# Borough Overview

| Measure | Description | Borough | London |
|---|---|---|---|
| **Business count** | The number of registered business in the borough. | **9,895** | **568,200** |
| **Business density** | The number of registered businesses per resident employee. A score of 1 indicates an equal number of business and employees based in the borough. A low score suggests that resident employees are out-commuting or work for a few large companies, a high score indicates low levels of out-commuting and/or smaller businesses. | **0.12** | **0.21** |
| **Micro-share** | The share of registered business that are micro-businesses - defined as those businesses that have between 0-9 employees. | **88%** | **87%** |
| **Rateable properties per business** | The number of rateable properties per registered business. A low ratio indicates that there are more businesses than rateable properties in the borough suggesting smaller businesses in industries that may not have a fixed place of work e.g. consultancy or construction. | **0.48** | **0.48** |
| **GVA per business (£m)** | The borough's total economic output (Gross Value Added) per registered business. | **0.52** | **0.75** |
| **Business diversity** | A measure of the industry concentration of the total business count. Higher scores indicate the business population is more concentrated in a few industries. | **0.31** | **0.32** |
| **Complexity** | The complexity score measures the number of industries in which the borough 'punches above its weight' i.e. where the share of businesses in that industry exceeds the borough's share of all businesses in the country. The borough holds a 'comparative advantage' in these industries.<br><br>The final score is the count of industries in which the borough has a comparative advantage, scaled by how widespread the industry is nationally, as measured by the count of local authorities that also punch above their weight in that industry.<br><br>A score of 0 indicates no industry specialism. Higher scores indicate more specialist and unique economic activity. | **1.00** | **0.90** |

*Sources: ONS Interdepartmental Business Registry, Annual Survey of Hours and Earnings, Cebr calculations*

# Business count and areas of comparative advantage

The charts below illustrate the business count and relative comparative advantage of businesses in Bexley by industry. The different colours represent the broad industry sectors whereas the smaller rectangles within each coloured rectangle reflect industries that make up each sector[1]. The area of each rectangle represents the relative size of each element in the borough's business base.
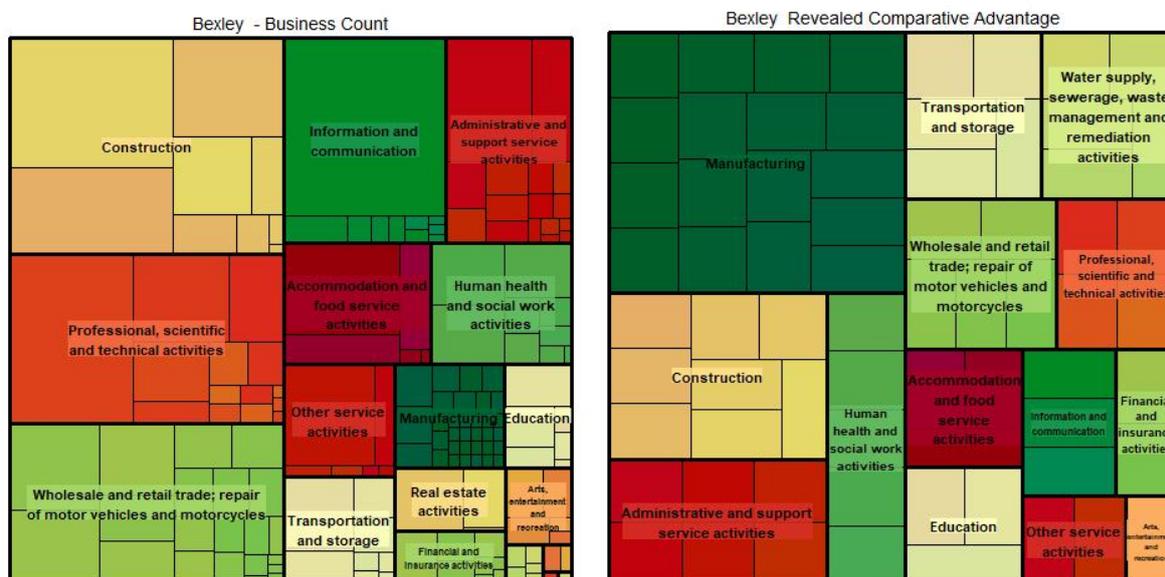


