

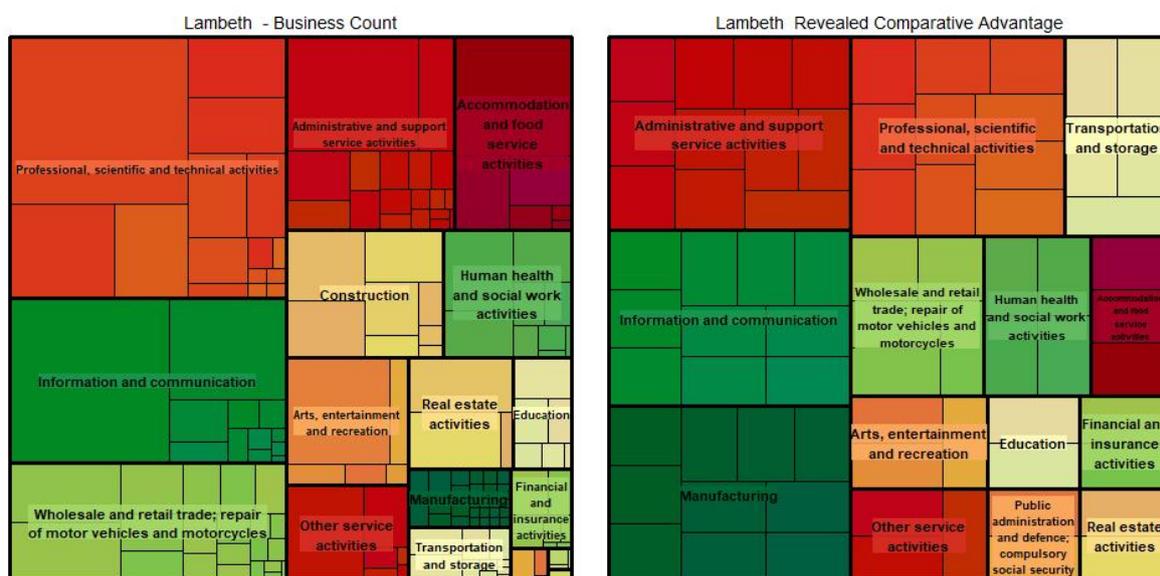
## Borough Overview

| Measure                                 | Description   | Borough       | London         |
|---|---|---------------|----------------|
| <b>Business count</b>                   | The number of registered business in the borough.   | <b>15,660</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>87%</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>0.52</b>   | <b>0.48</b>    |
| <b>GVA per business (£m)</b>            | The borough's total economic output (Gross Value Added) per registered business.  | <b>0.74</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>0.32</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>0.68</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 Lambeth 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 Lambeth’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 | Administrative and support services    |
| 2           | Information and communication          | Information and communication          |
| 3           | Wholesale and retail trade             | Manufacturing                          |
| 4           | Administrative and support services    | Professional, scientific and technical |
| 5           | Accommodation and food services        | Wholesale and retail trade             |

The professional, scientific and technical sector is the most prominent in Lambeth 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 Lambeth’s business base.

Lambeth has 11 industries within administrative and support service activities 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 |
|---|------------------------------|---------------------------------------|
| 70229 : Management consultancy activities         | 1320                         | 11%                                   |
| 62020 : Computer consultancy activities           | 905                          | 7%                                    |
| 82990 : Other business support service activities | 760                          | 6%                                    |
| 74100 : Specialised design activities             | 350                          | 3%                                    |
| 56101 : Licensed restaurants                      | 305                          | 2%                                    |

