

London Borough Business Profiles Havering



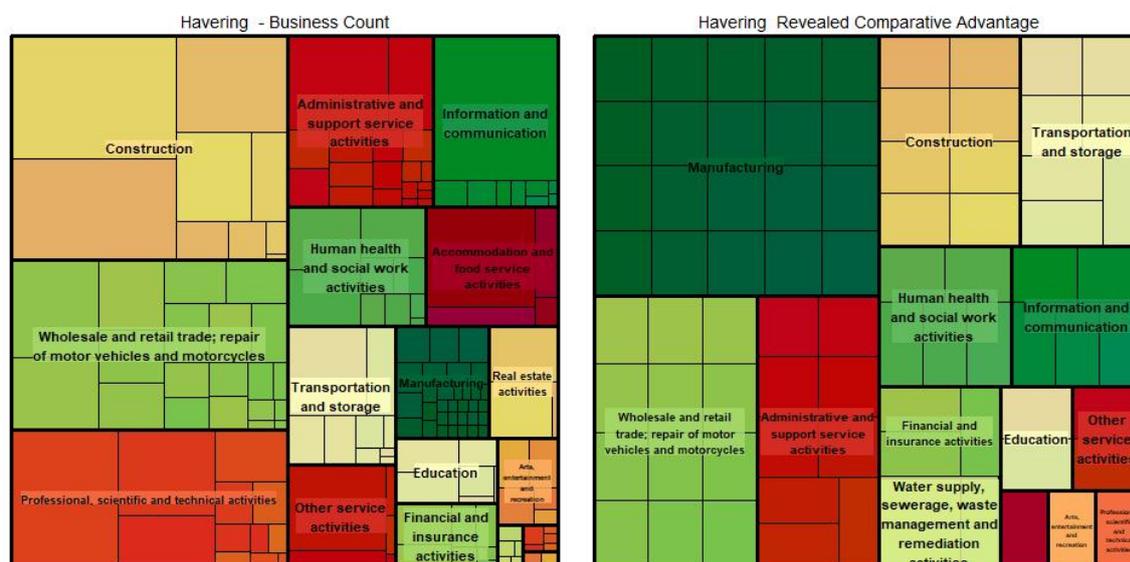
Borough Overview

Measure	Description	Borough	London
Business count	The number of registered business in the borough.	10,990	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.	0.13	0.21
Micro-share	The share of registered business that are micro-businesses - defined as those businesses that have between 0-9 employees.	87%	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.	0.47	0.48
GVA per business (£m)	The borough's total economic output (Gross Value Added) per registered business.	0.55	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.	0.26	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>	0.54	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 Havering 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 Havering’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	Wholesale and retail trade	Wholesale and retail trade
3	Professional, scientific and technical	Administrative and support services
4	Administrative and support services	Construction
5	Information and communication	Transportation and storage

The construction sector is the most prominent in Havering when measured by total business count with strong representation from electrical, plumbing and other construction installation businesses. Wholesale and retail firms are also well represented in Havering’s business base.

Havering has 20 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	500	6%
70229 : Management consultancy activities	500	6%
43210 : Electrical installation	410	5%
82990 : Other business support service activities	360	4%
41202 : Construction of domestic buildings	285	3%

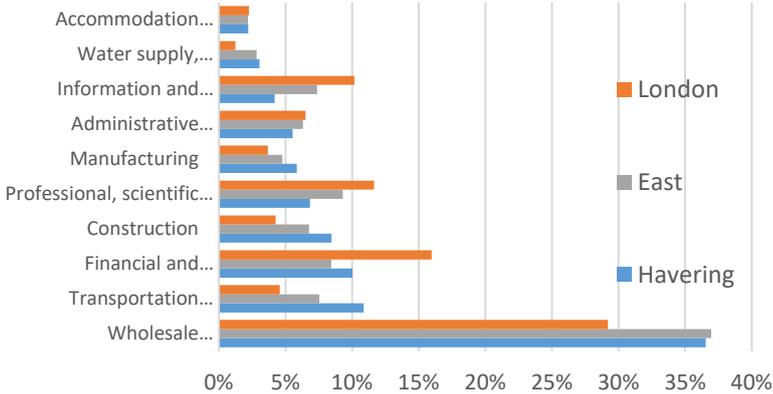
Computer consultancy activities followed by management consultancy activities have the highest number of businesses in terms of local units in Havering. Together the top five industry groupings account for a quarter of all registered businesses in the borough.

