

Midlands Engine Business Demography - 2021¹, Released November 2022:

The Office for National Statistics (ONS) released their annual business demography publication on 17th November 2022, providing data on the number of businesses in the UK for 2021, broken down by district and industry.

In Summary:

- For the Midlands Engine area, there were 407,825 active enterprises in 2021. This has increased by 2.2% (a net increase of 8,885 enterprises) since 2020, faster than the UK overall rate of 1.5%.
- There were 368 enterprises per 10,000 population in the Midlands Engine area in 2021, compared to 459 per 10,000 population for England.
- For the Midlands Engine to reach the national average of 459 per 10,000 population requires an additional 100,238 active enterprises.
- There were 54,015 enterprise births in the Midlands Engine in 2021. This represents an increase of 12.9% (+6,175 births) since 2020, with the UK increasing at a slower rate (by 9.3%) over the same period.
- There were 49 enterprise births per 10,000 population in the Midlands Engine area in 2021, below the England figure of 57 births per 10,000 population. For the Midlands Engine to reach the national average, an additional 9,079 enterprise births are required each year.
- Enterprise survival rates show the percentage of businesses that survived in 2021 and in previous years. As with previous years, the findings suggest the Midlands Engine area performs better on short-term survival (1–2-year enterprise survival rates are higher in the Midlands Engine than the UK average), but lags behind when it comes to longer-term survival (3-5 years enterprise survival rates in UK are higher than in the Midlands Engine).
- The latest available data suggests there was 1,385 high growth enterprises across the Midlands Engine in 2021. This represents a decrease of -10.4% (-160 firms) since 2020, broadly in line with the UK overall rate of decrease (-11.2%).

In Detail:

UK-Level Findings

National level findings show that:

- Between 2020 and 2021, the number of UK business births² increased from 333,020 to 363,995; this represents a birth rate of 12.4% in 2021, compared with 11.5% in 2020.
- The number of UK business deaths³ increased from 299,190 to 327,385 between 2020 and 2021; this represents a death rate of 11.1%, compared with 10.3% in 2020.
- Overall, there were approximately 2.9 million active businesses in the UK during 2021, an increase of 42,560 on 2020.

¹ Source: Office for National Statistics (ONS), [Business Demography: UK 2021](#), released November 2022

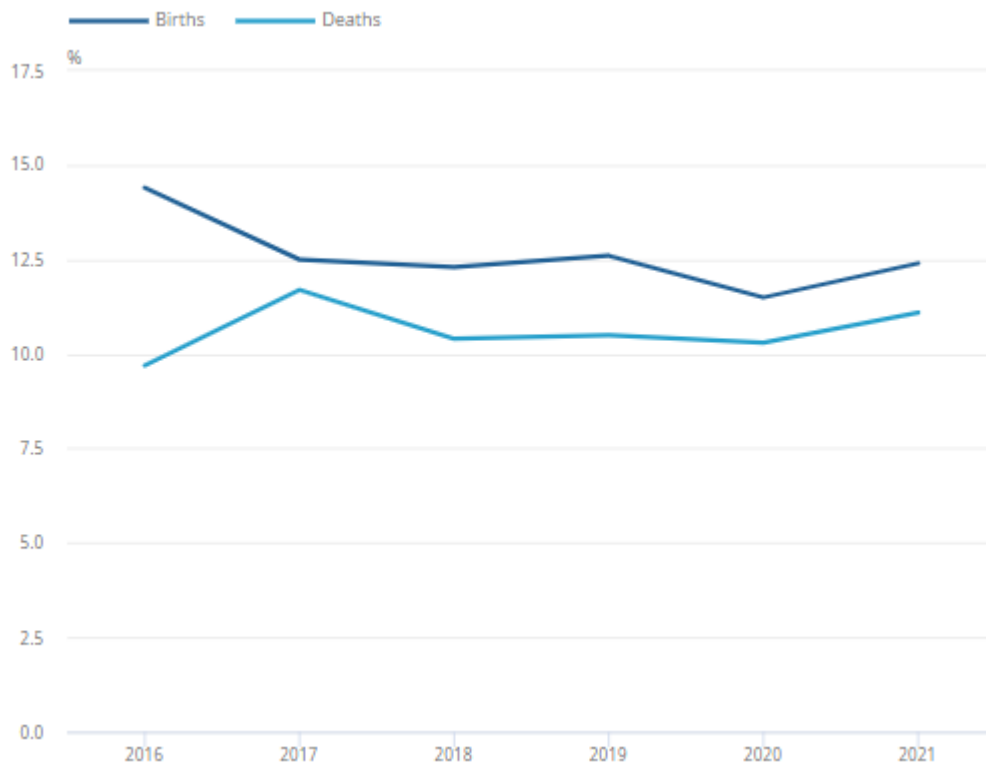
Please note, Charnwood, Bolsover, Leicester, Birmingham, and Bromsgrove have been highlighted within this dataset for having more than 500 businesses at a single postcode within it. The potential impact of multiple registrations includes, large increases in business births, large increases in business deaths, poor one-year survival rates and large year-on-year fluctuations. Further information is located here - [Multiple business registrations at a single postcode](#)

