

UK Business: Activity, Size and Location - September 2023¹

The UK Business: activity, size and location dataset released In September 2023 provides a snapshot of the Business Demography (from Inter-Departmental Business Register, IDBR) dataset from March 2023 and provides a breakdown by broad sector, turnover and employment size band. The fuller Business Demography is released in November each year which provides the total number of active enterprises in each location, alongside side enterprise births, deaths, high growth and survival rates.

The following briefing is based on enterprises as opposed to local units².

Key points:

- The snapshot from March 2023 shows there were 377,925 enterprises in the Midlands Engine area, a decrease of 1.4% (-5,195 enterprises) compared to March 2022 snapshot, the UK decreased by 1.5%.
- In the Midlands Engine area, 88.7% (335,215) of enterprises employed between 0-9 employees, below the UK average of 89.1%. Compared to the 2022 snapshot, the Midlands Engine proportion decreased by 0.2pp (-5,510 enterprises) compared to the UK decrease of 0.4pp.
- The 2023 snapshot data shows that the Midlands Engine area had a higher proportion than or matched the UK in 4 of the 5 turnover bands, the exception was the £0-£199,999 banding (67.9% vs 68.1% UK). A decrease of in proportions by 3.2pp for the Midlands Engine area and a decrease of 3.3pp for the UK since the 2022 snapshot.
- Snapshot 2023 data shows out of 10 defined sectors, the Midlands Engine has 6 sectors above the UK average. These are: advanced manufacturing (6.5% vs 5.0%), energy & low carbon activities (6.0% vs 5.8%), healthcare & life sciences (4.2% vs 4.0%), public sector including education (2.1% vs 2.0%), retail (16.6% vs 14.7%) and transport technologies & logistics (6.8% vs 4.7%).

In Detail:

- The snapshot from March 2023 shows there were 377,925 enterprises in the Midlands Engine area, a decrease of 1.4% (-5,195 enterprises) compared to March 2022 snapshot, the UK decreased by 1.5% - this is first fall for the UK since 2010/11 (-0.9%).
- At a regional level, the latest annual change shows that Northern Ireland was the only area to increase in enterprises (+0.3%). While the East Midlands had the largest decreased (-2.9%). The West Midlands region overall decreased by 1.6%.
- Within the Midlands Engine in 2023, there were 23 local authorities which increased from the March 2022 snapshot. There were 3 local authorities where the increase was 100 and above, these were: Amber Valley (+100 to 4,670 in total), North Kesteven, (+110 to 4,270) and North Warwickshire (+140 to 2,925). The largest number decreases were seen in Leicester (-1,095 to 13,500), Wyre Forest (-580 to 4,155) and Wychavon (-495 to 7,030). There is a table in the appendix which shows a breakdown by local authority within the Midlands Engine area.

¹ Office for National Statistics (ONS): [UK Business; activity, size and location: 2023](#) - released September 2023.

² ONS state that an enterprise can be thought as the overall business, made up of all the individual sites or workplaces. It is defined as the smallest combination of legal units that has a certain degree of autonomy within an enterprise group. A local unit is an individual site (for example a factory or shop) associated with an enterprise. It can also be referred to as workplace.

Employment by Size Band

- In the Midlands Engine area, 88.7% (335,215) of enterprises employed between 0-9 employees, below the UK average of 89.1%. Compared to the 2022 snapshot, the Midlands Engine proportion decreased by 0.2pp (-5,510 enterprises) compared to the UK decrease of 0.4pp.
- For the Midlands Engine area, the percentage of enterprises that employed 10-49 people was above the UK average (9.3% vs 9.0%). The Midlands Engine area has increased by 0.2pp when compared to the March 2022 snapshot and the number of enterprises increased by 245, the UK proportion increased by 0.4pp.
- The proportion that employed 50 to 249 people match the UK average of 1.6%. The Midlands Engine area remained at the same proportion while the UK increased by 0.1pp since the 2022 snapshot. However, the number of enterprises did increase by 25 in the Midlands Engine.
- The proportion that employed over 250 people match the UK average of 0.4%. These proportions have remained the same since the 2022 snapshot. However, the number of enterprises has risen by 45 in the Midlands Engine.

