

Economic Factsheet: Business Profile August 2013



Number of businesses (2012)

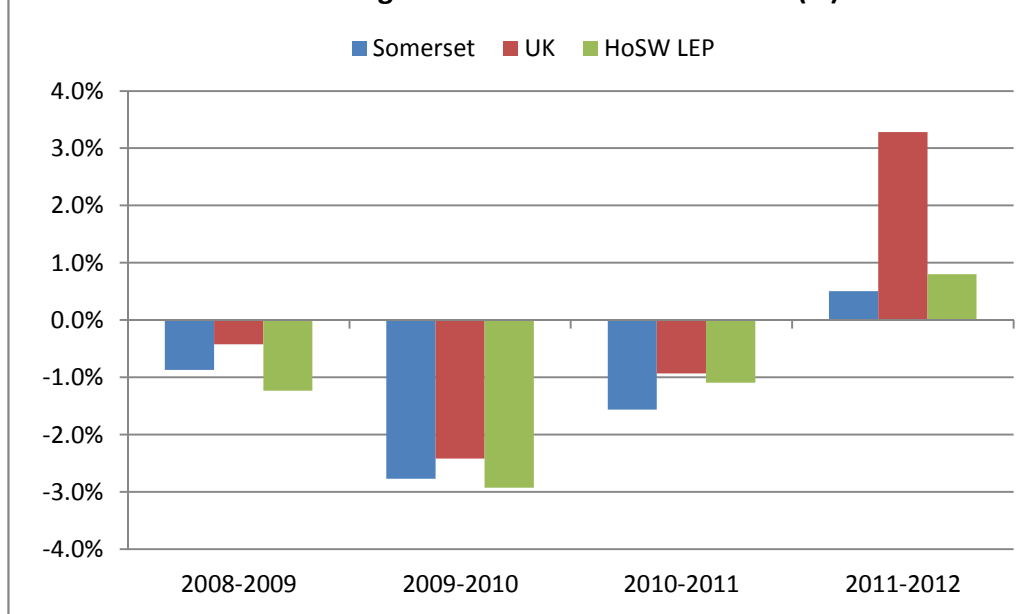
| Area | Total businesses 2012 | Business density per 1000 population | Change 2008-2012 | |
|-----------------------------|-----------------------|--------------------------------------|----------------------|-----------------|
| | | | Number of businesses | % of businesses |
| Somerset | 21,865 | 41 | -1,065 | -4.6% |
| Mendip | 5,090 | 47 | -185 | -3.5% |
| Sedgemoor | 4,425 | 39 | -130 | -2.9% |
| South Somerset | 6,515 | 40 | -345 | -5.0% |
| Taunton Deane | 4,180 | 38 | -240 | -5.4% |
| West Somerset | 1,655 | 48 | -165 | -9.1% |
| Heart of the South West LEP | 64,200 | 39 | -2,965 | -4.4% |
| UK | 2,149,185 | 34 | -12,370 | -0.6% |

Somerset has more businesses per 1,000 population (41) than the UK and Heart of the South West LEP area (34 and 39 respectively). The number of businesses in Somerset decreased by 4.6% between 2008 and 2012. The greatest reduction was seen in West Somerset (-9.1%).

Source: UK Business Activity, Size and Location 2012, ONS / 2011 Census

The economic downturn has affected the number of businesses in Somerset. The greatest annual change was between 2009 and 2010, with a 2.8% reduction. Business numbers have returned to growth in 2011-2012, although the UK is showing a higher rate of growth than Somerset and the LEP area. Business survival rates have dropped each year since 2006, with only 88.7% of Somerset businesses started in 2010 surviving for 1 year.

Annual change in the number of businesses (%)