² Business births are defined as new business registrations. The birth rate is calculated using the number of births as a proportion of the active businesses.

³ Business deaths are defined as businesses that have ceased to trade. The death rate is calculated using the number of deaths as a proportion of the active businesses

- Both business birth and death rates increased in 2021, and at a similar rate to one another. The business birth rate, although increasing from 11.5% to 12.4%, is still two percentage points lower in 2021 than the rate seen in 2016. However, most industries are showing higher birth rates in 2021 than in 2020. It is likely that the Covid-19 pandemic contributed towards lower business birth rates in 2020.

National birth and death rates of enterprises:



Source: Office for National Statistics – Inter-Departmental Business Register

- The transport and storage (including postal) industry had the highest business birth rate at 25.9%. This industry has had the highest business birth rate since 2017.

Regional Level Findings

- At a regional level, the West Midlands had the highest business birth rate at 14.2%. The main industry impacting births in the West Midlands was transport and storage at 22.1%, with the freight transport by road industry contributing two-thirds of this increase.
- The West Midlands was also the region with the highest business death rate at 13.0%. The biggest proportion of these deaths was in business administration and support services, at 23.8%. Other business support services contributed four-fifths of this increase.
- The East Midlands business birth and death rates were both below the national average in 2021: 11.8% and 10.9% respectively.

Birth and death rates by region:

	Active	Births		Deaths	
	Count	Count	Rate (%)	Count	Rate (%)
North East	78	10	13.0	9	11.0
North West	291	39	13.4	34	11.6
Yorkshire and The Humber	203	25	12.3	22	10.9
East Midlands	198	23	11.8	22	10.9
West Midlands	240	34	14.2	31	13.0
East	291	33	11.4	31	10.7
London	606	85	14.1	70	11.5
South East	449	48	10.8	49	10.8
South West	237	26	10.9	23	9.8
Wales	106	14	13.2	12	11.5
Scotland	176	19	10.7	20	11.2
Northern Ireland	65	7	10.3	5	8.0
Total	2,940	364	12.4	327	11.1

Source: Office for National Statistics – Inter-Departmental Business Register

Midlands Engine Level Findings

Active Enterprises

- For the Midlands Engine area, there were 407,825 active enterprises in 2021. This has increased by 2.2% (a net increase of 8,885 enterprises) since 2020, faster than the UK overall rate of 1.5%.
- Year-on-year growth was reported in all Midlands Engine LEP areas other than Greater Birmingham and Solihull (which experienced a decrease of 2.0%). The LEP with the fastest growth between 2020 and 2021 was the Black Country, reporting a 7.6% increase in the number of active enterprises (+3,000), followed by Stoke and Staffordshire with an additional 1,360 businesses in 2021 compared to 2020 (+3.4%).
- There were 368 enterprises per 10,000 population in the Midlands Engine area in 2021, compared to 459 per 10,000 population nationally. These reflect only marginal increases from 2020, across the Midlands Engine (from 360 per 10,000), and nationally (from 452 per 10,000).
- For the Midlands Engine to reach the national average of 459 per 10,000 population requires an additional 100,238 active enterprises.
- Within the Midlands Engine geography, active enterprises per 10,000 population ranges from 570 in Worcestershire (up from 569 in 2020) to 349 in the Black Country (but notably up from 327 in 220). Other than Worcestershire, all other LEP areas are currently below the national rate per 10,000 of population.

