

Overview

- Buckinghamshire is the Entrepreneurial Heart of Britain, recording the highest new firm formation rate of any county council area in 2010. The county would rank second among the LEPs, behind London, according to data released by the ONS this week;
- Great Britain saw a record 292,005 businesses close in 2010, while the number of business births was 0.7 per cent lower than in 2009 at 230,555 and 14.4 per cent below 2007's peak;
- There were 2,790 business births in Buckinghamshire during 2010, a 1.5 per cent increase over 2009. The number of business closures rose by 3.1 per cent to 3,275;
- Buckinghamshire is the centre of the most entrepreneurial part of the UK being bordered by six of the other eight top ranked LEPs, with Enterprise M3, ranking fifth, only two miles from South Bucks.

Buckinghamshire is the Entrepreneurial Heart of Britain. In 2010, the county saw 70.5 firms formed for every 10,000 residents, the highest new firm formation rate of any county council area. However, for the second successive year the number of firms created in Buckinghamshire was lower than the number that closed.

Table 1: New firm formation, 2010

	Business Births			Business Deaths			Annual Change (%)	
	No.	Rate	Rank	No.	Rate	Rank	Births	Deaths
Aylesbury Vale	800	57.6	77	1,025	73.8	59	0.6	4.1
Chiltern	550	76.1	21	610	84.4	30	0.9	6.1
South Bucks	550	101.1	8	570	104.8	9	0.0	-5.0
Wycombe	890	68.2	35	1,070	82.0	33	3.5	5.4
Buckinghamshire	2,790	70.5	1	3,275	82.7	1	1.5	3.1
South East	36,910	53.4	2	45,225	65.4	2	1.6	6.6
Great Britain	230,555	46.8	-	292,005	59.3	-	-0.7	7.4

Source: Business Demography ONS, 2011; Mid-year Population Estimates, ONS, 2011

South Bucks continues to be the strongest performing of the Buckinghamshire districts recording the 8th highest new firm formation rate among the 380 local authorities in Great Britain and the highest outside central London. Chiltern and Wycombe both rank inside the national top 50 at 21st and 35th, while Aylesbury Vale ranks 77th. Although business deaths outnumbered business births for the second successive year, Buckinghamshire's business births grew faster than for the country overall and business deaths grew at less than half the regional and national rates of growth (6.6 per cent and 7.4 per cent respectively).

Buckinghamshire's new firm formation rate is higher than that recorded for each of its neighbouring Local Enterprise Partnerships apart from London, the full results are presented in table 2 below. The national geography of new firm formation, presented in the map at the end of this bulletin, shows Buckinghamshire to be at the centre of a concentration of enterprise extending over much of the Greater South East.

Table 2: Business births and deaths by LEP, 2010

	Business Births			Business Deaths			Annual Change (%)	
	No.	Rate	Rank	No.	Rate	Rank	Births	Deaths
Buckinghamshire	2,790	70.5	2	3,275	82.7	2	1.5	3.1
Enterprise M3	8,035	61.6	5	9,515	72.9	4	3.7	7.9
Hertfordshire	5,820	65.7	3	6,760	76.3	3	1.3	-7.9
London	52,755	83.8	1	60,290	95.8	1	4.3	11.6
Northamptonshire	2,780	50.5	6	3,410	61.9	9	2.2	8.4
Oxfordshire	2,595	49.3	8	3,085	58.6	16	-8.9	8.6
SEMLEP	7,655	52.2	7	9,000	61.4	10	-1.0	1.1
Thames Valley Berkshire	4,475	64.7	4	4,745	68.6	6	7.6	1.9

Source: Business Demography ONS, 2011

Of the Buckinghamshire firms formed in 2009, only 90.2 per cent survived into 2010, the lowest rate recorded by any county council area and below the national rate of 90.9 per cent. Two year survival rates are stronger, ranking 11th of county council areas at 77.6 per cent, while 68.1 per cent of firms survive three years to rank third. Among the districts the survival rate was highest in Aylesbury Vale at 94.6 per cent to rank 36th of all 380 local authority district, falling to 78.5 per cent in South Bucks, the 5th lowest survival rate in the country. The proportion of firms surviving to 2009 by year of formation is presented in table 3 below.

