

## Borough Overview

Measure	Description	Borough	London
<b>Business count</b>	The number of registered business in the borough.	<b>16,615</b>	<b>568,200</b>
<b>Business density</b>	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.	<b>0.15</b>	<b>0.21</b>
<b>Micro-share</b>	The share of registered business that are micro-businesses - defined as those businesses that have between 0-9 employees.	<b>89%</b>	<b>87%</b>
<b>Rateable properties per business</b>	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.	<b>0.49</b>	<b>0.48</b>
<b>GVA per business (£m)</b>	The borough's total economic output (Gross Value Added) per registered business.	<b>0.49</b>	<b>0.75</b>
<b>Business diversity</b>	A measure of the industry concentration of the total business count. Higher scores indicate the business population is more concentrated in a few industries.	<b>0.28</b>	<b>0.32</b>
<b>Complexity</b>	<p>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.</p> <p>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.</p> <p>A score of 0 indicates no industry specialism. Higher scores indicate more specialist and unique economic activity.</p>	<b>0.66</b>	<b>0.90</b>

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 Croydon 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<sup>1</sup>. The area of each rectangle represents the relative size of each element in the borough’s business base.



The image to the left displays Croydon’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	Professional, scientific and technical	Manufacturing
2	Wholesale and retail trade	Administrative and support service
3	Construction	Information and communication
4	Information and communication	Human health and social work
5	Human health and social work	Professional, scientific and technical

The professional, scientific and technical sector is the most prominent in Croydon when measured by total business count with the strongest representation from management consultancies and architectural and engineering businesses. Wholesale and retail trade businesses are also well represented in Croydon’s business base, especially in retail sale of other goods in specialised stores.

Croydon has 14 industries within manufacturing that hold a relative comparative advantage over local authorities nationally.

<sup>1</sup> 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	1240	9%
70229 : Management consultancy activities	1070	8%
82990 : Other business support service activities	610	5%
41202 : Construction of domestic buildings	430	3%
47110 : Retail sale in non-specialised stores with food, beverages or tobacco predominating	335	3%

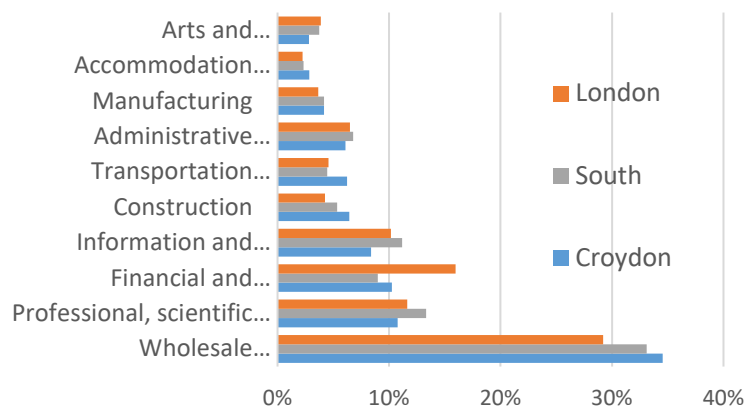
Computer consultancy activities followed by management consultancy activities have the highest number of businesses in terms of local units in Croydon. Together the top five industry groupings account for 28% of all registered businesses in the borough.

## Turnover

Total business turnover in Croydon is dominated by the wholesale and retail sector which accounts for 35% of the total (36% of turnover among micro-businesses).

This compares to 33% of turnover across the South London subregion and 29% across London.

Top 10 sectors by % of total turnover



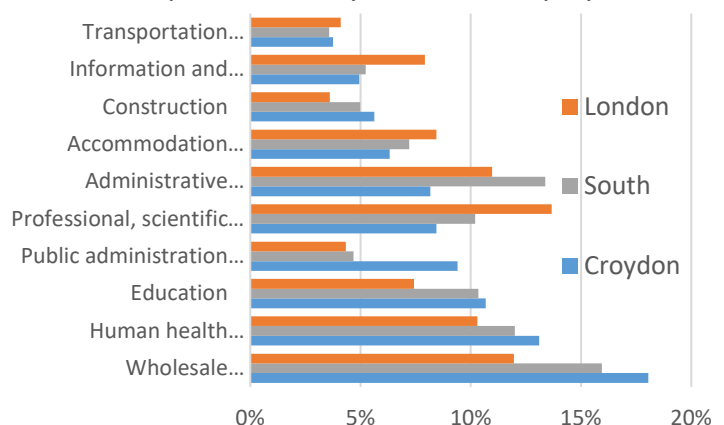
## Employment

The top ten sectors by employment account for 88% of total employment in Croydon.

The equivalent sectors account for 88% of employment across the South London sub-region and 88% 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 <sup>2</sup>	Dominant MSOA name	Knowledge Intensive industry	Share of micro-business
Wholesale and retail trade; repair of motor vehicles and motorcycles	Retail sale of clothing in specialised stores	0.201	70	57%	Croydon 024	No	75%
Accommodation and food service activities	Licensed restaurants	0.119	190	26%	Croydon 027	No	66%
Public administration and defence; compulsory social security	General public administration activities	0.114	15	100%	Croydon 027	No	25%
Accommodation and food service activities	Hotels and similar accommodation	0.098	35	57%	Croydon 027	No	75%
Wholesale and retail trade; repair of motor vehicles and motorcycles	Retail sale via mail order houses or via Internet	0.077	140	25%	Croydon 037	No	93%

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<sup>3</sup> present in Croydon.