The following table shows active enterprises for the Midlands Engine and England between 2018 and 2021:

	2018	2019	2020	2021	Num. Change 2020-2021	% Change 2020-2021	Enterprises per 10,000 population
Black Country LEP	37,565	38,415	39,380	42,380	3,000	7.6%	349
Coventry and Warwickshire LEP	40,145	40,550	40,640	41,195	555	1.4%	437
Derby, Derbyshire, Nottingham and Nottinghamshire LEP	76,165	76,490	76,320	78,555	2,235	2.9%	356
Greater Birmingham and Solihull LEP	88,460	88,940	88,900	87,105	-1,795	-2.0%	423
Greater Lincolnshire LEP	38,565	39,195	39,595	40,695	1,100	2.8%	358
Leicester and Leicestershire LEP	43,890	44,340	47,150	48,140	990	2.1%	445
Stoke-on-Trent and Staffordshire LEP	39,695	39,970	39,990	41,350	1,360	3.4%	365
The Marches LEP	26,990	27,800	28,450	29,175	725	2.5%	419
Worcestershire LEP	32,365	34,225	34,020	34,380	360	1.1%	570
Midlands Engine	389,235	394,035	398,940	407,825	8,885	2.2%	368
England	2,503,920	2,547,030	2,556,250	2,592,840	36,590	1.4%	459

Enterprise Births

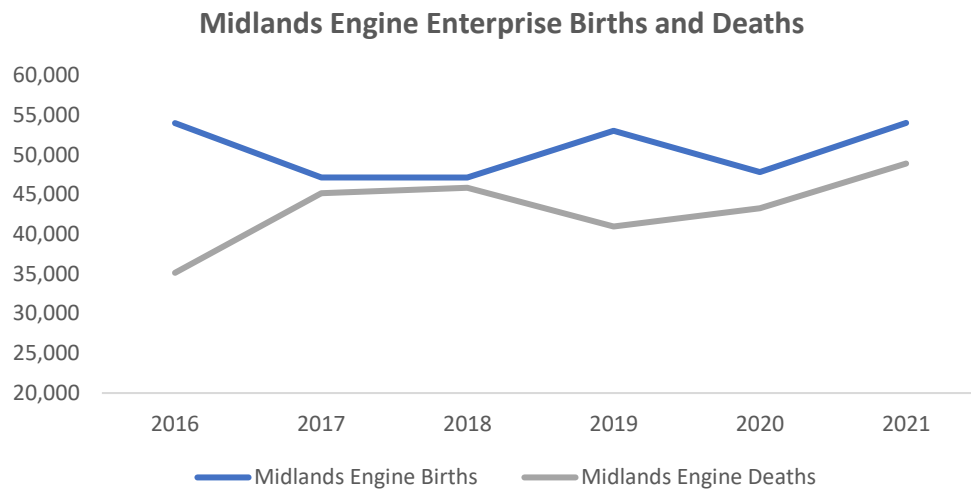
- There were 54,015 enterprise births in the Midlands Engine in 2021. This represents an increase of 12.9% (+6,175 births) since 2020, with the UK increasing at a slower rate (by 9.3%) over the same period.
- Enterprise births increased between 2020 and 2021 in all but one LEP area – Leicester and Leicestershire - which reported a -22.5% fall in business births between 2020 and 2021 (from 7,325 to 5,675). Worcestershire reported the greatest increase in enterprise births (+47.5% from 3,950 in 2020 to 5,825 in 2021), followed by the Black Country (reporting a +34.0% increase). Wyre Forest (+210.0%), Wychavon (+201.8%) and Cannock Chase (+167.7%) had the fastest year-on-year growth of local authorities.
- There were 49 enterprise births per 10,000 population in the Midlands Engine area in 2021, below the England figure of 57 births per 10,000 population. For the Midlands Engine to reach the national average, an additional 9,079 enterprise births are required each year.
- Across the Midlands Engine, enterprise births per 10,000 population ranges from 40 in Greater Lincolnshire LEP (up from 38 in 2020) to 97 in Worcestershire LEP (an increase from 66 in 2020).