The image to the left displays Bexley's business count data. The image to the right highlights the comparative advantage of various sectors within the borough. The comparative advantage considers whether an industry business count is large relative to its own business base and the size of the industry nationally. Larger rectangles imply more of a sectoral strength and opportunities for future growth.

| Sector Rank | Business count | Comparative advantage |
|:---:|---|---|
| 1 | Construction | Manufacturing |
| 2 | Professional, scientific and technical | Construction |
| 3 | Wholesale and retail trade | Administrative and support services |
| 4 | Information and communication | Human health and social work |
| 5 | Administrative and support services | Transportation and storage |

The construction sector is the most prominent in Bexley when measured by total business count with electrical, plumbing and other construction installation activities the largest industry. Professional, scientific and technical activities and wholesale and retail trade are also well represented in Bexley's business base.

Bexley has 17 industries within manufacturing that hold a relative comparative advantage over local authorities nationally.

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[1] Industries defined according to their 3-digit Standard Industrial Classification code

# Top industries

| Industry | Total borough business count | Total share of borough business count |
|---|---|---|
| 62020 : Computer consultancy activities | 710 | 9% |
| 70229 : Management consultancy activities | 610 | 8% |
| 43210 : Electrical installation | 360 | 5% |
| 82990 : Other business support service activities | 345 | 5% |
| 41202 : Construction of domestic buildings | 270 | 4% |

Computer consultancy activities followed by management consultancy activities have the highest number of businesses in terms of local units in Bexley. Together the top five industry groupings account for one third of all registered businesses in the borough.

## Turnover

Total business turnover in Bexley is dominated by the wholesale and retail sector which accounts for 34% of the total (36% of turnover among micro-businesses).

This compares to 37% of turnover across the East London subregion and 29% across London.



Top 10 sectors by % of total turnover
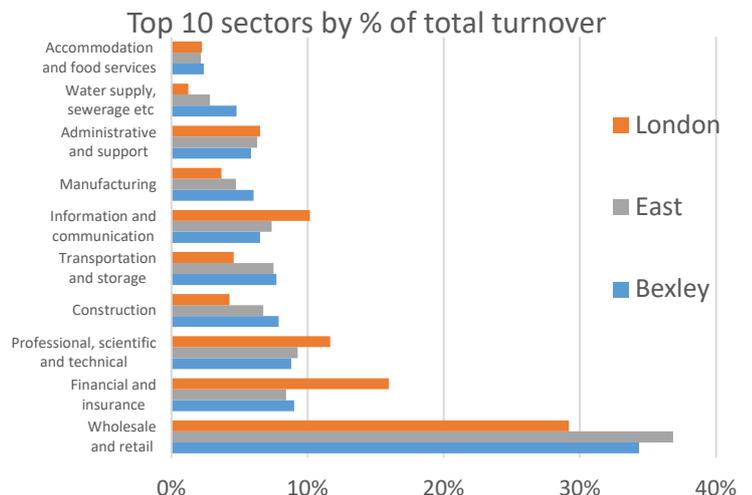
## Employment

The top ten sectors by employment account for 89% of total employment in Bexley.

The equivalent sectors account for 87% of employment across the East London sub-region and 77% of employment in London.

The wholesale and retail sector is the largest, accounting for 18% of all employment in the borough.



