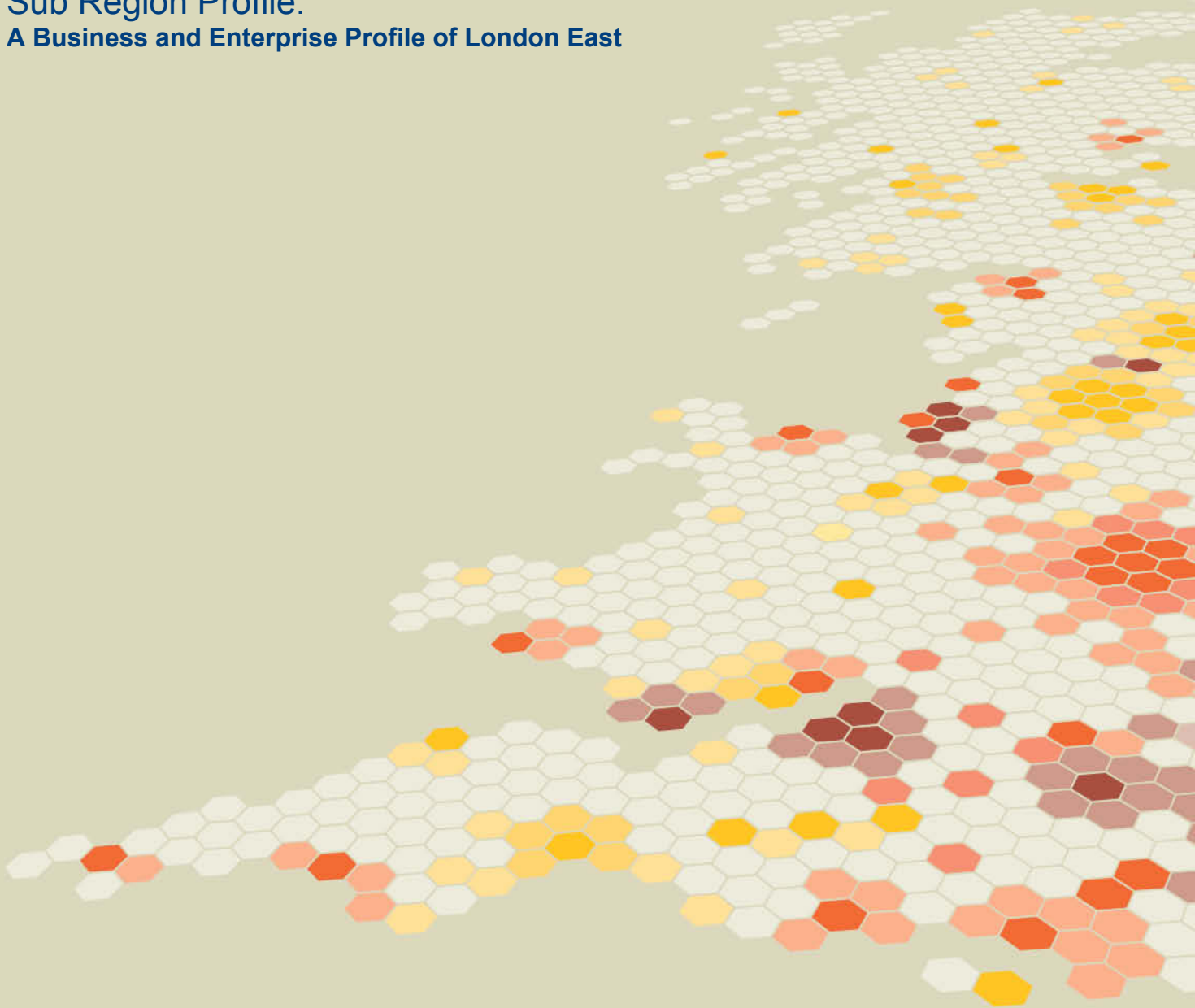


February 2009

Sub Region Profile:
A Business and Enterprise Profile of London East



About Place Profiles

Place Profiles are a series of reports available from the Local Futures Group that provide an assessment of local conditions. Using the latest data at the time of creation, they are available for a range of economic, social and environmental themes at sub-region through to neighbourhood level. The reports present a range of graphical outputs, together with a summary analysis of performance that is set within a regional and national context.

