

London Borough Business Profiles Richmond upon Thames



Borough Overview

Measure	Description	Borough	London
Business count	The number of registered business in the borough.	14,485	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.	0.26	0.21
Micro-share	The share of registered business that are micro-businesses - defined as those businesses that have between 0-9 employees.	90%	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.	0.38	0.48
GVA per business (£m)	The borough's total economic output (Gross Value Added) per registered business.	0.53	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.	0.43	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>	0.83	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 Richmond 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 Richmond’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	Professional, scientific and technical
2	Information and communication	Administrative and support service
3	Wholesale and retail trade	Information and communication
4	Administrative and support service	Manufacturing
5	Construction	Arts, entertainment and recreation

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

Richmond has 12 industries within the professional, scientific and technical sector 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	1900	15%
62020 : Computer consultancy activities	1035	8%
82990 : Other business support service activities	630	5%
90030 : Artistic creation	290	2%
74909 : Other professional, scientific and technical activities	275	2%

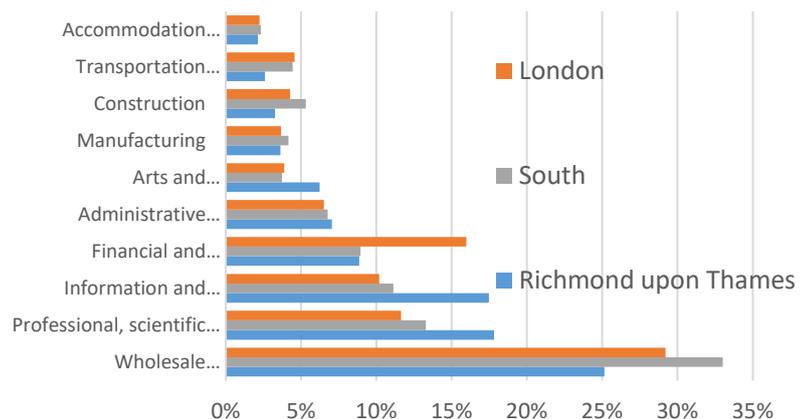
Management consultancy activities followed by computer consultancy activities have the highest number of businesses in terms of local units in Richmond. Together the top five industry groupings account for almost a third of all registered businesses in the borough.

Turnover

Total business turnover in Richmond upon Thames is dominated by the wholesale and retail sector which accounts for 25% of the total (29% 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



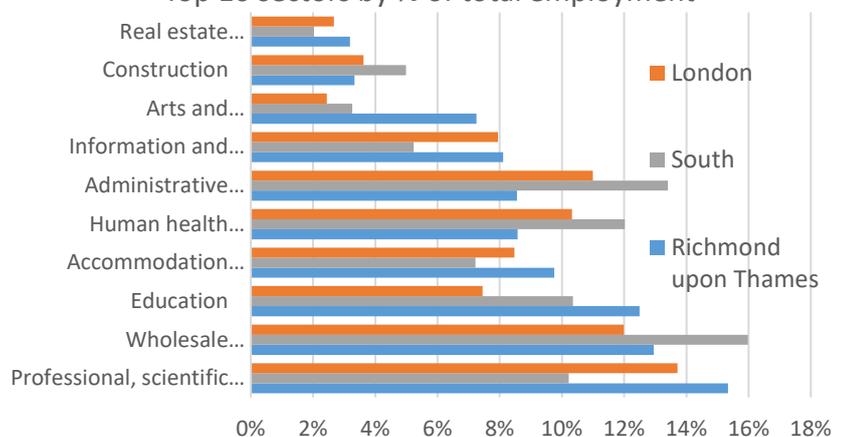
Employment

The top ten sectors by employment account for 90% of total employment in Richmond upon Thames.

The equivalent sectors account for 85% of employment across the South London sub-region and 80% of employment in London.

The professional, scientific and technical sector is the largest, accounting for 15% 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	0.127	80	44%	Richmond upon Thames 008	No	71%
Accommodation and food service activities	Licensed restaurants	0.086	195	18%	Richmond upon Thames 008	No	56%
Wholesale and retail trade; repair of motor vehicles and motorcycles	Retail sale of footwear in specialised stores	0.082	10	100%	Richmond upon Thames 008	No	50%
Wholesale and retail trade; repair of motor vehicles and motorcycles	Retail sale of cosmetic and toilet articles in specialised stores	0.081	10	100%	Richmond upon Thames 008	No	75%
Wholesale and retail trade; repair of motor vehicles and motorcycles	Retail sale of watches and jewellery in specialised stores	0.065	15	66%	Richmond upon Thames 008	No	80%

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 Richmond.

