

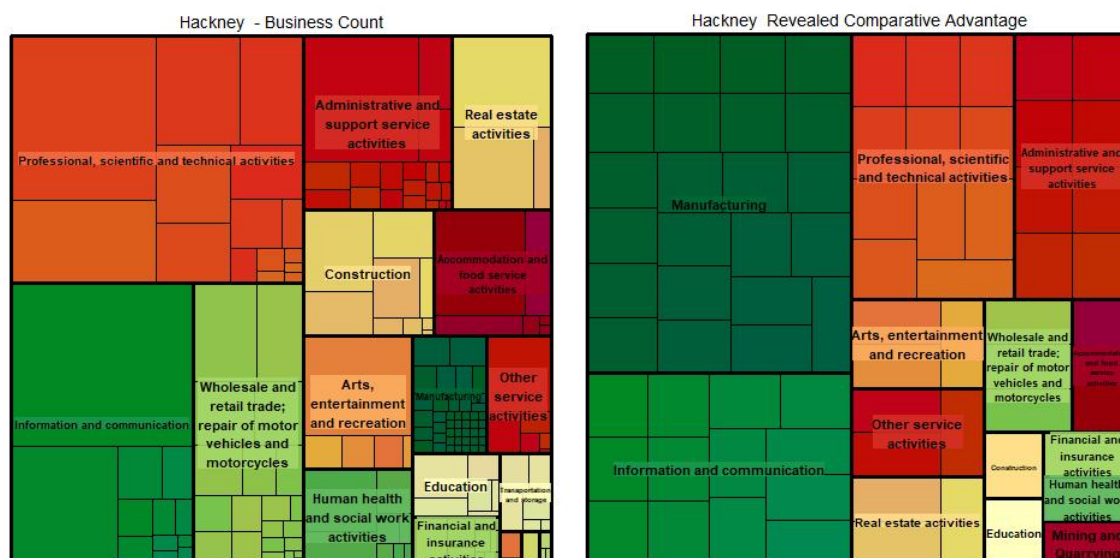
Borough Overview

Measure	Description	Borough	London
Business count	The number of registered business in the borough.	21,145	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.	0.27	0.21
Micro-share	The share of registered business that are micro-businesses - defined as those businesses that have between 0-9 employees.	89%	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.	0.44	0.48
GVA per business (£m)	The borough's total economic output (Gross Value Added) per registered business.	0.39	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.	0.34	0.32
Complexity	<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>	2.00	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 Hackney by industry. The different colours represent the broad industry sectors whereas the smaller rectangles within each coloured rectangle reflect industries that make up each sector¹. The area of each rectangle represents the relative size of each element in the borough’s business base.



The image to the left displays Hackney’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	Information and communication	Information and communication
3	Wholesale and retail trade	Professional, scientific and technical
4	Administrative and support services	Arts, entertainment and recreation
5	Real estate activities	Other service activities

The professional, scientific and technical sector is the most prominent in Hackney when measured by total business count with strong representation from management consultancies, specialised design, architectural and engineering firms. Information and communication and wholesale and retail firms are also well represented in Hackney’s business base.

Hackney has 23 industries within manufacturing that hold a relative comparative advantage over local authorities nationally.

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
70229 : Management consultancy activities	1580	9%
62020 : Computer consultancy activities	1235	7%
82990 : Other business support service activities	1070	6%
74100 : Specialised design activities	885	5%
62012 : Business and domestic software development	675	4%

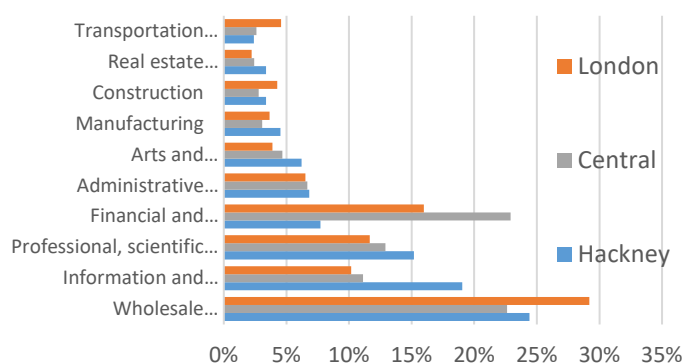
Management consultancy activities followed by computer consultancy activities have the highest number of businesses in terms of local units in Hackney. Together the top five industry groupings account for 31% of all registered businesses in the borough.

