 2015/18 (%)



Leeds City Region

CONTEXT 2018

Population:
3,063,100

Private Sector Firms:
102,900

Private Sector Jobs:
1,159,101

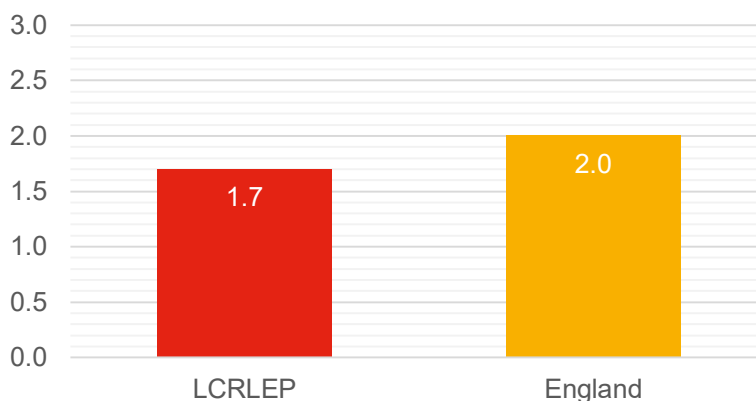
START-UPS

- 9,955 new registered businesses in 2018
- 32 start-ups per 10,000 population in 2018
- 56% of 2015 start-ups survived to 2018
- 1.7% of surviving 2015 start-ups grew from <500k to £1m + T/O by 2018

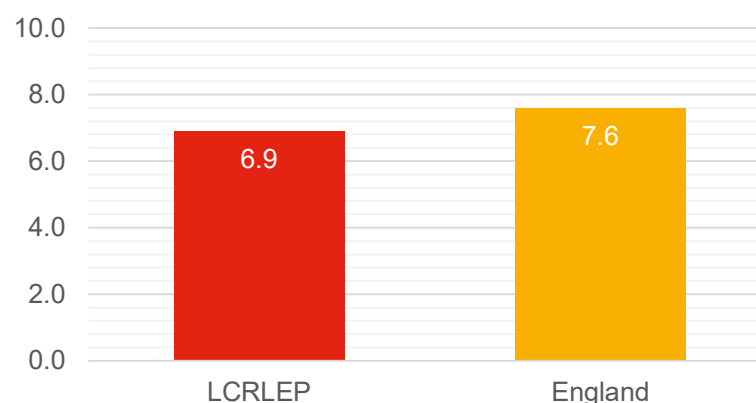
GROWTH

- 6.0% high-growth firms (OECD 20% employment definition) incidence rate (2015-2018) – 476 firms
- 14.2% high-growth firms (OECD 10% employment definition) incidence rate (2015-2018) – 1,119 firms
- 1.4% small high-growth firm (Clayton variation to OECD definition) incidence rate (2015-2018) – 1.3% for England – 492 firms
- 6.9% of £1-2m T/O businesses in 2015 grew to a minimum of £3m by 2018 – 181 firms
- 9.1% of job-creating firms with positive productivity growth (2015-18) - 3,973 firms

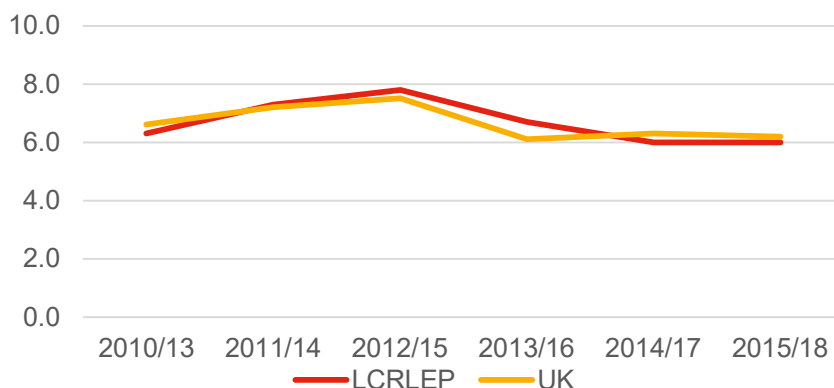
Start-ups Scaling <£500k to £1m + in 3 years 2015-18 (%)



Scaling Survivors £1-2m to £3m+ in 3 years 2015-18 (%)



High Growth Firm (OECD definition) Incidence Rate 2010/13 – 2015/18 (%)