Enterprise Deaths

- Enterprise deaths in the Midlands Engine area increased by 13.0% (+5,625 deaths) between 2020 and 2021 to 48,900, above the UK overall growth rate of 9.4%.
- Greater Birmingham and Solihull was the only LEP area to report a decrease in enterprise deaths, falling from 14,070 in 2020 to 13,740 in 2021 (-2.4%).
- In contrast, the other eight LEP areas reported increases in enterprise deaths: the largest coming in Worcestershire (+41.8%), followed by Leicester and Leicestershire (+34.5%), Black Country (+33.5%), and The Marches (+20.4%). This is likely to reflect challenges provided by the Covid-19 pandemic, particularly as protective measures began to be removed in 2021.

The table in Appendix 1 shows a summary of active enterprises, births and deaths between 2020 and 2021, across all Midlands Engine LEP and local authority areas.

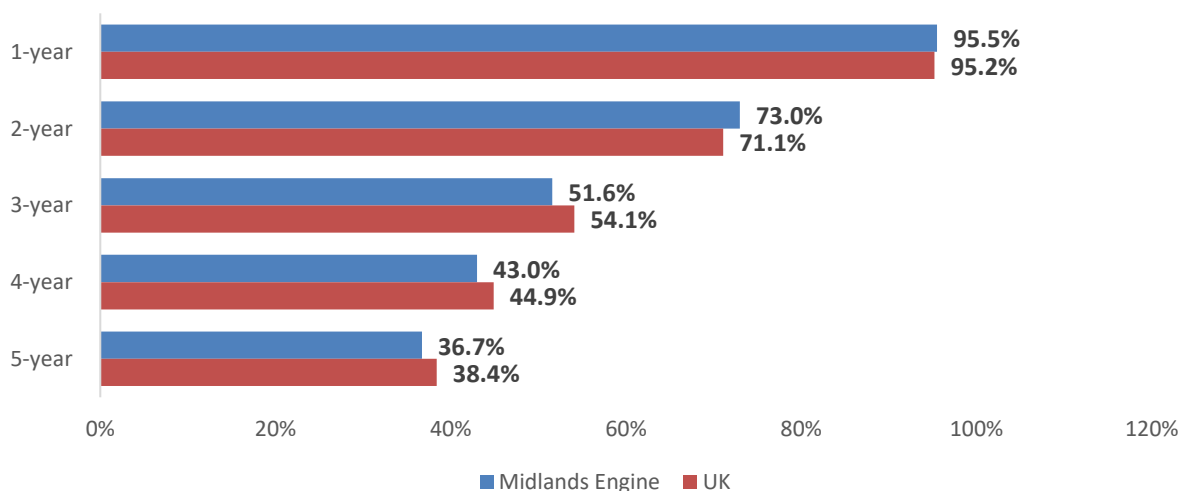
The following chart shows a summary of Midlands Engine enterprise births and deaths in recent years:



Survival Rates

- Enterprise survival rates show the percentage of businesses that survived in 2021 and in previous years. As with previous years, the findings suggest the Midlands Engine area performs better on short-term survival (1–2-year enterprise survival rates are higher in the Midlands Engine than the UK average), but lags behind when it comes to longer-term survival (3-5 years enterprise survival rates in UK are higher than in the Midlands Engine).
 - Of the 47,840 enterprise births in 2020 in the Midlands Engine area, 94.3% (45,100) were still active after 1 year. This is above the UK 1-year survival rate of 92.9%.
 - Of the 47,155 enterprise births in 2018 in the Midlands Engine area, 54.1% (25,525) were still active after 3 years compared to 57.6% for the UK.
 - Of the 54,005 enterprise births in 2016 in the Midlands Engine area, 36.7% (19,800) were still active in 2021. This is below the UK survival rate of 38.4%.