The most geographically clustered industries in Richmond are outlined in the table above. The industries with the highest cluster scores are dominated by retail businesses in Richmond upon Thames 008. Sale of clothing, footwear, watches and jewellery or cosmetic and toilet articles in specialised stores made up four of the five top cluster categories. Other forms of economic activity in Richmond are spread out more evenly across other MSOAs.

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).

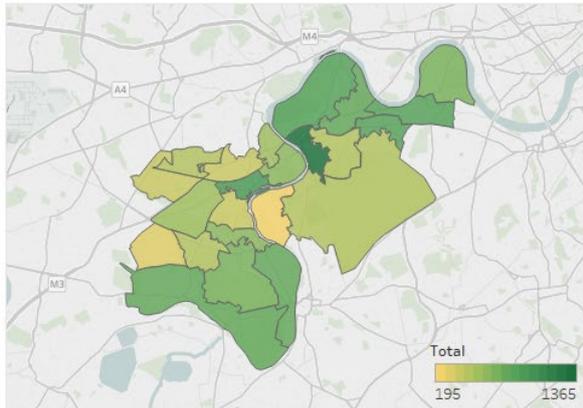
² Proportion of industry local units found in the dominant MSOA.

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.

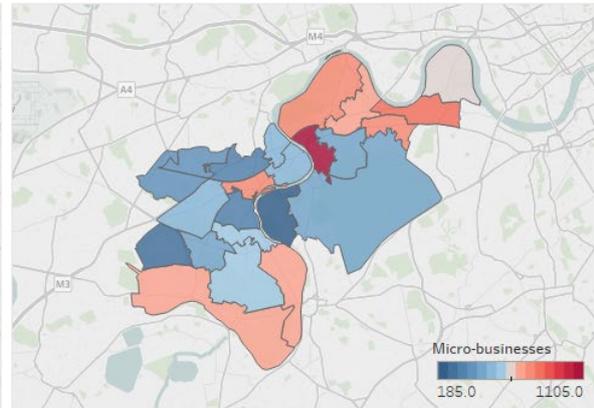
⁴ The Office for National Statistics has categorised certain Standard Industry Classification (SIC) codes as Knowledge Intensive service industries. This categorisation is based on the proportion of tertiary-educated people employed in the industry.

Mapping the business base

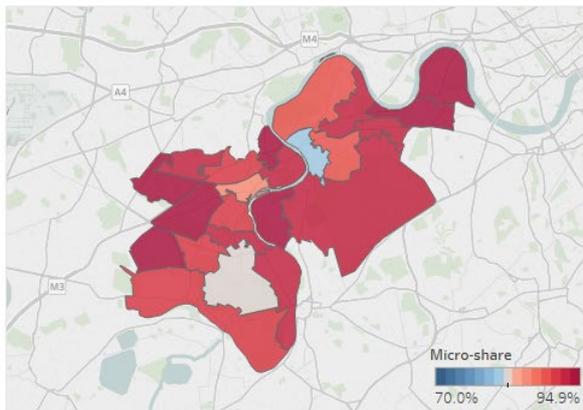
Local Units



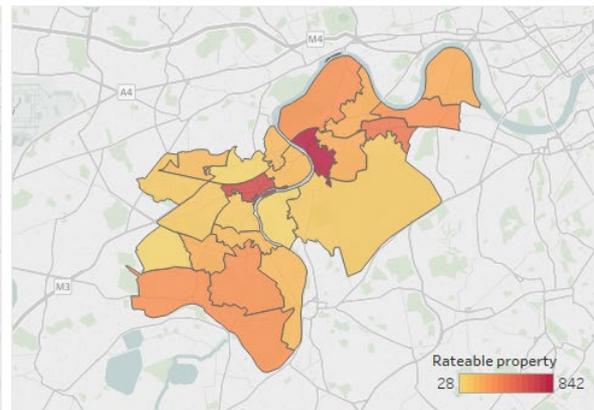
Micro-businesses



Micro-share



Rateable property



Local units: There are 14,485 businesses (in local units) across Richmond. 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 Richmond 008 which contains 9% (1,365 local units) of all local units in Richmond.

Micro-businesses: Of the 14,485 businesses located in Richmond, 13,080 are microbusinesses with 0-9 employees. Unsurprisingly, the MSOA with the highest number of microbusinesses is Richmond 008 with 1,105 local units. The map in the top right corner displays the distribution of micro-businesses across Richmond. There is a high concentration of micro-businesses located in the North and South of Richmond.

Micro-share: The average share of microbusinesses across MSOAs in Richmond is 90%. Richmond 007 and 017 have the highest share of microbusinesses at 95%. In contrast, Richmond 008 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 MSOA.

Rateable property: Richmond has 5,460 rateable properties the majority of these properties are located in Richmond 008. This aligns with other results as Richmond 008 also has the highest number of businesses local units.

MSOA reference map

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