Liverpool City Region

CONTEXT 2018

Population:
1,544,400

Private Sector Firms:
46,044

Private Sector Jobs:
357,704

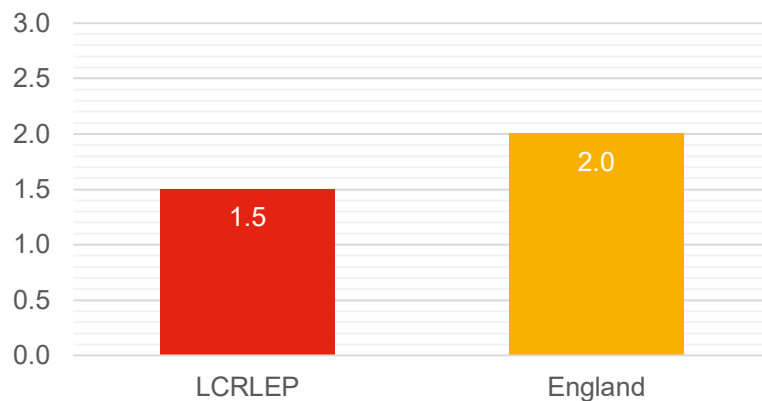
START-UPS

- 6,596 new registered businesses in 2018
- 43 start-ups per 10,000 population in 2018
- 50% of 2015 start-ups survived to 2018
- 1.5% of surviving 2015 start-ups grew from <500k to £1m + T/O by 2018

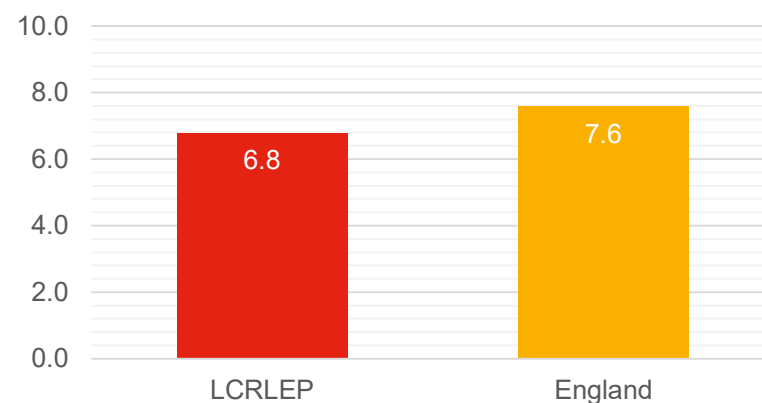
GROWTH

- 5.5% high-growth firm (OECD 20% employment definition) incidence rate (2015-2018) – 159 firms
- 13.4% high-growth firms (OECD 10% employment definition) incidence rate (2015-2018) – 389 firms
- 1.3% small high-growth firms (Clayton variation to OECD definition) incidence rate (2015-2018) – 1.3% for England – 183 firms
- 6.8% of £1-2m T/O businesses in 2015 grew to a minimum of £3m by 2018 – 68 firms
- 8.2% of job-creating firms with positive productivity growth (2015-18) – 1,360 firms

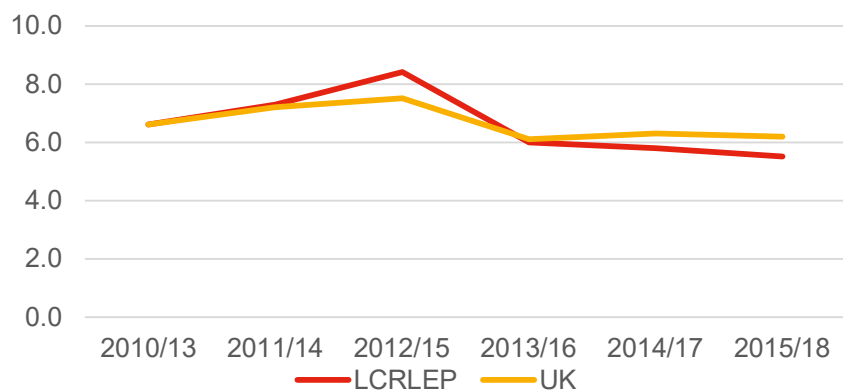
Start-ups Scaling <£500k to £1m + in 3 years 2015-18 (%)



Scaling Survivors £1-2m to £3m+ in 3 years 2015-18 (%)



High Growth Firm (OECD definition) Incidence Rate 2010/13 – 2015/18 (%)