Table 3: Firm survival to 2010 by year of formation

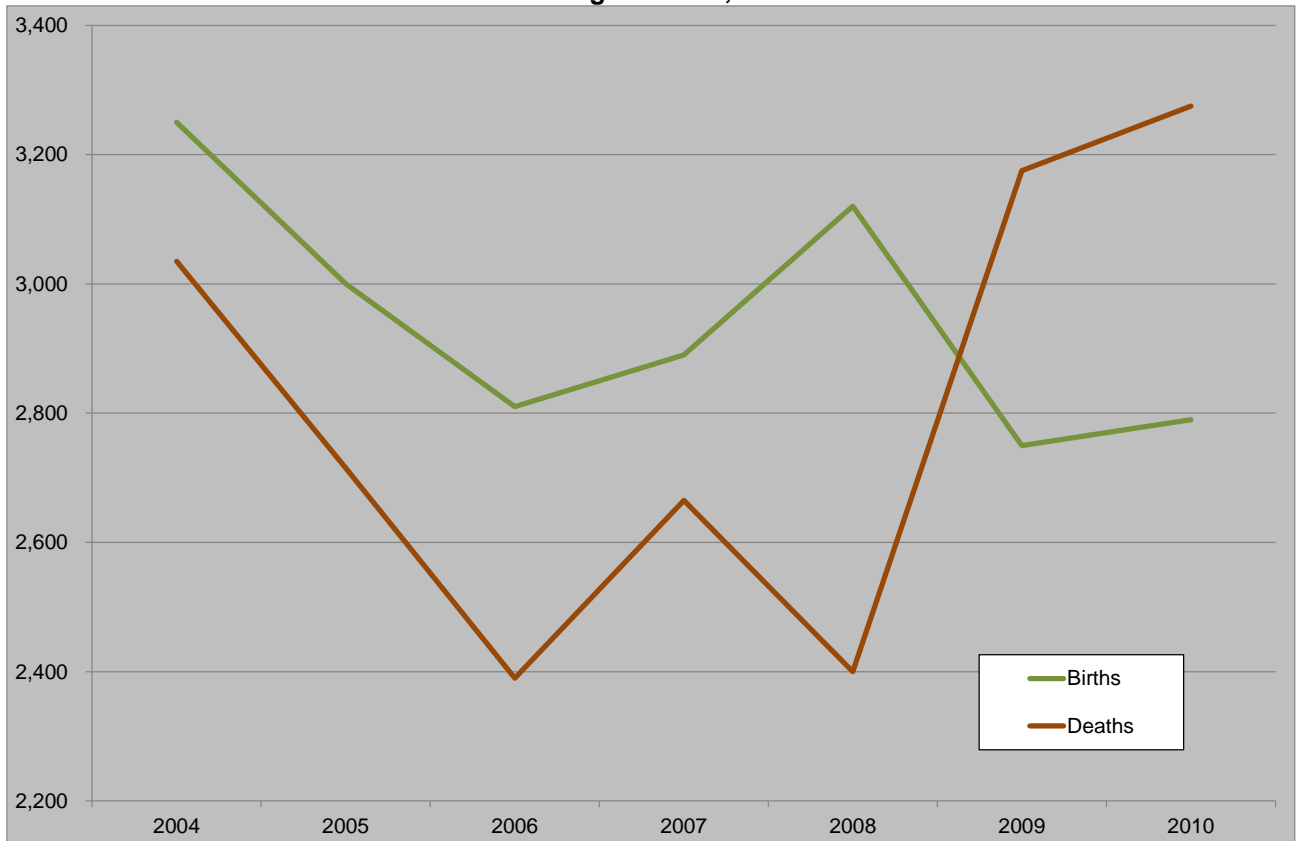
	2009		2008		2007		2006		2005	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
Aylesbury Vale	94.6	36	79.2	67	68.0	62	58.10	60	50.6	42
Chiltern	92.5	179	80.6	38	68.6	49	59.60	34	54.1	9
South Bucks	78.5	376	74.0	267	69.4	31	52.90	211	47.5	113
Wycombe	92.2	204	76.4	181	67.2	81	60.00	30	51.3	29
Buckinghamshire	90.2	27	77.6	11	68.1	3	58.10	6	50.9	3
South East	91.6	6	76.5	3	66.1	1	56.30	3	46.8	3
Great Britain	90.9	-	74.2	-	63.0	-	53.10	-	44.2	-