The most geographically clustered industries in Croydon are outlined in the table above. The industry with the highest cluster score of 0.2 is retail sale of clothing in specialised stores. More specifically, of the 70 local business units, 40 (57%) of them are located in one MSOA indicating that there exists a geographical cluster clothing retail businesses in Croydon 024. Additionally, despite a relatively low business count, there is a concentrated geographical cluster of general public administration activities located in the same MSOA namely Croydon 027.

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

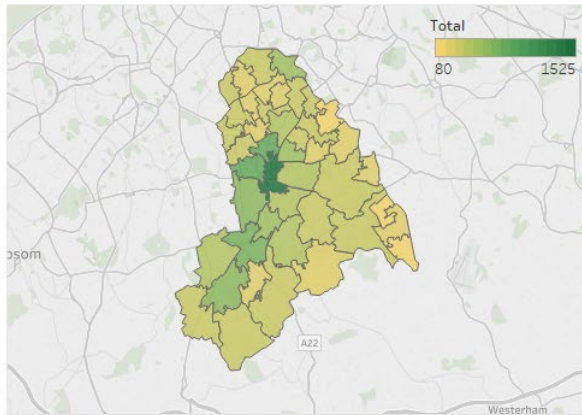
<sup>2</sup> Proportion of industry local units found in the dominant MSOA.

<sup>3</sup> 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.

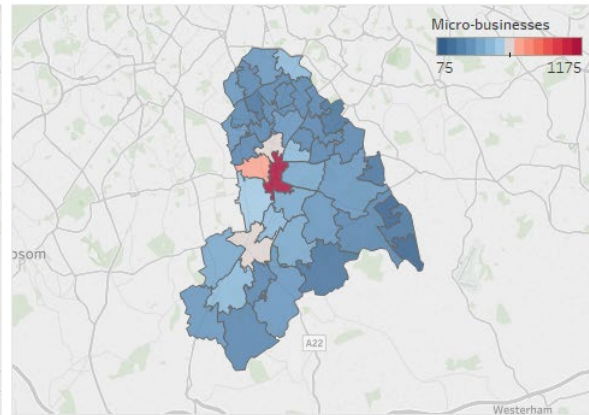
<sup>4</sup> The Office for National Statistics has categorised certain Standard Industry Classification (SIC) codes as Knowledge Intensive service industries. This categorisation is based on the proportion of tertiary-educated people employed in the industry.

# Mapping the business base

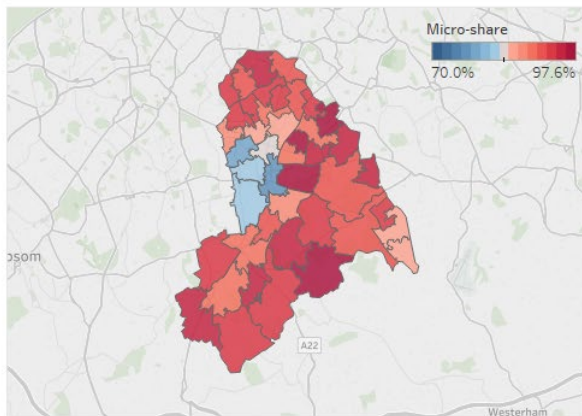
Local Units



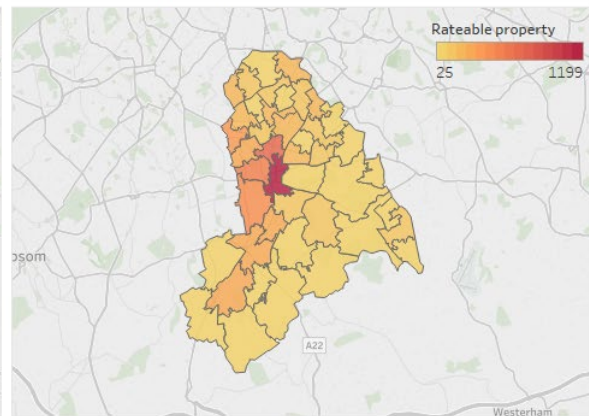
Micro-businesses



Micro-share



Rateable property



**Local units:** There are 16,615 businesses (in local units) across Croydon. 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 in the middle of the borough (around the town centre). The MSOA with the highest concentration of businesses is Croydon 027 which contains 9% (1,525 local units) of all local units in Croydon.

**Micro-businesses:** Of the 16,615 businesses located in Croydon, 14,750 are microbusinesses with 0-9 employees (89%). Unsurprisingly, the MSOA with the highest number of microbusinesses is Croydon 027 with 1,175 local units. The map in the top right corner displays the distribution of micro-businesses across Croydon. Similar to the local units map to the left, there is a high concentration of micro-businesses in the centre of the borough.

**Micro-share:** The average share of microbusinesses across MSOAs in Croydon is 89%. Croydon 039 has the highest share of microbusinesses at 98%. In contrast, Croydon 027 who have the highest number of microbusinesses in local units only have a 77% share of microbusinesses because most of the larger businesses are also located in this MSOA.

**Rateable property:** Croydon has 8,133 rateable properties the majority of these properties are located in Croydon 027. This aligns with other results as Croydon 027 also has the highest number of businesses local units.

# MSOA reference map

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

