

Economic Factsheet: Business Demography December 2014



The Office for National Statistics (ONS) produces annual data on Business Demography. This source shows the number of business start-ups ('births') and business closures ('deaths') each year and gives an indication of the health and dynamism of the local economy. It also provides information on survival rates of business start-ups.

Business births and deaths (2013)

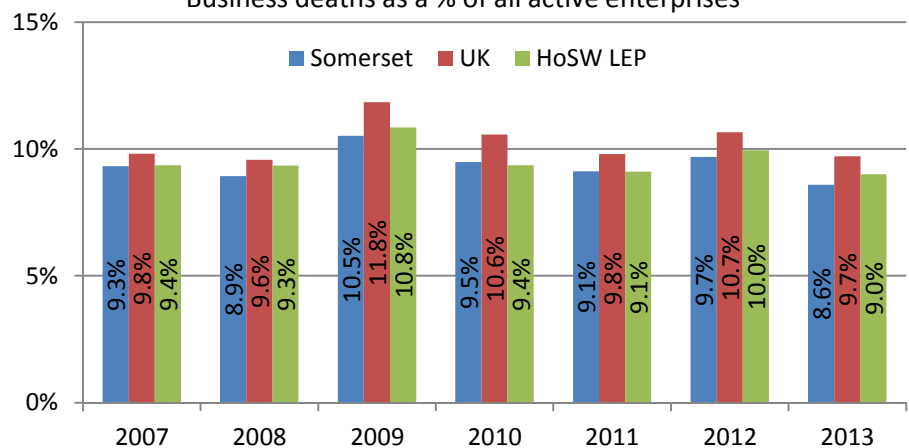
Area	Active enterprises 2013	Business Births	Business Deaths	Net change 2012-2013
Somerset	21,080	2,355	1,810	545
Mendip	4,985	555	400	155
Sedgemoor	4,390	520	405	115
South Somerset	6,155	645	490	155
Taunton Deane	4,200	490	410	80
West Somerset	1,350	145	105	40
Heart of the South West LEP	62,165	7,120	5,595	1,525
UK	2,448,745	346,485	237,660	108,825

In 2013, there were 21,080 active enterprises in Somerset. The majority of these (6,155) were located in South Somerset. All parts of the County saw a net increase in the number of active enterprises between 2012 and 2013, as did the LEP area and UK as a whole.

Source (all tables and charts): ONS Business Demography 2013

Business Death Rate

Business deaths as a % of all active enterprises

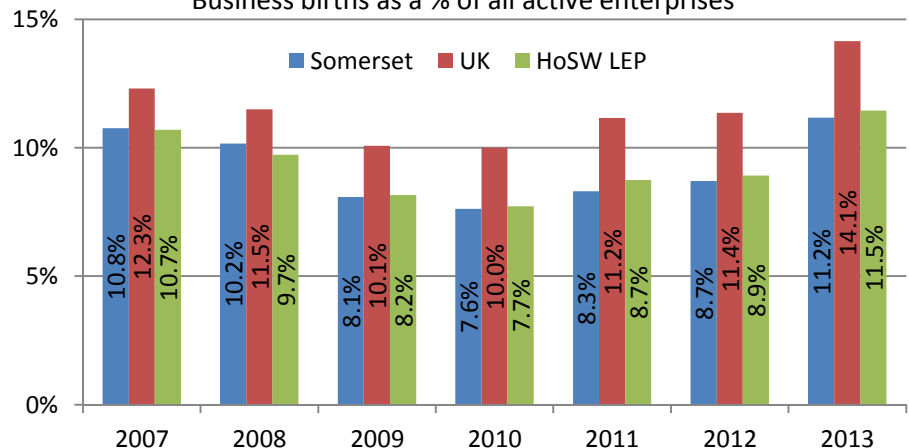


In 2013, there were 1,810 business 'deaths' in Somerset; 8.6% of the total active enterprises in the County. This is a slightly lower rate than the UK (9.7%) and Heart of the SW LEP area (9.0%). Business death rates peaked in 2009 after the financial crisis.

In 2013, there were 2,355 business births in Somerset, a rate of 11.2%. This is lower than the birth rates of 14.1% for the UK and 11.5% for the LEP area. The number of start-ups in the County has improved during this period. .

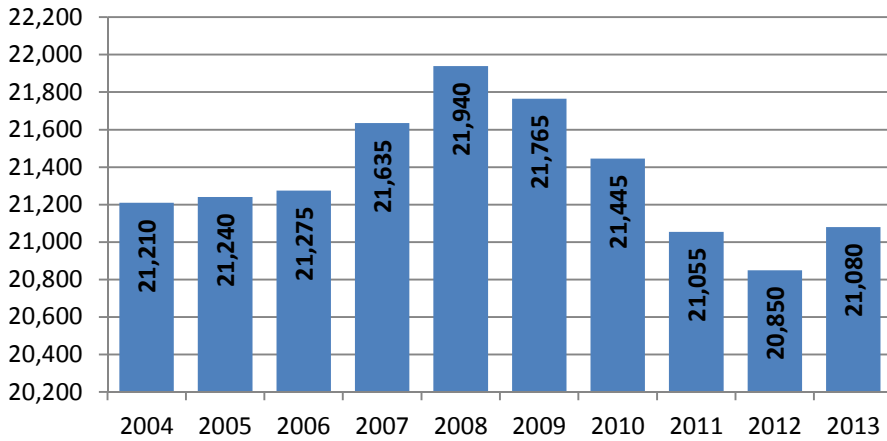
Business Birth Rate

Business births as a % of all active enterprises



Active Enterprises

Number of active enterprises in Somerset, 2004-2013



The number of active enterprises in Somerset peaked at 21,940 in 2008. Since then, the number has dropped steadily and there has been an overall decrease of 4%.

The number of active enterprises in the County has yet to return to pre-recession levels of around 21,200 in 2004-2006, but has increased in 2013 for the first time since 2008.

Business survival rates (2012)

Year	Somerset				HoSW LEP				UK			
	No. of start ups	Survival rates (%)			No. of start ups	Survival rates (%)			No. of start ups	Survival rates (%)		
		1 year	3 years	5 years		1 year	3 years	5 years		1 year	3 years	5 years
2008	2,230	93.7	62.6	44.8	6,250	94.3	62.7	45.6	267,445	92.0	58.0	41.3
2009	1,760	93.2	62.5		4,805	100.7	64.8		236,030	90.8	59.6	
2010	1,635	88.7	59.9		4,835	88.7	59.8		235,145	86.7	57.1	
2011	1,750	94.0			5,405	93.7			261,370	93.1		
2012	1,815	92.6			5,480	92.6			269,565	91.2		

44.8% of Somerset businesses started in 2008 were still trading 5 years later, compared to 45.6% across the LEP and 41.3% for the UK.

2010 was the worst year in recent times to start a business. Only 88.7% of Somerset businesses started that year were still trading in 2011.

1 year survival rates improved in 2011, with 94% of new Somerset firms surviving into 2012.

Survival rates for businesses started in 2012 show mixed fortunes across the County. All businesses started in West Somerset in 2012 were still trading a year later; a sharp increase on the 89.5% rate the previous year. On the other hand, Taunton Deane saw a drop in 1 year survival from 95.5% to 90.2%.

1 year survival rates

% of businesses still active 1 year after start-up