Source: Business Demography ONS, 2011

Across the country, 2010 saw the closure of a record 292,005 businesses, 21.0 per cent more than the 230,555 formed. In Buckinghamshire, the difference was 14.8 per cent, the 3rd lowest difference among county council areas. As chart 1 shows, 2010 saw business closures outnumbering new firms in Buckinghamshire for a second year, reducing the number of active enterprises to 28,715.

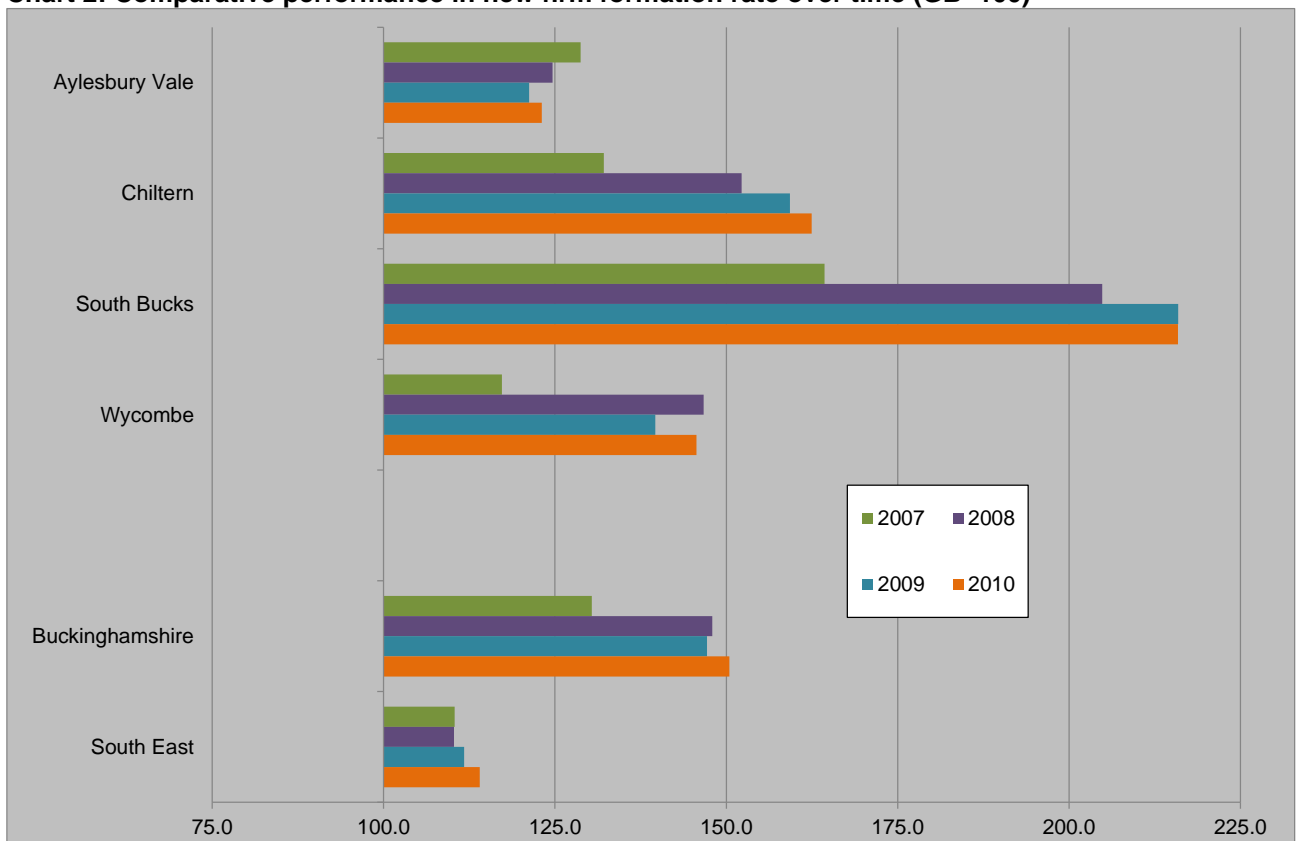
Buckinghamshire improved its entrepreneurial performance compared to the country as a whole, as shown in Chart 2 below. In 2010, Buckinghamshire's new firm formation rate was 50.5 per cent above the national rate having been 47.2 per cent and 48.0 per cent higher in 2009 and 2008 respectively. Wycombe and Chiltern saw the largest year on year improvements on this measure increasing their advantages over the national rate by 6.0 and 3.2 percentage points respectively. All Buckinghamshire districts created fewer firms in 2010 than in 2004 although, with the exception of Aylesbury Vale, the rate of decline has been less severe than across the country as a whole, as shown in chart 3.