The following table shows the 2023 snapshot of employment by size band for the Midlands Engine and the UK:

	Midlands Engine	Midlands Engine Percent	UK	UK percent
Total	377,925	100.0%	2,726,830	100.0%
Micro (0 to 9)	335,215	88.7%	2,428,885	89.1%
Small (10 to 49)	35,035	9.3%	244,240	9.0%
Medium-sized (50 to 249)	6,035	1.6%	42,795	1.6%
Large (250+)	1,615	0.4%	10,910	0.4%

Turnover Band

- As seen in the following table, the 2023 snapshot data shows that the Midlands Engine area had a higher proportion than or the same as the UK in 4 of the 5 turnover bands, the exception was the £0-£199,999 banding (67.9% vs 68.1% UK). A decrease of in proportions by 3.2pp for the Midlands Engine area and a decrease of 3.3pp for the UK since the 2022 snapshot.
- Reflecting UK trends, the £0-£199,999 turnover band was the only one to decrease when compared to the 2022 snapshot. There was a decrease of 5.8% (-15,930) for the Midlands Engine area and the UK decreased by 3.3%.

The following table shows the Midlands Engine and UK turnover band from the 2023 snapshot:

	Midlands Engine	Midlands Engine Percent	UK	UK percent
£0 - £99,999	256,615	67.9%	1,857,245	68.1%
£100,000 - £199,999	81,900	21.7%	589,470	21.6%
£200,000 - £999,999	29,605	7.8%	209,650	7.7%
£1m - £4.99m	8,555	2.3%	61,180	2.2%
£5m+	1,185	0.3%	9,285	0.3%
Total	377,925	100.0%	2,726,830	100.0%

Enterprises by Defined Sector

- Snapshot 2023 data shows out of 10 defined sectors, the Midlands Engine has 6 sectors above the UK average. These are: advanced manufacturing (6.5% vs 5.0%), energy & low carbon activities (6.0% vs 5.8%), healthcare & life sciences (4.2% vs 4.0%), public sector including education (2.1% vs 2.0%), retail (16.6% vs 14.7%) and transport technologies & logistics (6.8% vs 4.7%).

- For the Midlands Engine area, the sector with the highest proportion of enterprises was business, professional & financial services which accounted for 29.2% (110,435) of the business base; the UK proportion was 32.1%. This sector has decreased by 0.8% (-940) since the 2022 snapshot, reflecting national trends where there was a 1.8% decrease.
- When compared to the 2022 snapshot, only 3 of the 10 defined sectors increased in the Midlands Engine area, these were: construction by 590 (+1.0% matching UK growth), healthcare & life sciences by 435 (+2.8% matching UK growth) and public sector including education by 30 (+0.4%, +1.1% UK). In contrast, in real terms the Midlands Engine area saw the highest falls (by -1,935) in transport technologies & logistics.

The following table shows enterprises by sector for the Midlands Engine and UK:

	Midlands Engine 2022	Midlands Engine 2023	Midlands Engine % Change	Midlands Engine Num. Change	Midlands Engine 2023 % of Total	UK 2023	UK % Change	UK 2023 % of Total
Advanced Manufacturing	25,045	24,690	-1.4%	-355	6.5%	135,820	-1.9%	5.0%
Business, Professional & Financial Services	111,375	110,435	-0.8%	-940	29.2%	875,225	-1.8%	32.1%
Construction	57,675	58,265	1.0%	590	15.4%	429,265	1.0%	15.7%
Creative, Design & Digital	18,500	17,580	-5.0%	-920	4.7%	187,360	-4.5%	6.9%
Energy & Low Carbon Activities	23,125	22,840	-1.2%	-285	6.0%	157,280	-0.8%	5.8%
Healthcare & Life Sciences	15,575	16,010	2.8%	435	4.2%	109,095	2.8%	4.0%
Public Sector Including Education	8,045	8,075	0.4%	30	2.1%	55,145	1.1%	2.0%
Retail	64,010	62,635	-2.1%	-1,375	16.6%	402,165	-2.8%	14.7%
Transport Technologies & Logistics	27,720	25,785	-7.0%	-1,935	6.8%	128,600	-6.9%	4.7%
Visitor Economy	32,030	31,590	-1.4%	-440	8.4%	246,870	0.6%	9.1%
Total	383,120	377,925	-1.4%	-5,195	100.0%	2,726,830	-1.5%	100.0%