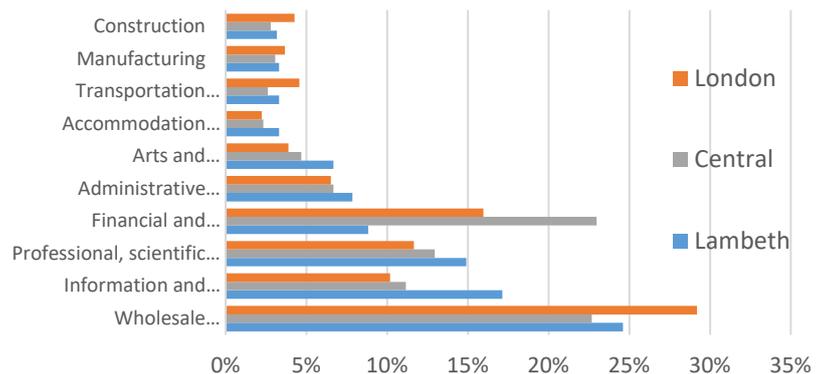
Management consultancy activities followed by computer consultancy activities have the highest number of businesses in terms of local units in Lambeth. Together the top five industry groupings account for 29% of all registered businesses in the borough.

## Turnover

Total business turnover in Lambeth is dominated by the wholesale and retail sector which accounts for 25% of the total (27% 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



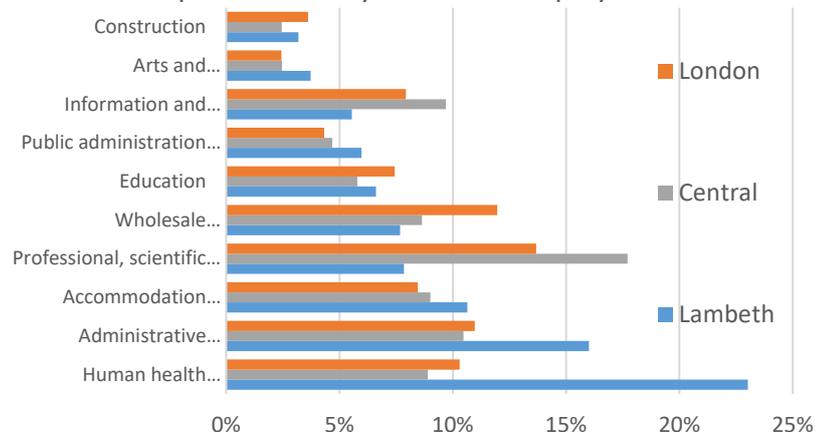
## Employment

The top ten sectors by employment account for 90% of total employment in Lambeth.

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

The human health and social work sector is the largest, accounting for 23% 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 |
|---|---|---------------|-------------------------------|-----------------------------|--------------------|------------------------------|-------------------------|
| Accommodation and food service activities     | Licensed restaurants  | 0.134         | 305                           | 20%                         | Lambeth 036        | No                           | 56%                     |
| Administrative and support service activities | Other business support service activities nec   | 0.093         | 760                           | 16%                         | Lambeth 036        | No                           | 97%                     |
| Real estate activities                        | Letting and operating of own or leased real estate (other than Housing Association real estate and conference and exhibition services) n.e.c. | 0.086         | 225                           | 22%                         | Lambeth 004        | No                           | 89%                     |
| Other service activities                      | Activities of professional membership organisations   | 0.080         | 10                            | 100%                        | Lambeth 036        | No                           | 75%                     |
| Transportation and storage                    | Licensed Carriers   | 0.080         | 10                            | 100%                        | Lambeth 012        | No                           | 100%                    |

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 Lambeth.

The most geographically clustered industries in Lambeth are outlined in the table above. The industry with the highest cluster score of 0.134 is licensed restaurants. More specifically, of the 305 local business units, 60 of those (20%) of them are situated in one MSOA indicating a geographical cluster of restaurants in Lambeth 036. Additionally, despite a relatively low business count, there is a concentrated geographical cluster of activities of professional membership organisations registered in the same MSOA, Lambeth 036.

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).

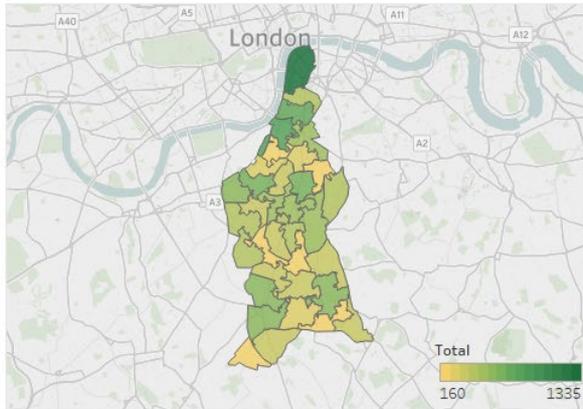
<sup>2</sup> Proportion of industry local units found in the dominant MSOA.