Chart 1: Business births and deaths in Buckinghamshire, 2004 - 2010



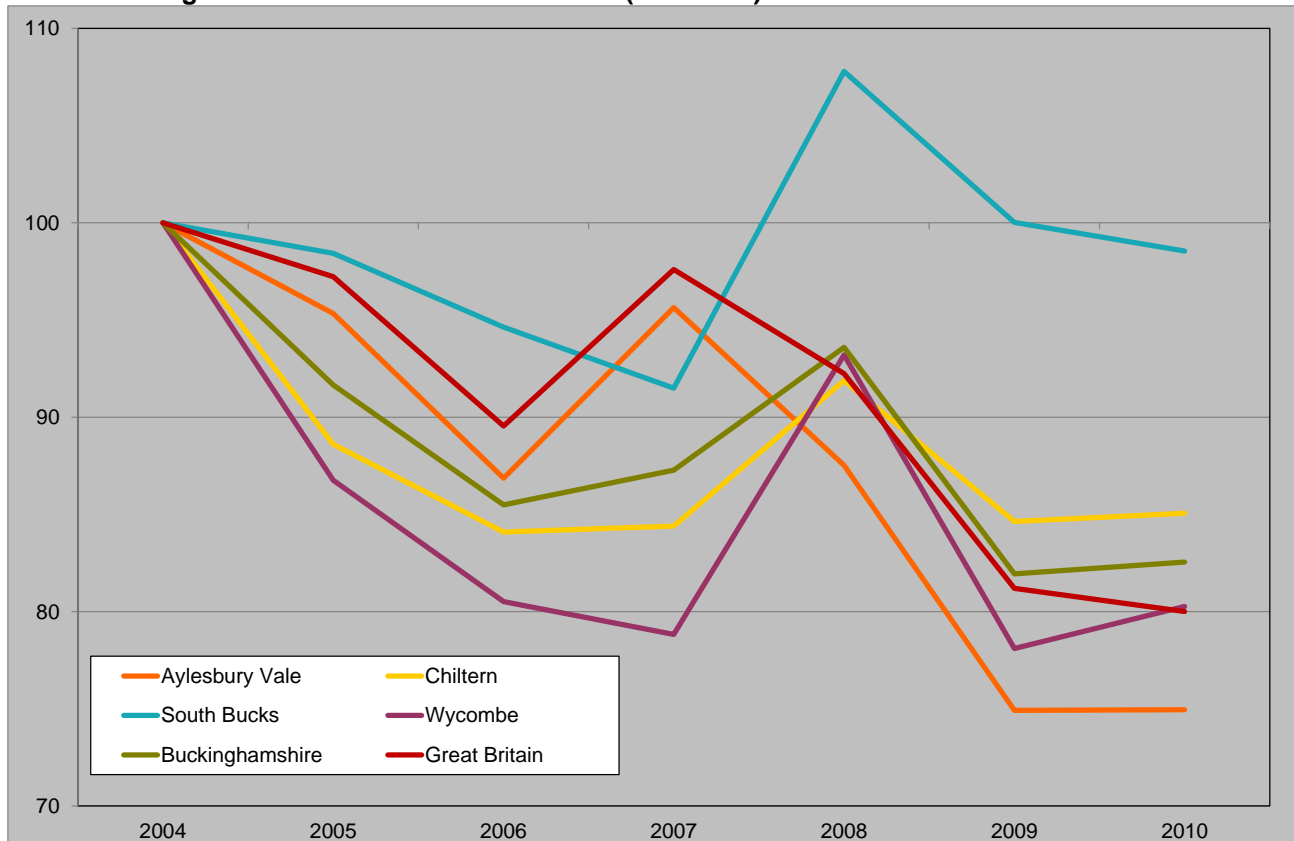
Source: Business Demography ONS, 2011

Chart 2: Comparative performance in new firm formation rate over time (GB=100)