Appendix

The following table shows the 2022 and 2023 snapshots for the number of enterprises and also the change by local authority within the Midlands Engine area:

	2022	2023	Percentage Change	Number Change
Amber Valley	4,570	4,670	2.2%	100
Ashfield	3,100	3,170	2.3%	70
Bassetlaw	4,160	4,205	1.1%	45
Birmingham	37,380	36,990	-1.0%	-390
Blaby	4,150	4,070	-1.9%	-80
Bolsover	2,285	2,205	-3.5%	-80
Boston	2,355	2,385	1.3%	30
Bromsgrove	5,170	5,065	-2.0%	-105
Broxtowe	3,325	3,390	2.0%	65
Cannock Chase	3,910	3,565	-8.8%	-345
Charnwood	6,830	6,770	-0.9%	-60
Chesterfield	3,350	3,355	0.1%	5
Coventry	10,295	10,335	0.4%	40
Derby	7,550	7,515	-0.5%	-35
Derbyshire Dales	4,630	4,545	-1.8%	-85
Dudley	10,215	10,035	-1.8%	-180
East Lindsey	5,495	5,520	0.5%	25
East Staffordshire	4,930	4,820	-2.2%	-110
Erewash	3,980	4,050	1.8%	70
Gedling	3,590	3,585	-0.1%	-5
Harborough	5,350	5,355	0.1%	5
Herefordshire, County of	10,620	10,590	-0.3%	-30
High Peak	3,955	4,025	1.8%	70
Hinckley and Bosworth	4,575	4,490	-1.9%	-85
Leicester	14,595	13,500	-7.5%	-1,095
Lichfield	4,885	4,815	-1.4%	-70
Lincoln	2,700	2,655	-1.7%	-45
Malvern Hills	4,485	4,275	-4.7%	-210
Mansfield	3,340	3,360	0.6%	20
Melton	2,535	2,515	-0.8%	-20
Newark and Sherwood	5,030	5,060	0.6%	30
Newcastle-under-Lyme	3,690	3,630	-1.6%	-60
North East Derbyshire	3,515	3,395	-3.4%	-120
North East Lincolnshire	4,795	4,745	-1.0%	-50
North Kesteven	4,160	4,270	2.6%	110
North Lincolnshire	5,715	5,735	0.3%	20
North Warwickshire	2,785	2,925	5.0%	140
North West Leicestershire	4,420	4,295	-2.8%	-125
Nottingham	9,630	9,685	0.6%	55
Nuneaton and Bedworth	3,685	3,560	-3.4%	-125
Oadby and Wigston	2,210	2,090	-5.4%	-120
Redditch	3,050	3,005	-1.5%	-45
Rugby	5,025	4,880	-2.9%	-145
Rushcliffe	5,360	5,225	-2.5%	-135
Rutland	1,975	1,920	-2.8%	-55
Sandwell	9,875	9,935	0.6%	60
Shropshire	15,900	15,740	-1.0%	-160
Solihull	8,165	8,025	-1.7%	-140
South Derbyshire	4,270	4,295	0.6%	25
South Holland	4,040	4,010	-0.7%	-30
South Kesteven	6,265	6,245	-0.3%	-20
South Staffordshire	4,360	4,385	0.6%	25
Stafford	5,325	5,370	0.8%	45
Staffordshire Moorlands	4,095	4,065	-0.7%	-30

	2022	2023	Percentage Change	Number Change
Stoke-on-Trent	6,725	6,625	-1.5%	-100
Stratford-on-Avon	8,535	8,555	0.2%	20
Tamworth	2,280	2,240	-1.8%	-40
Telford and Wrekin	5,710	5,795	1.5%	85
Walsall	8,495	8,160	-3.9%	-335
Warwick	7,165	7,095	-1.0%	-70
West Lindsey	3,790	3,725	-1.7%	-65
Wolverhampton	8,995	8,860	-1.5%	-135
Worcester	3,515	3,370	-4.1%	-145
Wychavon	7,525	7,030	-6.6%	-495
Wyre Forest	4,735	4,155	-12.2%	-580
Midlands Engine	383,120	377,925	-1.4%	-5,195
UK	2,767,700	2,726,830	-1.5%	-40,870