More information about the profiles and how to purchase further copies is available at the end of this report.

About the Local Futures Group

The Local Futures Group comprises a team of researchers and consultants with academic, corporate and policy backgrounds. We provide a geographical perspective on economic, social and environmental change. We introduce this perspective into public policy and corporate strategies, both in the UK and internationally. Our services include:

- **Benchmarking:** a family of benchmarking services that ensure future strategies are underpinned by a clear and shared understanding of current conditions. These provide a comprehensive analysis set within a regional and national context.
- **Strategy:** research and support services to identify future drivers of change and develop long-term strategies.
- **Monitoring:** online services to monitor change and assess the impact of strategies.

These services are underpinned by our subscription service **Local Knowledge:**

Local Knowledge is regarded as a powerful web-based service for local strategies and marketing. Incorporating the latest thinking on competitiveness and sustainable development, it provides researchers and policy-makers with access to an unrivalled decision support tool that is interactive and easy to use.

To find out more about our services or to arrange a free trial of Local Knowledge please give us a call on 020 7440 7360 or email info@localfutures.com

Business and Enterprise Profile: London East

Introduction

A dynamic local enterprise culture is vital for the long-term competitiveness and overall success of any local economy. Our business and enterprise profile uses the Local Futures Business and Enterprise Score to assess the extent of an enterprise culture in London East. The score is composed of the new business formation rate, the business survival rate and the growth in business stock over the last 5 years. This profile also references other measures including the number of businesses per head of population and average business size.

London East is ranked 1 out of 53 sub regions on our business and enterprise score, indicating an enterprise culture that performs in the top 20% of sub regions nationally.

With a business and enterprise score of 123.29, London East is well above the national median. This is shown in the map, where areas with very dark shadings score highly and those with very light shadings score poorly.

The new business formation rate in London East is very high by national standards, with 14.15% of all businesses registering for VAT in 2008. By comparison the London figure was 13.40% and the national figure was 10.55%.

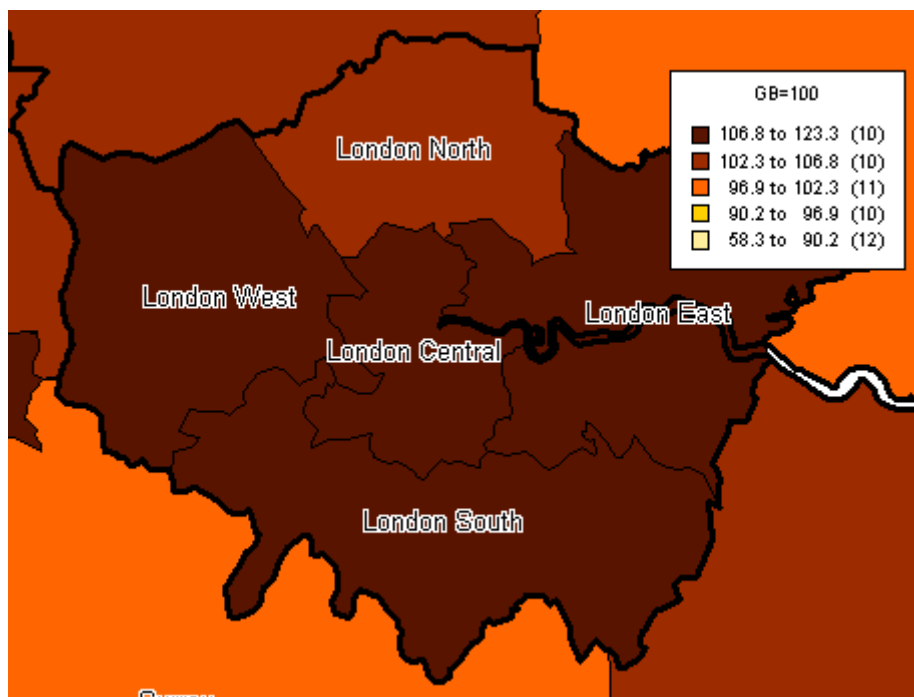
The business density of London East is very high compared with the national median, with 41.31 businesses per 1000 head of population. By comparison, the London average was 51.99 and the national mean average was 40.22.