<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.

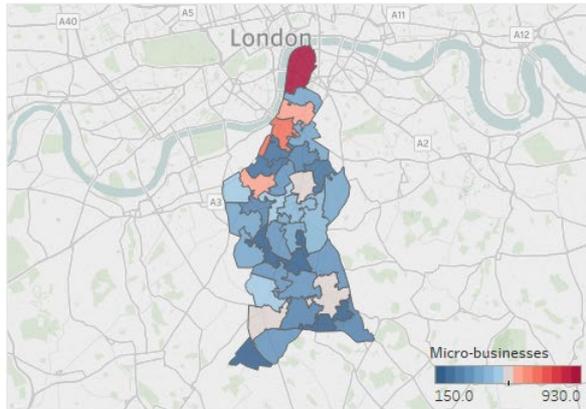
<sup>4</sup> The Office for National Statistics has categorised certain Standard Industry Classification (SIC) codes as Knowledge Intensive service industries. This categorisation is based on the proportion of tertiary-educated people employed in the industry.

# Mapping the business base

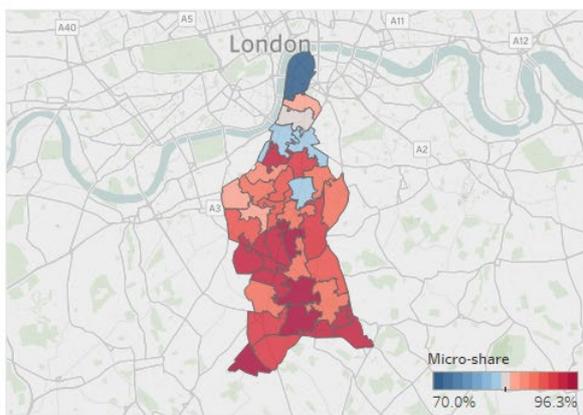
Local Units



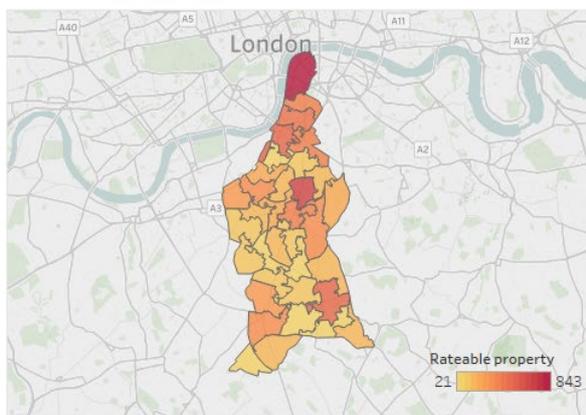
Micro-businesses



Micro-share



Rateable property



**Local units:** There are 15,660 businesses (in local units) across Lambeth. 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 Lambeth 036 which contains 9% (1,335 local units) of all local units in Lambeth.

**Micro-businesses:** Of the 15,660 businesses located in Lambeth, 13,645 are microbusinesses with 0-9 employees. Unsurprisingly, the MSOA with the highest number of microbusinesses is Lambeth 036 with 930 local units. The map in the top right corner displays the distribution of micro-businesses across Lambeth. Similar to the local units map to the left, there is a high concentration of micro-businesses in the northern parts of Lambeth along the river Thames.

**Micro-share:** The average share of microbusinesses across MSOAs in Lambeth is 87%. Lambeth 027 and 030 have the highest share of microbusinesses at 96%. In contrast, Lambeth 036 who have the highest number of microbusinesses in local units only have a 70% share of microbusinesses.

**Rateable property:** Lambeth has 8,075 rateable properties the majority of these properties are located in Lambeth 036. This aligns with other results as Lambeth 036 also has the highest number of businesses local units.

# MSOA reference map

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