The following chart shows from 2016 births the five-year survival rates for the Midlands Engine area and the UK:



High Growth Enterprises⁴

- The latest available data suggests there was 1,385 high growth enterprises across the Midlands Engine in 2021. This represents a decrease of -10.4% (-160) since 2020, broadly in line with the UK overall rate of decrease (-11.2%).
- The number of high growth enterprises has now decreased in each of the last 3 years, perhaps somewhat unexpected given major economic shocks. In all Midlands Engine LEP areas other than the Stoke and Staffordshire and Greater Lincolnshire (in both of which the numbers are unchanged between 2020 and 2021), the number of high growth firms was lower in 2021 than in 2020, with the largest falls experienced in The Marches (-21.8% from 115 to 90) and Leicester and Leicestershire (-15.4% from 195 to 165).
- At the local authority level, the greatest increases in high growth businesses between 2020 and 2021 were reported in Rutland (+100.0%), Bolsover (+50.0%) and North East Lincolnshire (+33.3%), but in most places the number of high growth companies either fell or remained the same.

The following table shows high growth enterprises for the Midlands area, LEPs, and the UK for 2020 and 2021:

	2020	2021	2020 - 2021 Change	2019 - 2020 % Change
Black Country LEP	155	140	-15	-9.7%
Coventry and Warwickshire LEP	150	140	-10	-6.7%
Derby, Derbyshire, Nottingham and Nottinghamshire LEP	340	295	-45	-13.2%
Greater Birmingham and Solihull LEP	305	270	-35	-11.5%
Greater Lincolnshire LEP	150	150	0	0.0%
Leicester and Leicestershire LEP	195	165	-30	-15.4%
Stoke-on-Trent and Staffordshire LEP	150	150	0	0.0%
The Marches LEP	115	90	-25	-21.7%
Worcestershire LEP	105	90	-15	-14.3%
Midlands Engine	1,545	1,385	-160	-10.4%
UK	12,045	10,695	-1,350	-11.2%

⁴ ONS use the following methodology / definition for high growth enterprise analysis: all enterprises with average annualised growth greater than 20% per annum, over a three-year period. Growth can be measured by the number of employees or by turnover. For this analysis growth has been measured using employment.

Appendix 1: summary of active enterprises, births and deaths between 2020 and 2021: all Midlands Engine LEP and local authority areas