A glossary of the terms and definitions used in this profile are included at the end of the report.

Business And Enterprise Score

The map shows the performance of sub regions within London on our business and enterprise score. The areas with very dark shading score highly and those with very light shading score poorly.

With a score of 123.29, London East is in the top 20% of sub regions nationally.

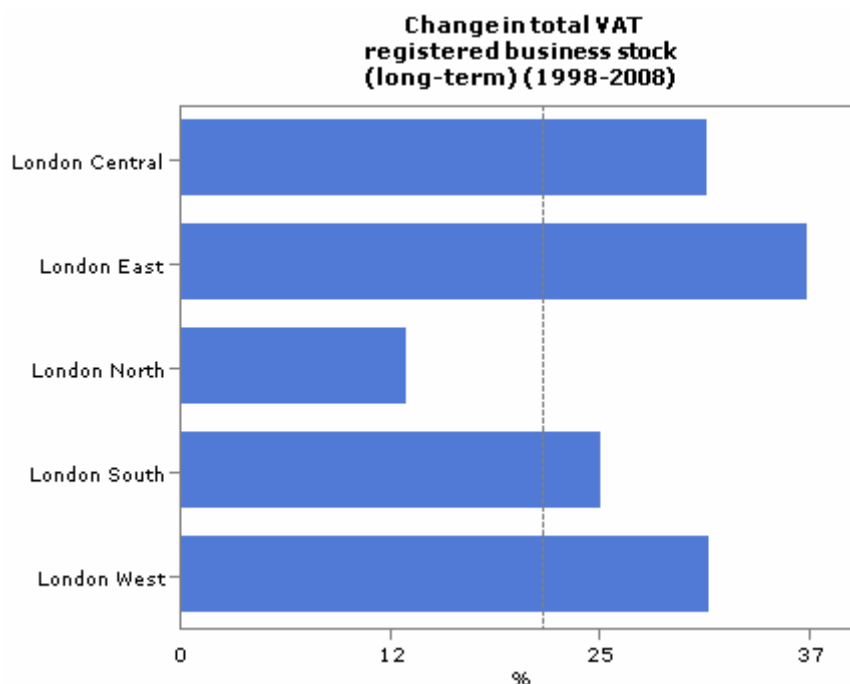


Source: Business start-ups and closures: VAT registrations and deregistrations

Change In Total VAT Registered Business Stock (Long-Term)

The bar chart shows the change in the VAT registered business stock between 1998 and 2008, for the sub regions in London.

The chart shows that at 36.89%, London East has seen a quite strong growth in business stock between 1998-2008. By comparison the Great Britain average, shown by the dashed line, is 21.33%.



Source: Business start-ups and closures: VAT registrations and deregistrations

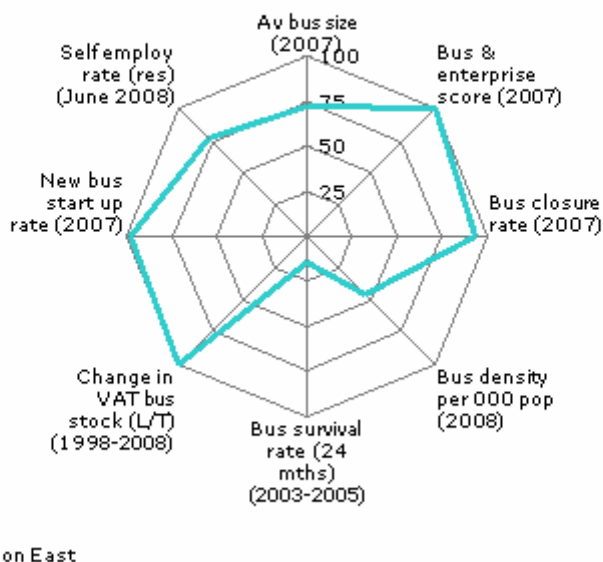
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Business And Enterprise Indicators

The spider chart is a way of showing how London East rates against the national median. Data for every sub region in Great Britain is converted into a percentile score, with the top ranking area scoring 100 and the bottom zero. The national median is shown by the 50th percentile. The chart shows that London East scores very well by national standards on our business and enterprise composite score. The chart also shows how London East performs on a range of related business and enterprise measures.



