

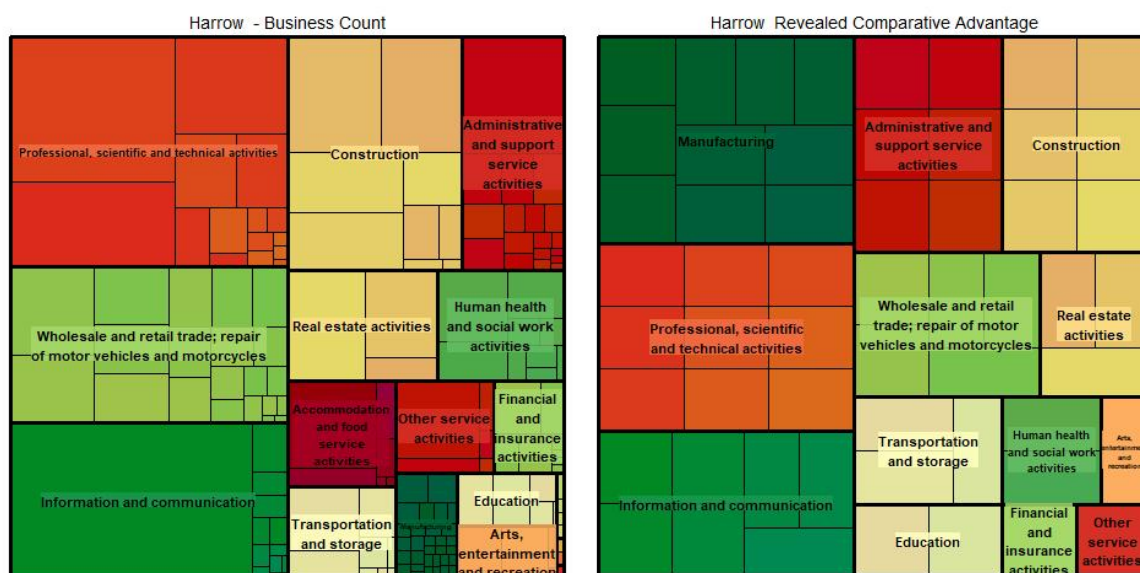
Borough Overview

| Measure | Description | Borough | London |
|---|---|---------------|----------------|
| Business count | The number of registered business in the borough. | 15,500 | 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. | 0.19 | 0.21 |
| Micro-share | The share of registered business that are micro-businesses - defined as those businesses that have between 0-9 employees. | 93% | 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. | 0.31 | 0.48 |
| GVA per business (£m) | The borough's total economic output (Gross Value Added) per registered business. | 0.42 | 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. | 0.37 | 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> | 0.52 | 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 Harrow 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 Harrow'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 | Professional, scientific and technical |
| 3 | Information and communication | Information and communication |
| 4 | Construction | Administrative and support services |
| 5 | Administrative and support services | Wholesale and retail trade |

The professional, scientific and technical sector is the most prominent in Harrow when measured by total business count with strong representation from management consultancies, accounting and bookkeeping firms. Information and communication and wholesale and retail firms are also well represented in Harrow's business base.

Harrow has 10 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 |
|---|------------------------------|---------------------------------------|
| 62020 : Computer consultancy activities | 1465 | 12% |
| 70229 : Management consultancy activities | 1105 | 9% |
| 82990 : Other business support service activities | 625 | 5% |
| 69201 : Accounting, and auditing activities | 585 | 5% |
| 41202 : Construction of domestic buildings | 460 | 4% |