Source: Business Demography ONS, 2011, Mid-year Population Estimates, ONS, 2011

Chart 3: Change in new firm formation over time (2004=100)



Source: Business Demography ONS, 2011

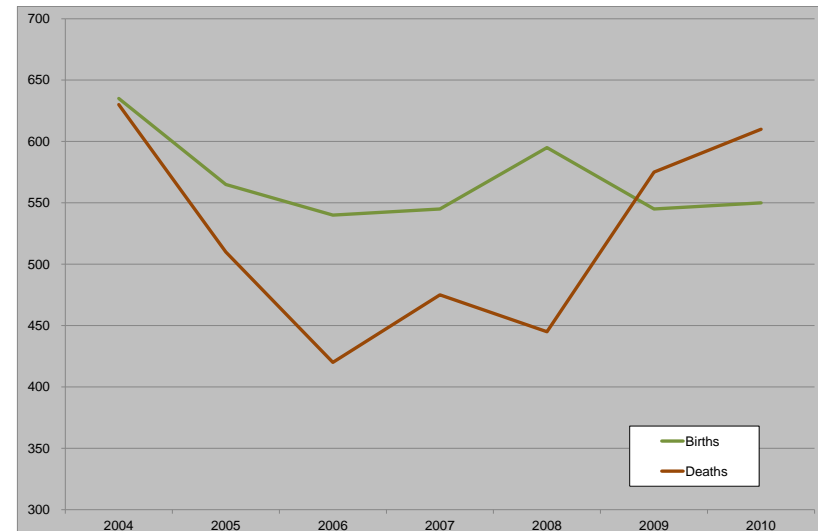
At the national level, new property companies were the least likely to survive their first year, with only 84.5 per cent surviving to 2010, while information and communication companies had the highest survival rate. At the two digit level, firms engaged in architectural services were the most likely to survive their first year (96.0 per cent of 6,585 firms) ahead of waste collection and social work activities (both 95.4 per cent) and management consultancy (95.1 per cent). The lowest survival rate were recorded for residential care activities (57.0 per cent of 940), building construction (78.6 per cent of 8,905) and office administration and business support (83.3 per cent of 18,240). The highest number of business deaths occurred in office administration and business support at over 33,000, followed by the building trades where over 26,000 firms closed and retail (almost 24,000).