Source: Business start-ups and closures: VAT registrations and deregistrations

Business And Enterprise Indicators

Areas	Av bus size (Emp/Bus) 2007	Bus density per 000 pop (Number) 2008	New bus start up rate (%) 2007	Bus closure rate (%) 2007	Bus survival rate (24 mths) (%) 2003-2005	Self employ rate (res) (%) June 2008	Change in VAT bus stock (L/T) (%) 1998-2008	Bus & enterprise score (GB=100) 2007	Rank
London East	12.18	41.31	14.15	8.92	76.93	13.42	36.89	123.29	1/53
London West	10.49	47.03	14.15	9.13	78.06	16.45	31.14	120.05	2/53
London Central	11.28	81.79	12.76	8.72	80	15.94	31.01	115.33	3/53
London South	8.69	43.21	13.21	8.56	80.47	15.48	24.74	113.24	5/53
London North	7.50	41.54	13.10	10.28	75.16	17.97	13.36	102.34	20/53
London	10.54	51.99	13.40	8.98	78.30	16.25	29.01	115.68	1/11
Great Britain Average	11.11	40.22	10.55	7.55	80.19	11.89	21.33	100	

Source: Business start-ups and closures: VAT registrations and deregistrations
The rankings in the table are based on the "Business and enterprise score" indicator

Business And Enterprise Indicators Summary

Looking at some of the indicators from the table we find that:

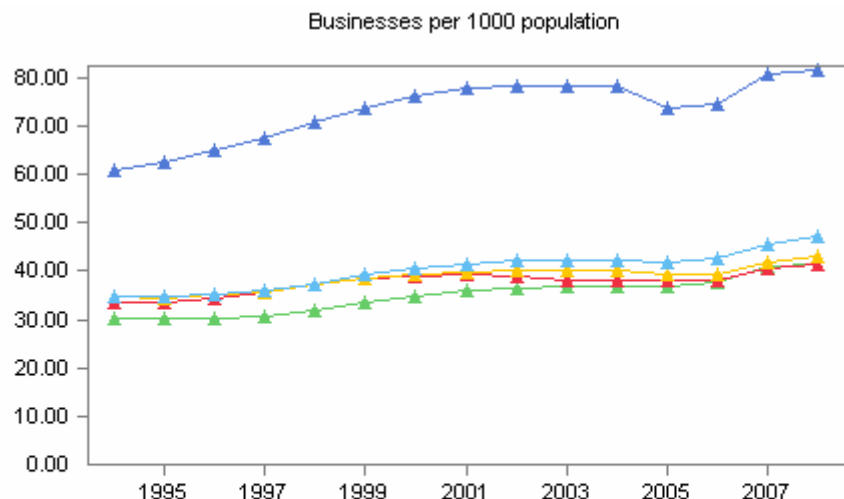
- The new business formation rate in London East is very high, with the area ranking in the top 20% of sub regions nationally. In 2008, 14.15% of all businesses registered for VAT compared with 13.40% in London and 10.55% nationally.
- The 24 month business survival rate in London East is very low by national standards, with the sub region ranking in the bottom 20% of sub regions nationally. Of all of the VAT registered businesses in 2003, 76.93% were still trading in 2005.
- The self-employment rate in London East is high by national standards, with the sub region ranking in the top 40% of sub regions nationally. In 2008, the self-employment rate was 13.42%, compared with 16.25% in London and 11.89% nationally.
- Between 1998 and 2008, the total business stock in London East increased by 36.89%. This change places the area in the top 20% of sub regions nationally. Over the same time period, the number of businesses in London changed by 29.01%.

Source: Business start-ups and closures: VAT registrations and deregistrations

Change In Businesses Per 000 Population

The chart shows how business density has changed over recent years, for the sub regions in London.

For London East it shows that between 1994 and 2008 business density has increased from 30.21 businesses per 1000 head of population to 41.31.