Turnover

Total business turnover in Havering is dominated by the wholesale and retail sector which accounts for 37% of the total (39% 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



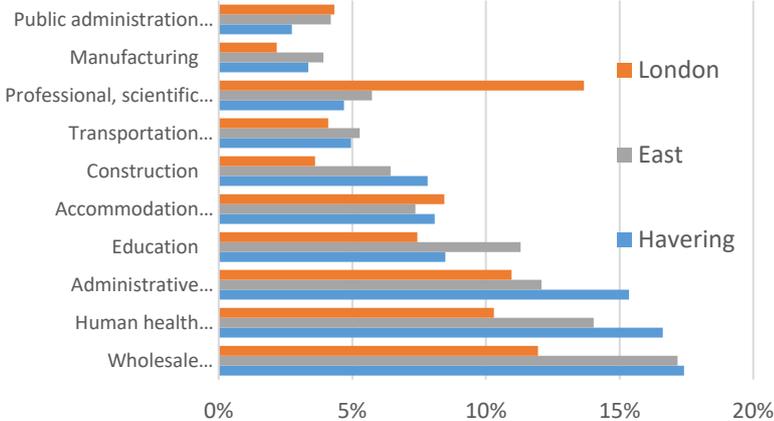
Employment

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

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 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
Wholesale and retail trade; repair of motor vehicles and motorcycles	Retail sale of clothing in specialised stores	0.257	60	58%	Havering 013	No	71%
Wholesale and retail trade; repair of motor vehicles and motorcycles	Retail sale of watches and jewellery in specialised stores	0.176	15	100%	Havering 013	No	100%
Accommodation and food service activities	Licensed restaurants	0.150	105	24%	Havering 020	No	68%
Wholesale and retail trade; repair of motor vehicles and motorcycles	Wholesale of meat and meat products	0.147	25	60%	Havering 020	No	100%
Accommodation and food service activities	Unlicensed restaurants and cafes	0.136	110	32%	Havering 013	No	79%

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 Havering.

The most geographically clustered industries in Havering are outlined in the table above. The industry with the highest cluster score is retail sale of clothing in specialised stores with a score of 0.26. More specifically, of the 60 local business units, 35 of those (58%) of them are situated in one MSOA indicating that there exists a geographical cluster specialised clothing retailers in Havering 013. In addition to this, there exists a geographical cluster of retail stores specialising in jewellery and watches in the same MSOA suggesting that a retail cluster is present in Havering 013.

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).

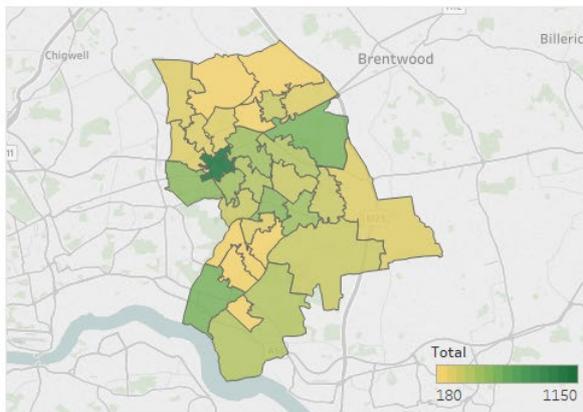
² Proportion of industry local units found in the dominant MSOA.

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.