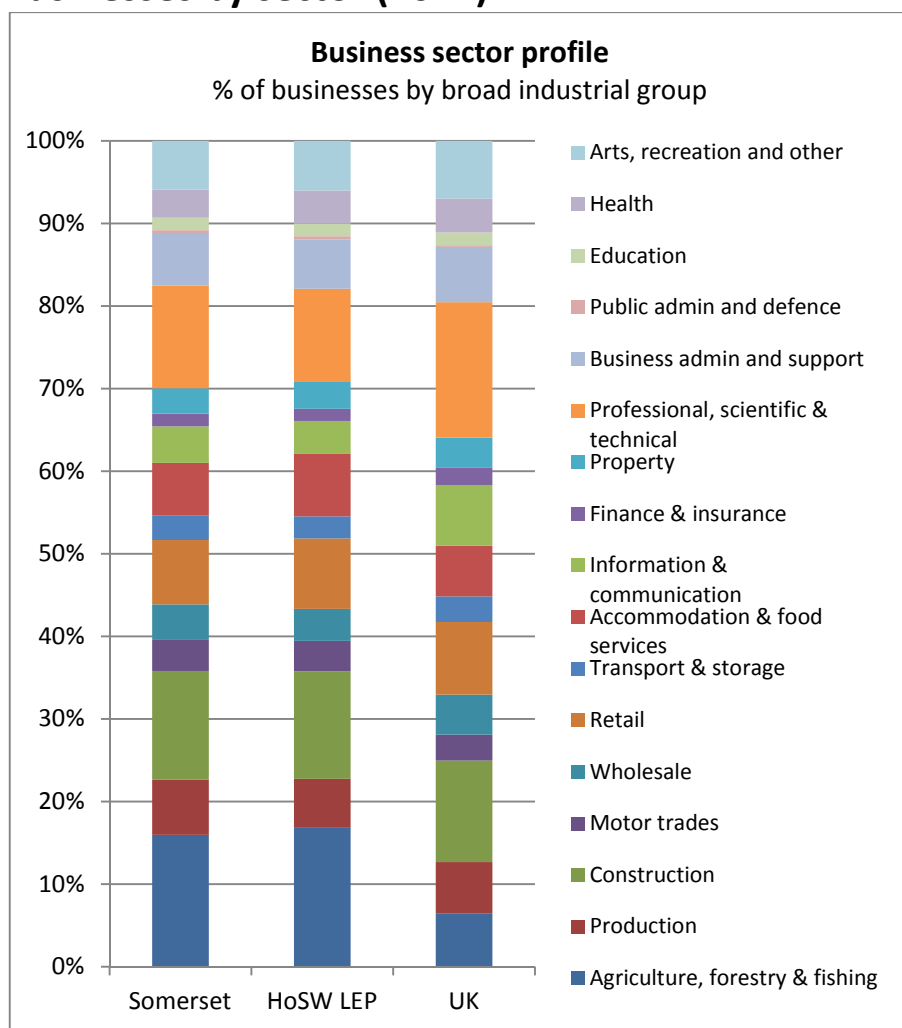
Source: UK Business Activity, Size and Location 2012, ONS

Business survival rates (2011)

| 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 |
| 2006 | 2,215 | 96.8 | 68.6 | 49.4 | 6,335 | 97.0 | 69.5 | 48.7 | 255,530 | 96.5 | 66.2 | 45.0 |
| 2007 | 2,330 | 95.9 | 67.4 | | 6,820 | 95.5 | 65.8 | | 280,730 | 95.4 | 63.0 | |
| 2008 | 2,230 | 93.7 | 62.6 | | 6,250 | 94.3 | 62.7 | | 267,445 | 92.0 | 58.0 | |
| 2009 | 1,760 | 93.2 | | | 5,180 | 93.0 | | | 236,030 | 90.8 | | |
| 2010 | 1,635 | 88.7 | | | 4,835 | 88.7 | | | 235,145 | 86.7 | | |

Source: Business Demography 2011, ONS

Businesses by sector (2012)



Somerset's largest sectors in terms of number of businesses are agriculture, forestry and fishing (16%), construction (13.2%) and professional, scientific and technical (12.4%). The County's industrial profile is broadly similar to that of the LEP area.

The UK as a whole has a lower concentration of agriculture, forestry and fishing businesses (6.5%) than Somerset and the Heart of the South West LEP, but a higher proportion of information and communication (7.4%) and finance and insurance businesses (2.1%).

Source: UK Business Activity, Size and Location 2012, ONS

Businesses by size (2012)

% of total businesses by number of employees

| Area | Number of employees | | | | | | |
|-----------------------------|---------------------|-------|-------|-------|-------|---------|------|
| | 0-4 | 5-9 | 10-19 | 20-49 | 50-99 | 100-249 | 250+ |
| Somerset | 77.0% | 12.9% | 5.6% | 3.0% | 0.8% | 0.5% | 0.3% |
| Mendip | 77.1% | 12.9% | 5.6% | 3.0% | 0.8% | 0.5% | 0.1% |
| Sedgemoor | 76.8% | 13.4% | 5.6% | 2.8% | 0.8% | 0.3% | 0.1% |
| South Somerset | 76.7% | 13.0% | 5.4% | 3.1% | 0.9% | 0.6% | 0.2% |
| Taunton Deane | 76.3% | 12.2% | 6.2% | 3.1% | 1.0% | 0.5% | 0.7% |
| West Somerset | 79.8% | 12.7% | 4.5% | 2.4% | 0.6% | 0.0% | 0.0% |
| Heart of the South West LEP | 75.4% | 13.8% | 5.9% | 3.2% | 0.9% | 0.5% | 0.2% |
| UK | 75.6% | 13.0% | 6.2% | 3.2% | 1.0% | 0.6% | 0.4% |

Source: UK Business Activity, Size and Location 2012, ONS

Somerset's economy is mostly made up of small and medium-sized enterprises (SMEs). 77% of Somerset's businesses employ 4 people or fewer, compared to 75.6% in the UK and 75.4% in the LEP area. In West Somerset, 92.4% of businesses employ fewer than 10 people. Taunton Deane has the largest concentration of medium and larger businesses in the County, with 11.5% employing more than 10 people.