Top 10 sectors by % of total employment
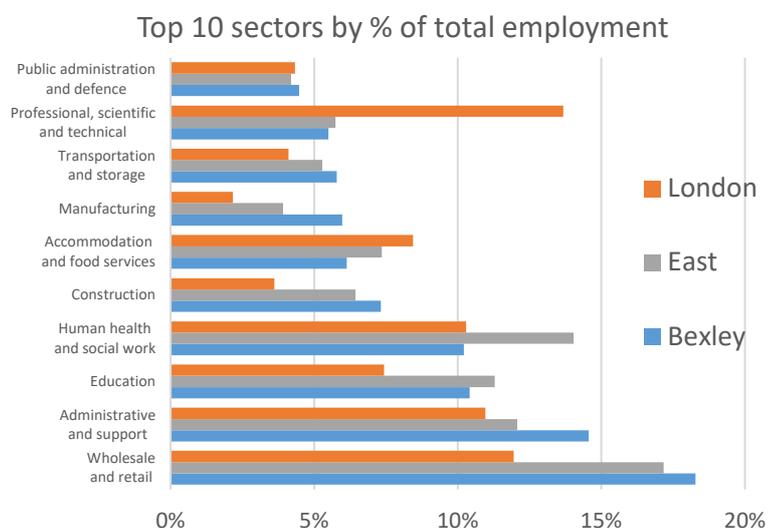
# Clustering

| Sector | Industry | Cluster score | Business count across borough | MSOA Dominance[2] | Dominant MSOA name | Knowledge Intensive industry | Share of micro-business |
|---|---|---|---|---|---|---|---|
| Wholesale and retail trade; repair of motor vehicles and motorcycles | Wholesale of other machinery and equipment | 0.194 | 15 | 100% | Bexley 019 | No | 80% |
| Wholesale and retail trade; repair of motor vehicles and motorcycles | Retail sale of clothing in specialised stores | 0.165 | 35 | 57% | Bexley 015 | No | 70% |
| Professional, scientific and technical activities | Management consultancy activities | 0.137 | 610 | 16% | Bexley 001 | Yes | 98% |
| Administrative and support service activities | Renting and leasing of construction and civil engineering machinery and equipment | 0.130 | 10 | 100% | Bexley 008 | No | 60% |
| Wholesale and retail trade; repair of motor vehicles and motorcycles | Retail sale of footwear in specialised stores | 0.129 | 10 | 99% | Bexley 015 | No | 67% |

A business cluster can be defined as a geographic concentration of related businesses in a particular field. Business clusters are known to increase competition and productivity. There are numerous famous business clusters around London such as the tailors situated on Saville Row to the jewellery shops in Hatton Gardens. The table above is a snapshot of the geographical clusters[3] present in Bexley.

The most geographically clustered industries in Bexley are outlined in the table above. The industry with the highest cluster score is wholesale of other machinery and equipment. More specifically, of the 15 local business units, all of them are situated in the same MSOA indicating that there exists a geographical cluster of machinery and equipment wholesalers in Bexley 019. Additionally, despite a relatively low business count, there is a concentrated geographical cluster of specialised footwear retailers located in on single MSOA namely Bexley 015. There is a relatively small yet significant cluster of management consultancies in Bexley 001.

The clustering table also identifies whether the industry is classified as Knowledge Intensive[4] and the share of businesses in the industry operating in the borough that are defined as micro-businesses (fewer than 10 employees).