North East

CONTEXT 2018

Population:
1,972,200

Private Sector Firms:
45,967

Private Sector Jobs:
419,744

START-UPS

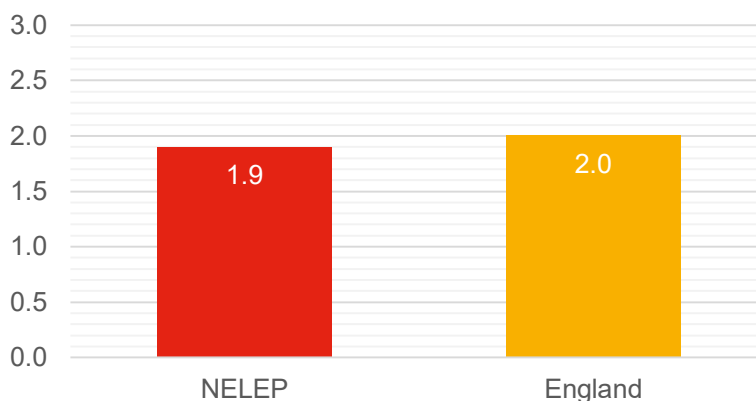
- 3,802 new registered businesses in 2018
- 19 start-ups per 10,000 population in 2018
- 53% of 2015 start-ups survived to 2018
- 1.8% of surviving 2015 start-ups grew from <500k to £1m + T/O by 2018

GROWTH

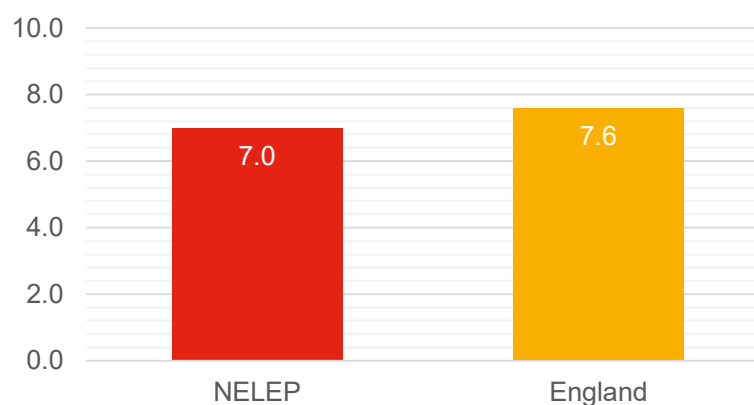
- 5.7% high-growth firm (OECD 20% employment definition) incidence rate (2015-2018) – 235 firms
- 14.1% high-growth firms (OECD 10% employment definition) incidence rate (2015-2018) – 580 firms
- 1.3% small high-growth firms (Clayton variation to OECD definition) incidence rate (2015-2018) – 1.3% for England – 226 firms
- 7% of £1-2m T/O businesses in 2015 grew to a minimum of £3m by 2018 – 85 firms
- 8.7% of job-creating firms with positive productivity growth (2015-18) – 1,837 firms

Growth Hub Website:
www.northeastgrowthhub.co.uk

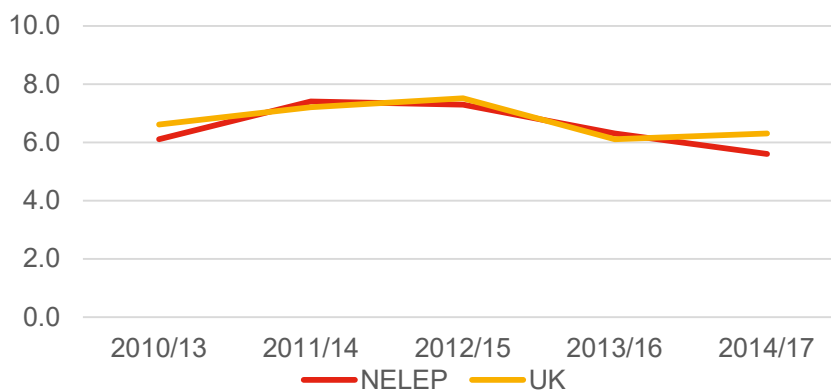
Start-ups Scaling <£500k to £1m + in 3 years 2015-18 (%)



Scaling Survivors £1-2m to £3m+ in 3 years 2015-18 (%)



High Growth Firm (OECD definition) Incidence Rate 2010/13 – 2014/17 (%)