Turnover

Total business turnover in Hackney is dominated by the wholesale and retail sector which accounts for 24% of the total (28% of turnover among micro-businesses).

This compares to 23% of turnover across the Central London subregion and 29% across London.

Top 10 sectors by % of total turnover



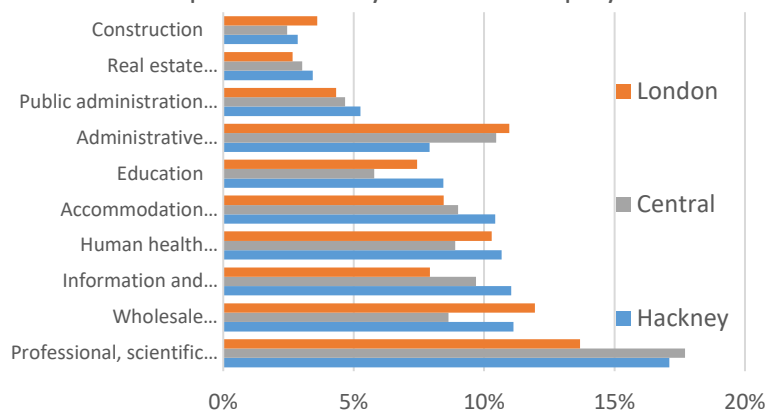
Employment

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

The equivalent sectors account for 80% of employment across the Central London subregion and 81% of employment in London.

The professional, scientific and technical sector is the largest, accounting for 17% 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
Professional, scientific and technical activities	Management consultancy activities	0.947	1,580	31%	Hackney 026	Yes	97%
Information and communication	Computer consultancy activities	0.798	1,235	30%	Hackney 026	Yes	96%
Information and communication	Business and domestic software development	0.654	675	39%	Hackney 027	Yes	93%
Administrative and support service activities	Other business support service activities	0.454	1,070	29%	Hackney 026	No	96%
Real estate activities	Letting and operating of own or leased real estate	0.293	590	29%	Hackney 001	No	94%

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 clusters³ present in Hackney.

The clustering table also identifies whether the industry is classified as Knowledge Intensive⁴ and the share of businesses in the industry operating in the borough that are defined as micro-businesses (fewer than 10 employees).

The most geographically clustered industries in Hackney are outlined in the table above. The industry with the highest cluster score is management consultancy activities with a score of 0.95. More specifically, of the 1,580 local business units, 485 of those (31%) of them are situated in one MSOA indicating that there exists a geographical cluster of management consultancy activities in Hackney 026. Additionally, there is a concentrated geographical cluster of knowledge intensive occupations in Hackney 026 and 027 especially within the computer consultancy and software development.

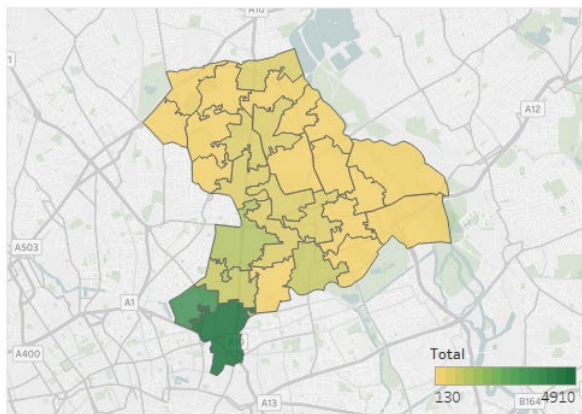
² Proportion of industry local units found in the dominant MSOA.