	Enterprise Births				Enterprise Deaths				Active Enterprises			
	2020	2021	% Change	Num. Change	2020	2021	% Change	Num. Change	2020	2021	% Change	Num. Change
Amber Valley	420	445	6.0%	25	395	395	0.0%	0	4,620	4,645	0.5%	25
Ashfield	390	385	-1.3%	-5	295	325	10.2%	30	3,295	3,360	2.0%	65
Bassetlaw	420	510	21.4%	90	355	405	14.1%	50	4,015	4,155	3.5%	140
Birmingham	6,485	6,855	5.7%	370	7,750	5,610	-27.6%	-2,140	44,505	43,015	-3.3%	-1,490
Blaby	520	460	-11.5%	-60	380	580	52.6%	200	4,320	4,390	1.6%	70
Bolsover	220	245	11.4%	25	200	200	0.0%	0	2,320	2,350	1.3%	30
Boston	255	265	3.9%	10	220	225	2.3%	5	2,205	2,265	2.7%	60
Bromsgrove	1,655	745	-55.0%	-910	2,515	4,165	65.6%	1,650	11,205	9,370	-16.4%	-1,835
Broxtowe	360	645	79.2%	285	320	330	3.1%	10	3,515	3,815	8.5%	300
Cannock Chase	325	870	167.7%	545	295	345	16.9%	50	3,700	4,220	14.1%	520
Charnwood	625	905	44.8%	280	705	620	-12.1%	-85	7,035	7,180	2.1%	145
Chesterfield	505	350	-30.7%	-155	305	470	54.1%	165	3,780	3,795	0.4%	15
Coventry	1,495	1,685	12.7%	190	1,325	1,590	20.0%	265	11,450	11,740	2.5%	290
Derby	1,035	1,190	15.0%	155	800	1,050	31.3%	250	8,250	8,540	3.5%	290
Derbyshire Dales	290	350	20.7%	60	315	320	1.6%	5	3,945	4,000	1.4%	55
Dudley	1,085	1,600	47.5%	515	1,045	1,480	41.6%	435	11,145	11,660	4.6%	515
East Lindsey	465	475	2.2%	10	350	485	38.6%	135	4,755	4,925	3.6%	170
East Staffordshire	515	550	6.8%	35	455	470	3.3%	15	4,775	4,895	2.5%	120
Erewash	345	675	95.7%	330	320	360	12.5%	40	3,920	4,245	8.3%	325
Gedling	390	430	10.3%	40	330	325	-1.5%	-5	3,775	3,860	2.3%	85
Harborough	465	475	2.2%	10	565	505	-10.6%	-60	5,295	5,210	-1.6%	-85
Herefordshire, County of	780	920	17.9%	140	630	695	10.3%	65	8,555	8,905	4.1%	350
High Peak	310	360	16.1%	50	330	335	1.5%	5	3,995	3,995	0.0%	0
Hinckley and Bosworth	400	450	12.5%	50	460	660	43.5%	200	4,950	4,925	-0.5%	-25
Leicester	4,150	2,400	-42.2%	-1,750	1,565	2,555	63.3%	990	16,270	16,920	4.0%	650
Lichfield	420	630	50.0%	210	395	465	17.7%	70	4,815	5,055	5.0%	240
Lincoln	310	335	8.1%	25	240	255	6.3%	15	2,825	2,915	3.2%	90
Malvern Hills	325	405	24.6%	80	335	330	-1.5%	-5	3,980	4,040	1.5%	60
Mansfield	405	725	79.0%	320	335	310	-7.5%	-25	3,185	3,565	11.9%	380
Melton	185	205	10.8%	20	195	185	-5.1%	-10	2,285	2,300	0.7%	15
Newark and Sherwood	465	450	-3.2%	-15	430	385	-10.5%	-45	4,820	4,830	0.2%	10
Newcastle-under-Lyme	385	450	16.9%	65	300	350	16.7%	50	3,685	3,835	4.1%	150
North East Derbyshire	415	450	8.4%	35	310	390	25.8%	80	3,395	3,580	5.4%	185
North East Lincolnshire	665	580	-12.8%	-85	475	645	35.8%	170	5,165	5,250	1.6%	85
North Kesteven	390	410	5.1%	20	290	340	17.2%	50	3,835	3,960	3.3%	125
North Lincolnshire	605	685	13.2%	80	520	575	10.6%	55	5,630	5,770	2.5%	140
North Warwickshire	245	310	26.5%	65	245	295	20.4%	50	2,820	2,910	3.2%	90
North West Leicestershire	700	495	-29.3%	-205	390	660	69.2%	270	4,725	4,815	1.9%	90
Nottingham	1,210	1,350	11.6%	140	1,000	990	-1.0%	-10	10,055	10,235	1.8%	180
Nuneaton and Bedworth	500	490	-2.0%	-10	530	505	-4.7%	-25	4,225	4,160	-1.5%	-65
Oadby and Wigston	280	285	1.8%	5	210	245	16.7%	35	2,270	2,400	5.7%	130
Redditch	340	355	4.4%	15	425	375	-11.8%	-50	3,385	3,270	-3.4%	-115
Rugby	610	705	15.6%	95	615	805	30.9%	190	5,500	5,540	0.7%	40
Rushcliffe	555	620	11.7%	65	535	580	8.4%	45	5,610	5,660	0.9%	50
Rutland	350	165	-52.9%	-185	150	345	130.0%	195	2,090	2,090	0.0%	0
Sandwell	1,845	1,760	-4.6%	-85	1,000	1,615	61.5%	615	10,885	11,545	6.1%	660
Shropshire	1,115	1,270	13.9%	155	1,070	1,010	-5.6%	-60	13,430	13,650	1.6%	220
Solihull	870	940	8.0%	70	860	935	8.7%	75	8,890	8,940	0.6%	50