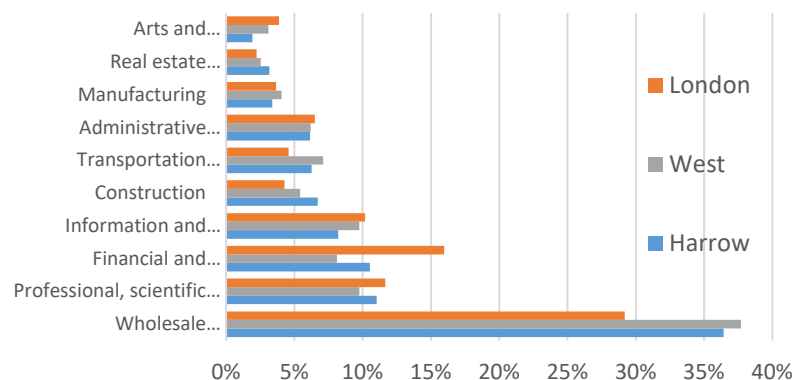
Computer consultancy activities followed by management consultancy activities have the highest number of businesses in terms of local units in Harrow. Together the top five industry groupings account for more than a third of all registered businesses in the borough.

Turnover

Total business turnover in Harrow is dominated by the wholesale and retail sector which accounts for 36% of the total (38% of turnover among micro-businesses).

This compares to 38% of turnover across the West London subregion and 29% across London.

Top 10 sectors by % of total turnover



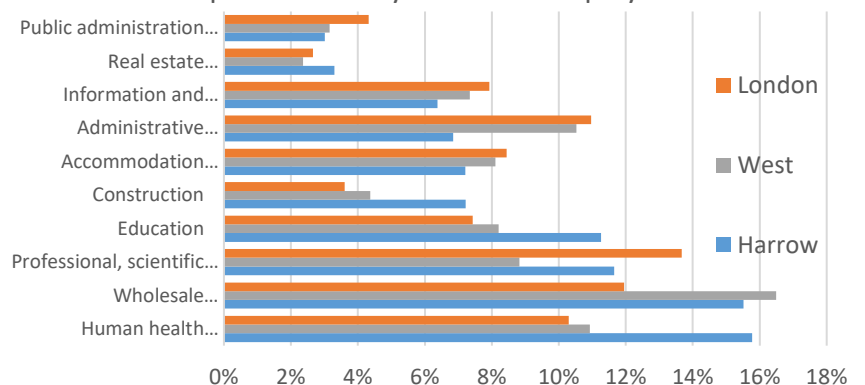
Employment

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

The equivalent sectors account for 80% of employment across the West London sub-region and 81% of employment in London.

The human health and social work sector is the largest, accounting for 16% 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 | Other engineering activities | 0.641 | 375 | 48% | Harrow 007 | Yes | 99% |
| Wholesale and retail trade; repair of motor vehicles and motorcycles | Wholesale of fruit and vegetables | 0.132 | 25 | 80% | Harrow 001 | No | 100% |
| Manufacturing | Machining | 0.132 | 25 | 80% | Harrow 007 | No | 100% |
| Professional, scientific and technical activities | Engineering design activities for industrial process and production | 0.132 | 40 | 62% | Harrow 007 | Yes | 100% |
| Real estate activities | Letting and operating of own or leased real estate | 0.114 | 430 | 13% | Harrow 001 | No | 96% |

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 Harrow.

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 Harrow are outlined in the table above. The industry with the highest cluster score is other engineering activities with a score of 0.64. More specifically, of the 375 local business units, 180 of those (48%) of them are situated in one MSOA indicating that there exists a geographical cluster of engineering related activities in Harrow 007. In addition to this, there is a cluster of engineering design activities located in Harrow 007. As such, there is evidence that there exists a concentrated geographical cluster of high knowledge intensive jobs within the engineering industry in Harrow 007.

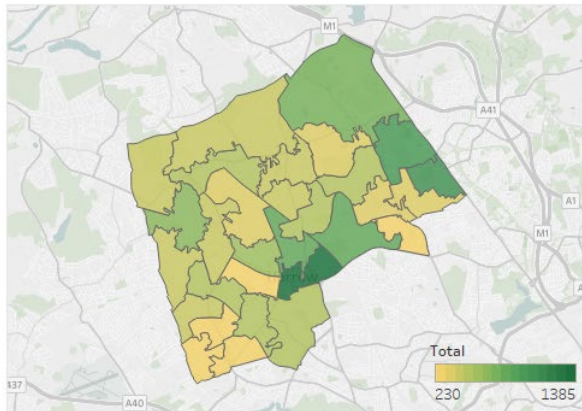
² Proportion of industry local units found in the dominant MSOA.