Sheffield City Region

CONTEXT 2018

Population:
1,866,100

Private Sector Firms:
56,761

Private Sector Jobs:
552,377

START-UPS

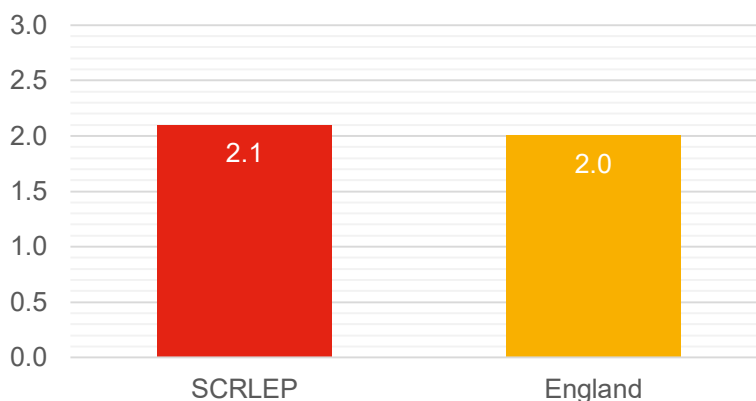
- 5,269 new registered businesses in 2018
- 28 start-ups per 10,000 population in 2018
- 49% of 2015 start-ups survived to 2018
- 2.1% of surviving 2015 start-ups grew from <500k to £1m + T/O by 2018

GROWTH

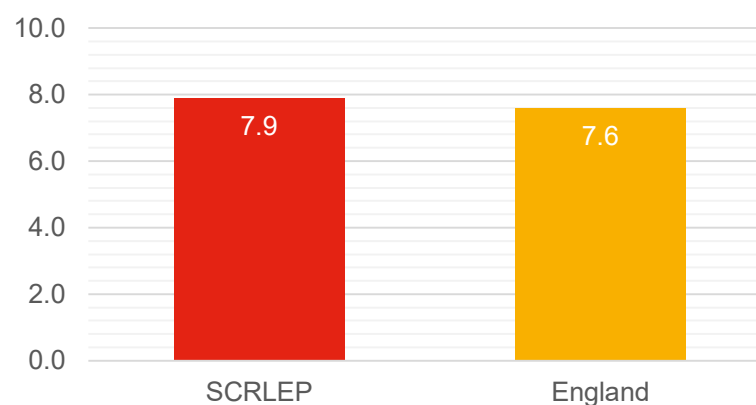
- 5.2% high-growth firm (OECD 20% employment definition) incidence rate (2015-2018) – 221 firms
- 13.4% high-growth firms (OECD 10% employment definition) incidence rate (2015-2018) – 572 firms
- 1.3% small high-growth firm (Clayton variation to OECD definition) incidence rate (2015-2018) – 1.3% for England – 238 firms
- 7.9% of £1-2m T/O businesses in 2015 grew to a minimum of £3m by 2018 – 110 firms
- 8.8% of job-creating firms with positive productivity growth (2015-18) – 1,989 firms

Growth Hub Website:
www.scrgrowthhub.co.uk

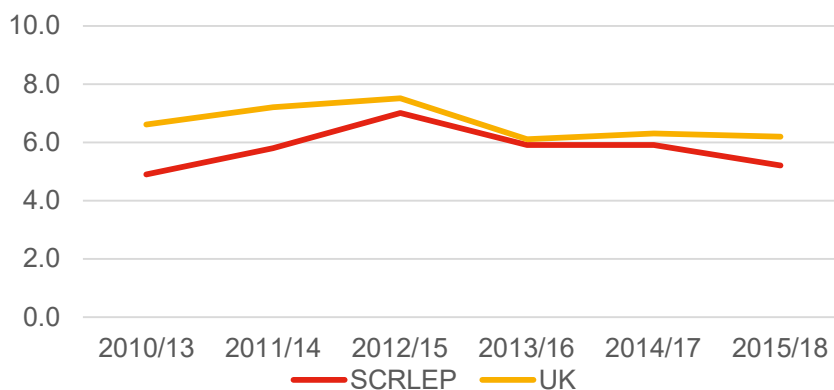
Start-ups Scaling <£500k to £1m + in 3 years 2015-18 (%)



Scaling Survivors £1-2m to £3m+ in 3 years 2015-18 (%)



High Growth Firm (OECD definition) Incidence Rate 2010/13 – 2015/18 (%)