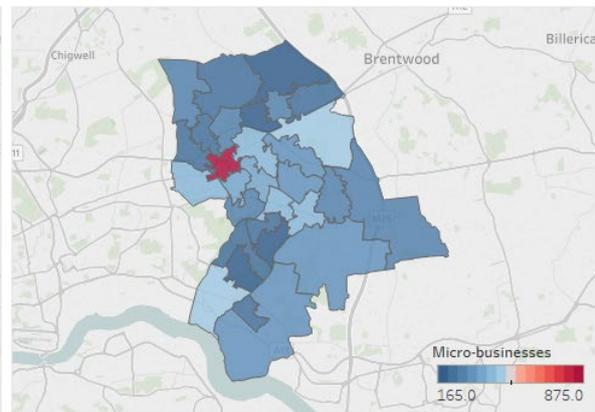
⁴ The Office for National Statistics has categorised certain Standard Industry Classification (SIC) codes as Knowledge Intensive service industries. This categorisation is based on the proportion of tertiary-educated people employed in the industry.

Mapping the business base

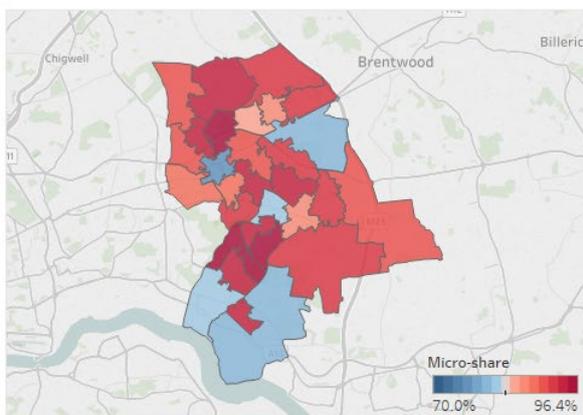
Local Units



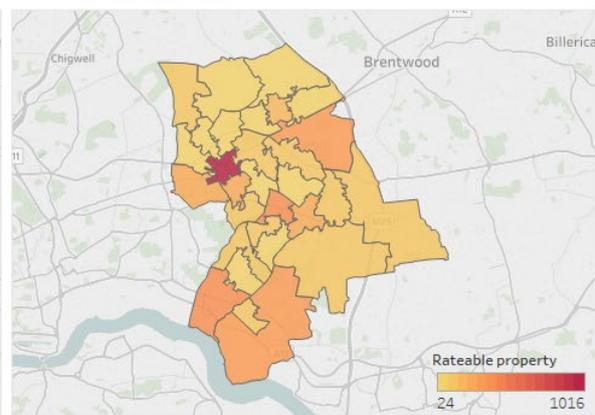
Micro-businesses



Micro-share



Rateable property



Local units: There are 10,990 businesses (in local units) across Havering. As illustrated on the map in the left corner, the businesses are relatively evenly spread out across the borough with a slightly higher density in the north east of the borough. The MSOA with the highest concentration of businesses is Havering 013 which contains 10% (1,150 local units) of all local units in Havering.

Micro-businesses: Of the 10,990 businesses located in Havering, 9,630 are microbusinesses with 0-9 employees. Unsurprisingly, the MSOA with the highest number of microbusinesses is Havering 013 with 875 local units. The map in the top right corner displays the distribution of micro-businesses across Havering. Similar to the local units map to the left, there is a high concentration of micro-businesses in the MSOA that is highlighted in red.

Micro-share: The average share of microbusinesses across MSOAs in Havering is 87%. Havering 008 and 026 have the highest share of microbusinesses at 96%. In contrast, Havering 013 who have the highest number of microbusinesses in local units only have a 76% share of microbusinesses because most of the larger businesses are also located in this MSOA.

Rateable property: Havering has 5,200 rateable properties the majority of these properties are located in Havering 013. This aligns with other results as Havering 013 also has the highest number of businesses local units.

MSOA reference map

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