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.

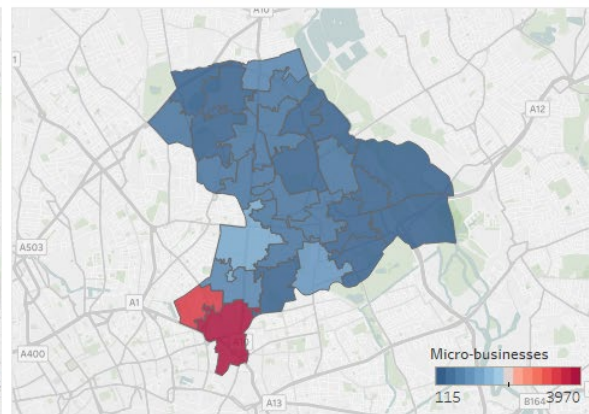
⁴ The Office for National Statistics has categorised certain Standard Industry Classification (SIC) codes as Knowledge Intensive service industries. This categorisation is based on the proportion of tertiary-educated people employed in the industry.

Mapping the business base

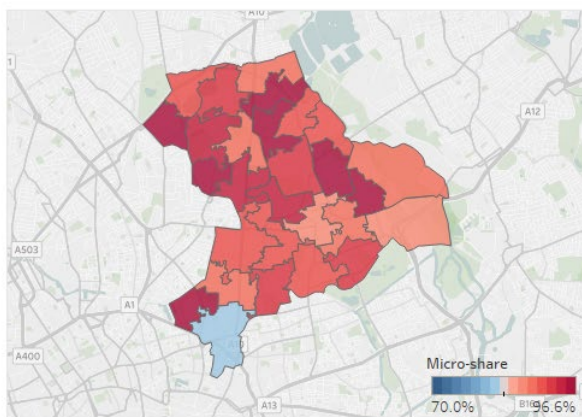
Local Units



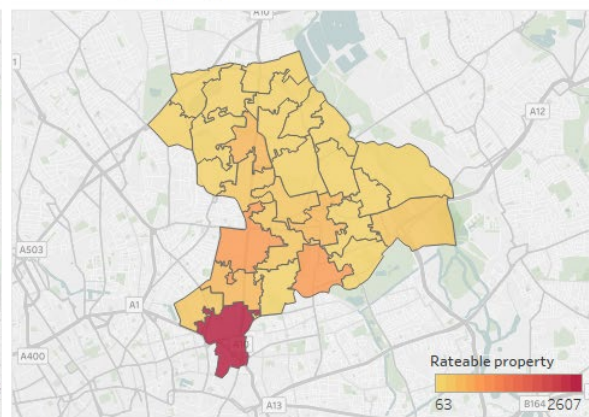
Micro-businesses



Micro-share



Rateable property



Local units: There are 21,145 businesses (in local units) across Hackney. 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 in the south east corner of the borough. The MSAO with the highest concentration of businesses is Hackney 027 which contains 23% (4,910 local units) of all local units in Hackney.

Micro-businesses: Of the 21,145 businesses located in Hackney, 18,910 are microbusinesses with 0-9 employees (89%). Unsurprisingly, the MSAO with the highest number of microbusinesses is Hackney 027 with 3,970 local units. The map in the top right corner displays the distribution of micro-businesses across Hackney. Similar to the local units map to the left, there is a high concentration of micro-businesses located in the south east corner of Hackney.

Micro-share: The average share of microbusinesses across MSAOs in Hackney is 89%. Hackney 015 has the highest share of microbusinesses at 97%. In contrast, Hackney 027 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 MSAO.

Rateable property: Hackney has 9,340 rateable properties the majority of these properties are located in Hackney 027. This aligns with other results as Hackney 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 Hackney's MSOAs.