Source: Local Knowledge; Business start-ups and closures: VAT registration
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▲ London Central
 ▲ London East
 ▲ London North
▲ London South
 ▲ London West

Source: Business start-ups and closures: VAT registrations and deregistrations

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Nearest Neighbours

For the indicators in the spider chart shown earlier, the areas in the country with the most similar profiles are shown on the right. These are statistically the nearest neighbours to London East, with London West in London being the most similar on the business and enterprise indicators.

Rank	Place Name	Region
1	London West	London
2	London Central	London
3	Coventry & Warwickshire	West Midlands
4	London South	London
5	Berkshire	South East
6	Bedfordshire & Luton	East of England
7	Northamptonshire	East Midlands
8	West of England	South West
9	Greater Merseyside	North West
10	West Yorkshire	Yorkshire and Humber

Source: Business start-ups and closures: VAT registrations and deregistrations

Glossary of terms

Average business size	The average number of employees per business.
Business and enterprise score	This is an indicator of the enterprise of businesses within the locality. The higher the score, the more business enterprise in an area. The score takes into consideration an area's business formation rate, the change in VAT registered business stock, and new business survival rates.
Business closure rate	The percentage of businesses that have deregistered for VAT within the last year.
Businesses per 000 population	The number of enterprises registered for VAT per 1000 population.
Change in total VAT registered business stock (long-term)	Percentage change in the number of enterprises registered for VAT at the start of the year. This is an indicator of the change in the number of business start-ups. It excludes most of the very smallest one-person businesses.
New business formation rate	The percentage of businesses that have registered for VAT within the last year.
New business survival rate	The proportion of businesses still registered for VAT 24 months after their initial registration.
Proportion of self-employed in workforce (residence based)	The proportion of the workforce that is self-employed. This is based on Annual Population Survey respondents' own assessment of whether they are employees or self-employed.

Data Sources and Definitions

Average business size	The total number of employees as a proportion of total businesses.
Business and enterprise score	The score takes into consideration an area's business formation rate, the change in VAT registered business stock, and new business survival rates. Each one of these 3 indicators was indexed to the GB value (business formation rates and new business survival rates were treble weighted), and then all three indices were summed and averaged.
Business closure rate	The number of businesses deregistering for VAT as a proportion of all VAT registered businesses. Derived from annual workplace estimates based on the Inter Departmental Business Register (IDBR).
Businesses per 000 population	Total number of businesses as a proportion of 1000 population aged 16+. Derived from annual workplace estimates based on the Inter Departmental Business Register (IDBR).
Change in total VAT registered business stock (long-term)	The difference between the total business stock in most recent year and the start year as a proportion of the total business stock in the start year. Derived from annual workplace estimates based on the Inter Departmental Business Register (IDBR).

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New business formation rate	Registered business stock in the most recent year as a proportion of the stock at start of the previous year. Derived from annual workplace estimates based on the Inter Departmental Business Register (IDBR).
New business survival rate	This is based on registrations and de-registrations of VAT-based enterprises, and is calculated from data collected from the Inter-Departmental Business Register (IDBR). Supplied in this format by the official source.
Proportion of self-employed in workforce (residence based)	The number of self-employed as a proportion of all employed persons.

Source: Local Knowledge; Business start-ups and closures: VAT registrations and de-registrations; Annual Business Inquiry; Annual Population Survey.

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We hope that you have found this report useful. If you would like a more comprehensive guide which benchmarks and analyses a specific area's performance, please contact us to discuss your requirements.

Ordering further Place Profiles

Place Profiles are available at a range of spatial levels from Sub-Region to Lower Layer Super Output Area. The reports are produced using the latest information. They cover the following economic, social and environmental themes which, in combination, provide a comprehensive analysis of local conditions:

Economy

Economic Performance
Industrial Structure
Business and Enterprise
Skills and Qualifications
Labour Market

Society

Age
Ethnicity
Households
Migration and Change
Occupations
Prosperity
Deprivation
Health
Crime

Environment

Housing
Commercial Property
Transport and Communications
Amenities
Natural Environment

Prices range from £50 to £100 for a single report, depending on content and spatial level. Please call us on ☎ 020 7440 7360 or email placeprofiles@localfutures.com to place an order or to discuss discounted prices for multiple reports.

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