	Enterprise Births				Enterprise Deaths				Active Enterprises			
	2020	2021	% Change	Num. Change	2020	2021	% Change	Num. Change	2020	2021	% Change	Num. Change
South Derbyshire	350	460	31.4%	110	375	375	0.0%	0	3,825	3,925	2.6%	100
South Holland	365	470	28.8%	105	375	380	1.3%	5	3,760	3,840	2.1%	80
South Kesteven	545	865	58.7%	320	505	535	5.9%	30	5,905	6,255	5.9%	350
South Staffordshire	425	600	41.2%	175	770	590	-23.4%	-180	4,750	4,615	-2.8%	-135
Stafford	450	480	6.7%	30	420	510	21.4%	90	5,130	5,205	1.5%	75
Staffordshire Moorlands	285	300	5.3%	15	260	305	17.3%	45	3,470	3,515	1.3%	45
Stoke-on-Trent	1,025	1,130	10.2%	105	735	825	12.2%	90	7,120	7,480	5.1%	360
Stratford-on-Avon	725	1,260	73.8%	535	970	905	-6.7%	-65	8,350	8,680	4.0%	330
Tamworth	245	265	8.2%	20	260	275	5.8%	15	2,545	2,530	-0.6%	-15
Telford and Wrekin	1,070	780	-27.1%	-290	605	1,070	76.9%	465	6,465	6,620	2.4%	155
Walsall	1,145	1,535	34.1%	390	855	1,010	18.1%	155	8,810	9,430	7.0%	620
Warwick	950	770	-18.9%	-180	870	1,140	31.0%	270	8,295	8,165	-1.6%	-130
West Lindsey	335	295	-11.9%	-40	290	305	5.2%	15	3,425	3,425	0.0%	0
Wolverhampton	1,200	2,175	81.3%	975	910	980	7.7%	70	8,540	9,745	14.1%	1,205
Worcester	480	800	66.7%	320	325	350	7.7%	25	3,545	3,880	9.4%	335
Wychavon	550	1,660	201.8%	1,110	555	1,155	108.1%	600	6,825	8,010	17.4%	1,185
Wyre Forest	600	1,860	210.0%	1,260	1,115	1,100	-1.3%	-15	5,080	5,810	14.4%	730
Black Country LEP	5,275	7,070	34.0%	1,795	3,810	5,085	33.5%	1,275	39,380	42,380	7.6%	3,000
Coventry and Warwickshire LEP	4,525	5,220	15.4%	695	4,555	5,240	15.0%	685	40,640	41,195	1.4%	555
Derby, Derbyshire, Nottingham and Nottinghamshire LEP	8,085	9,640	19.2%	1,555	6,950	7,545	8.6%	595	76,320	78,555	2.9%	2,235
Greater Birmingham and Solihull LEP	11,455	13,070	14.1%	1,615	14,070	13,740	-2.3%	-330	88,900	87,105	-2.0%	-1,795
Greater Lincolnshire LEP	4,285	4,545	6.1%	260	3,415	4,090	19.8%	675	39,595	40,695	2.8%	1,100
Leicester and Leicestershire LEP	7,325	5,675	-22.5%	-1,650	4,470	6,010	34.5%	1,540	47,150	48,140	2.1%	990
Stoke-on-Trent and Staffordshire LEP	4,075	5,275	29.4%	1,200	3,890	4,135	6.3%	245	39,990	41,350	3.4%	1,360
The Marches LEP	2,965	2,970	0.2%	5	2,305	2,775	20.4%	470	28,450	29,175	2.5%	725
Worcestershire LEP	3,950	5,825	47.5%	1,875	5,270	7,475	41.8%	2,205	34,020	34,380	1.1%	360
Midlands Engine	47,840	54,015	12.9%	6,175	43,275	48,900	13.0%	5,625	398,940	407,825	2.2%	8,885
UK	333,020	363,995	9.3%	30,975	299,190	327,385	9.4%	28,195	2,897,115	2,939,675	1.5%	42,560