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.

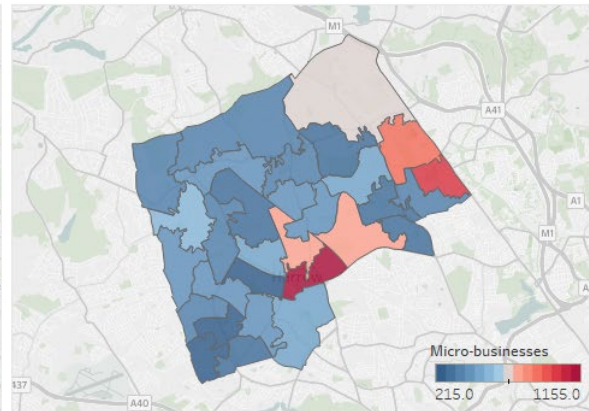
⁴ The Office for National Statistics has categorised certain Standard Industry Classification (SIC) codes as Knowledge Intensive service industries. This categorisation is based on the proportion of tertiary-educated people employed in the industry.

Mapping the business base

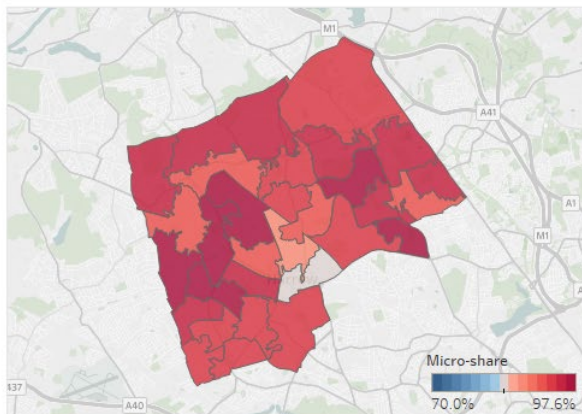
Local Units



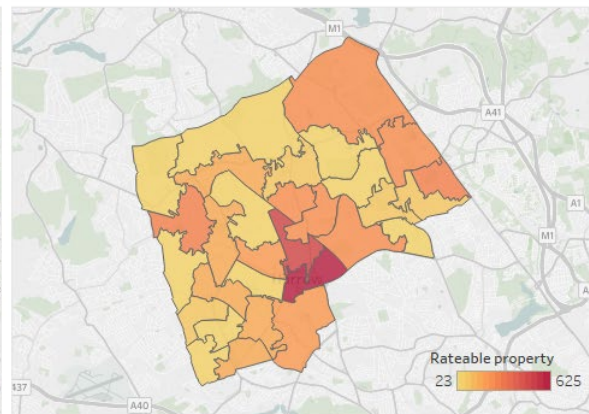
Micro-businesses



Micro-share



Rateable property



Local units: There are 15,500 businesses (in local units) across Harrow. As illustrated on the map in the left corner, the businesses are relatively evenly spread out across the borough. The MSOA with the highest concentration of businesses is Harrow 023 which contains 9% (1,385 local units) of all local units in Harrow.

Micro-businesses: Of the 15,500 businesses located in Harrow, 14,345 are microbusinesses with 0-9 employees. Unsurprisingly, the MSOA with the highest number of microbusinesses is Harrow 023 with 1,155 local units. The map in the top right corner displays the distribution of micro-businesses across Harrow. Similar to the local units map to the left, there is a high concentration of micro-businesses located in the centre of the borough.

Micro-share: The average share of microbusinesses across MSOAs in Harrow is 93%. Harrow 022 has the highest share of microbusinesses at 98%. In contrast, Harrow 023 who have the highest number of microbusinesses in local units only have an 83% share of microbusinesses because most of the larger businesses are also located in this MSOA

Rateable property: Harrow has 4,850 rateable properties the majority of these properties are located in Harrow 023. This aligns with other results as Harrow 023 also has the highest number of businesses local units.

MSOA reference map

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