Tees Valley

CONTEXT 2018

Population:
672,500

Private Sector Firms:
18,389

Private Sector Jobs:
129,156

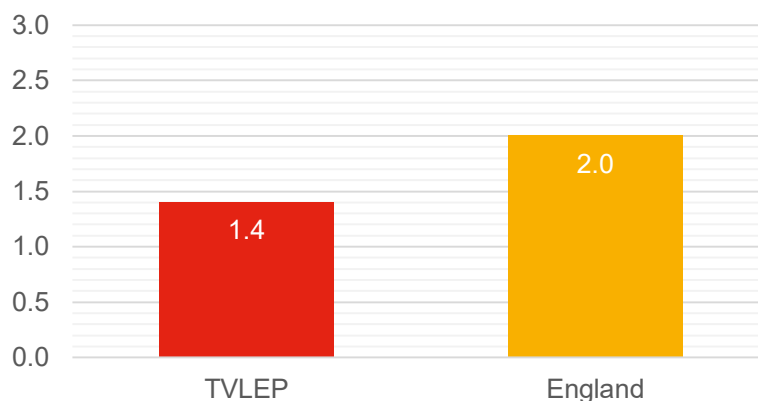
START-UPS

- 1,883 new registered businesses in 2018
- 28 start-ups per 10,000 population in 2018
- 51% of 2015 start-ups survived to 2018
- 1.4% of surviving 2015 start-ups grew from <500k to £1m + T/O by 2018

GROWTH

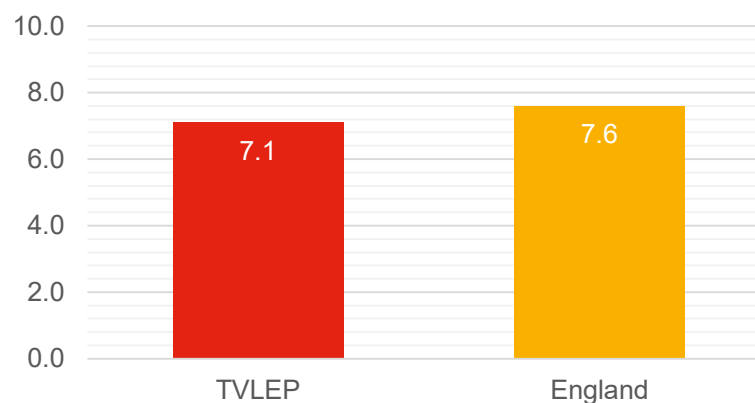
- 5.1% high-growth firm (OECD 20% employment definition) incidence rate (2015-2018) – 64 firms
- 13% high-growth firms (OECD 10% employment definition) incidence rate (2015-2018) – 163 firms
- 0.9% small high-growth firm (Clayton variation to OECD definition) incidence rate (2015-2018) – 1.3% for England – 55 firms
- 7.1% of £1-2m T/O businesses in 2015 grew to a minimum of £3m by 2018 – 27 firms
- 7.3% of job-creating firms with positive productivity growth (2015-2018) – 526 firms

Start-ups Scaling <£500k to £1m + in 3 years 2015-18 (%)

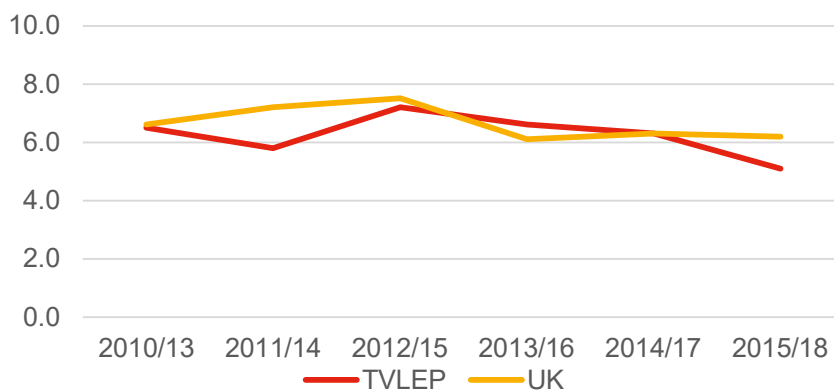


*the number is suppressed for TVLEP because it is disclosive.