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[2] Proportion of industry local units found in the dominant MSOA.
[3] The cluster score is calculated as the proportion of businesses with the same 5-digit SIC code operating in the same MSOA divided by the sum of all the businesses with the same 5-digit SIC code in the borough. The higher the score the more geographically clustered the industry.
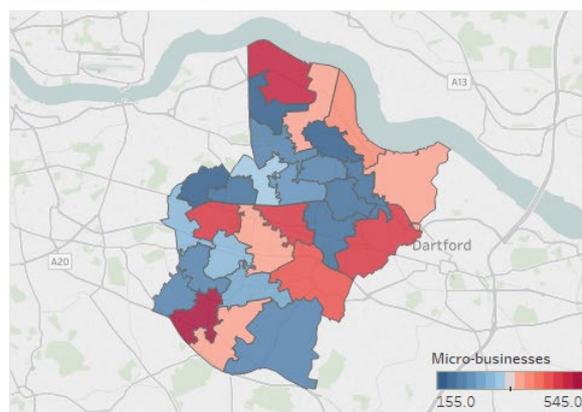[4] The Office for National Statistics has categorised certain Standard Industry Classification (SIC) codes as Knowledge Intensive service industries. This categorisation is based on the proportion of tertiary-educated people employed in the industry.
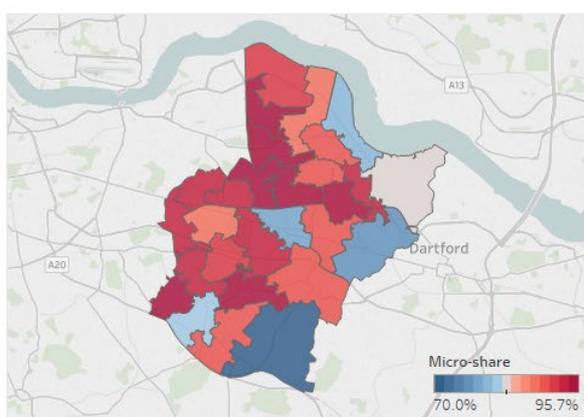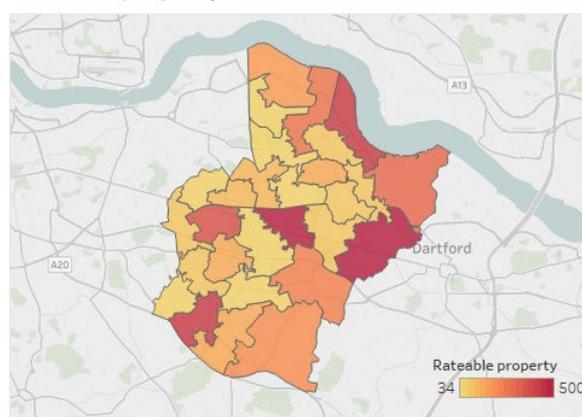
# Mapping the business base
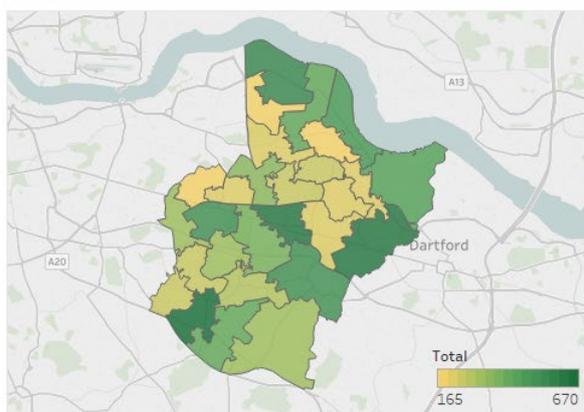


**Local units:** There are 9,895 businesses (in local units) across Bexley. As illustrated on the map in the left corner, the businesses are relatively evenly spread out across the borough with a higher density of businesses located along the river Thames. The MSOA with the highest concentration of businesses is Bexley 026 which contains 5% (670 local units) of all local units in Bexley.

**Micro-businesses:** Of the 9,895 businesses located in Bexley, 8,675 are microbusinesses with 0-9 employees. Unsurprisingly, the MSOA with the highest number of microbusinesses is Bexley 026 with 545 local units. The map in the top right corner displays the distribution of micro-businesses across Bexley. There is a high concentration of micro-businesses in the northern parts of Bexley along the river Thames as well as in the centre and southern parts of the borough.

**Micro-share:** The average share of microbusinesses across MSOAs in Bexley is 88%. Bexley 006 and 025 have the highest share of microbusinesses at 96%. In contrast, Bexley 026 who have the highest number of microbusinesses in local units only have an 81% share of microbusinesses because most of the larger businesses are also located in this MSOA.

**Rateable property:** Bexley has 4,739 rateable properties the majority of these properties located in Bexley 015 and Bexley 019. This is unsurprising given that Bexley 015 and Bexley 019 have the second and third highest business count after Bexley 026.

# MSOA reference map

The map below indicates the three-digit reference number for each of Bexley's MSOAs.