Chart 4: Business births and deaths over time by district

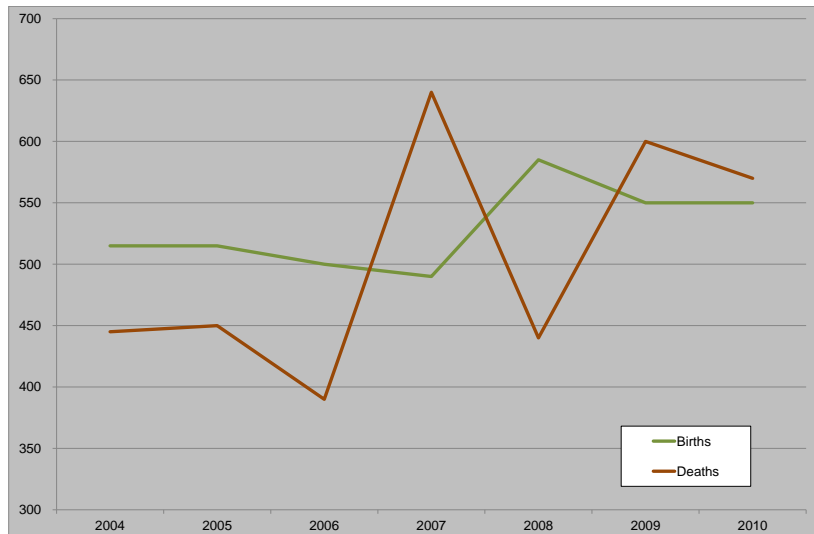
Aylesbury Vale



Chiltern

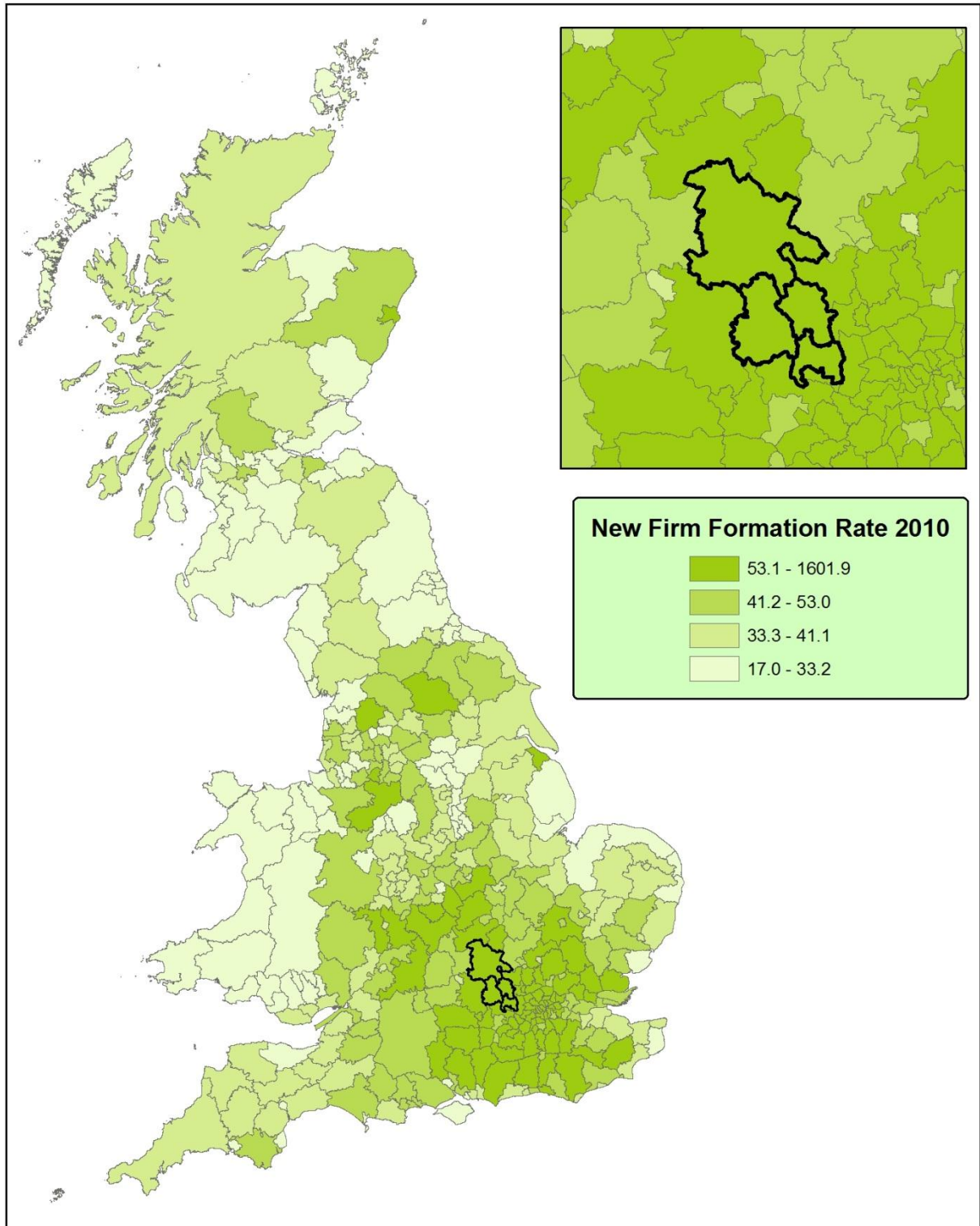


South Bucks



Wycombe





New Firms Formed per 10,000 residents, 2010

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Scale: 1:4,500,000 at A4