Scaling Survivors £1-2m to £3m+ in 3 years 2015-18 (%)



High Growth Firm (OECD definition) Incidence Rate 2010/13 – 2015/18 (%)



York, North Yorkshire and East Riding

CONTEXT 2018

Population:
1,157,900

Private Sector Firms:
42,763

Private Sector Jobs:
306,191

START-UPS

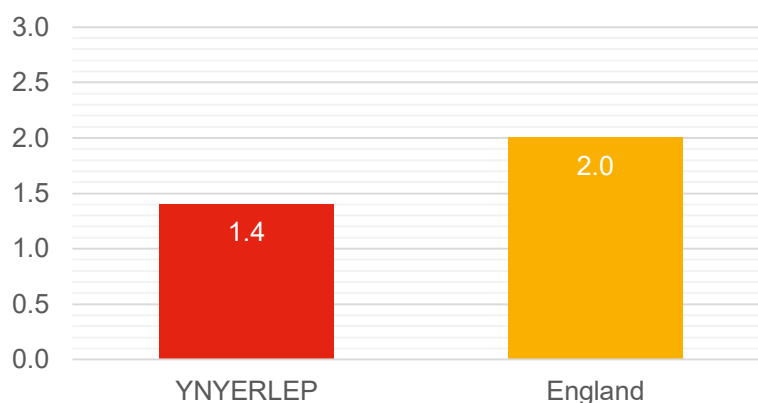
- 3,844 new registered businesses in 2018
- 33 start-ups per 10,000 population in 2018
- 59% of 2015 start-ups survived to 2018
- 1.4% of surviving 2015 start-ups grew from <500k to £1m + T/O by 2018

GROWTH

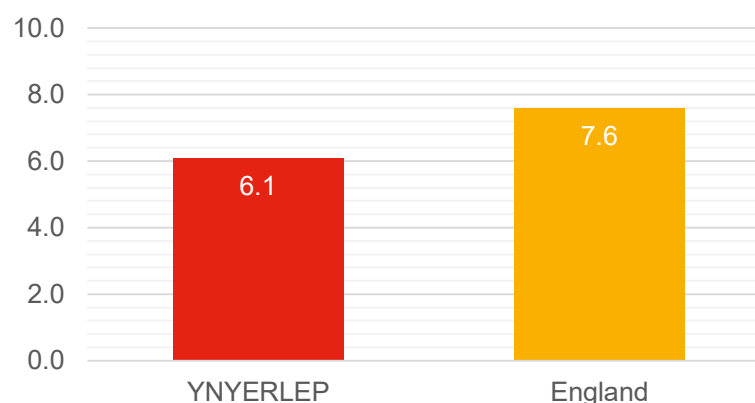
- 5.2% high-growth firm (OECD 20% employment definition) incidence rate (2015-2018) – 174 firms
- 13.3% high-growth firms (OECD 10% employment definition) incidence rate (2015-2018) – 450 firms
- 1.2% small high-growth firm (Clayton variation to OECD definition) incidence rate (2015-2018) – 1.3% for England – 204 firms
- 6.1% of £1-2m T/O businesses in 2015 grew to a minimum of £3m by 2018 – 67 firms
- 8.1% of job-creating firms with positive productivity growth (2015-2018) – 1,612 firms

Growth Hub Website:
www.howsbusiness.org

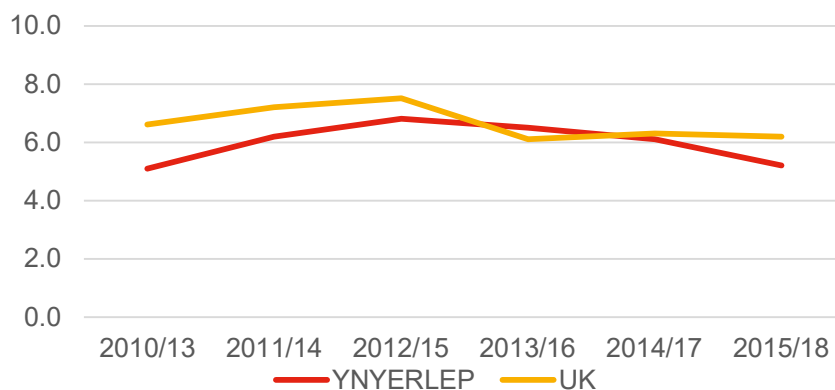
Start-ups Scaling <£500k to £1m + in 3 years 2015-18 (%)



Scaling Survivors £1-2m to £3m+ in 3 years 2015-18 (%)



High Growth Firm (OECD definition) Incidence Rate 2010/13 – 2015/18 (%)





FOR MORE INFORMATION ON ERC PLEASE CONTACT

Centre Manager

Enterprise Research Centre
Aston Business School
Birmingham, B4 7ET

Centre Manager

Enterprise Research Centre
Warwick Business School
Coventry, CV4 7AL

centremanager@enterpriseresearch.ac.uk

www.enterpriseresearch.ac.uk

@ERC_UK