

# London Borough Business Profiles Southwark



**LONDON  
COUNCILS**

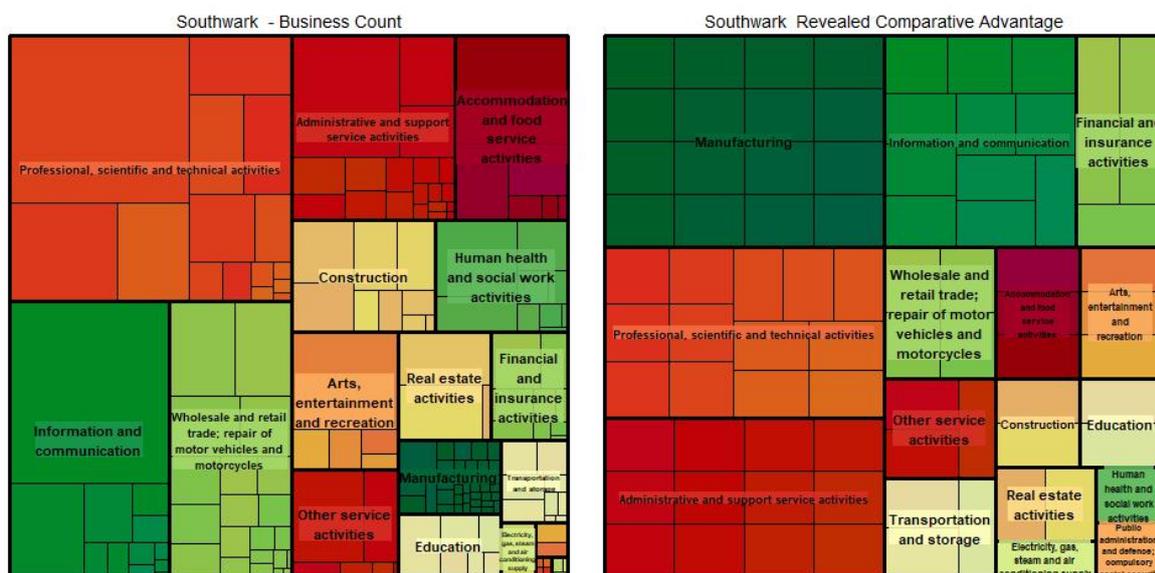
## Borough Overview

Measure	Description	Borough	London
<b>Business count</b>	The number of registered business in the borough.	<b>18,320</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>0.19</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>83%</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>0.58</b>	<b>0.48</b>
<b>GVA per business (£m)</b>	The borough's total economic output (Gross Value Added) per registered business.	<b>0.86</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>0.85</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 Southwark 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 Southwark’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	Professional, scientific and technical
3	Wholesale and retail trade	Administrative and support services
4	Administrative and support service	Information and communication
5	Accommodation and food services	Wholesale and retail trade

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

Southwark has 16 industries within manufacturing 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	1570	10%
62020 : Computer consultancy activities	1175	8%
82990 : Other business support service activities	785	5%
74100 : Specialised design activities	435	3%
62012 : Business and domestic software development	400	3%

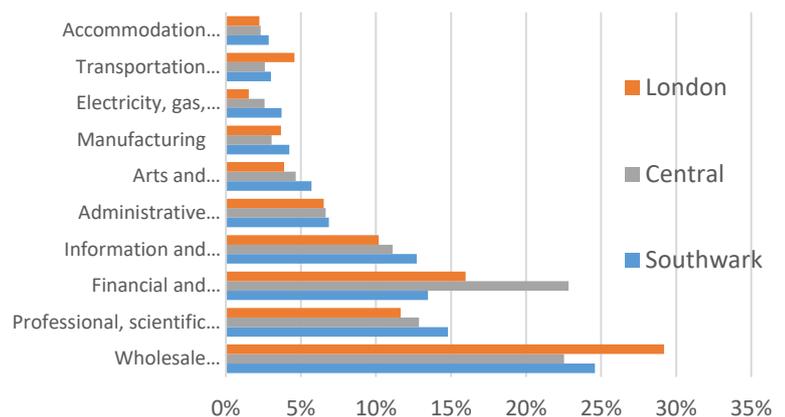
Computer consultancy activities followed by management consultancy activities have the highest number of businesses in terms of local units in Southwark. Together the top five industry groupings account for 29% of all registered businesses in the borough.

## Turnover

Total business turnover in Southwark is dominated by the wholesale and retail sector which accounts for 25% of the total (30% 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



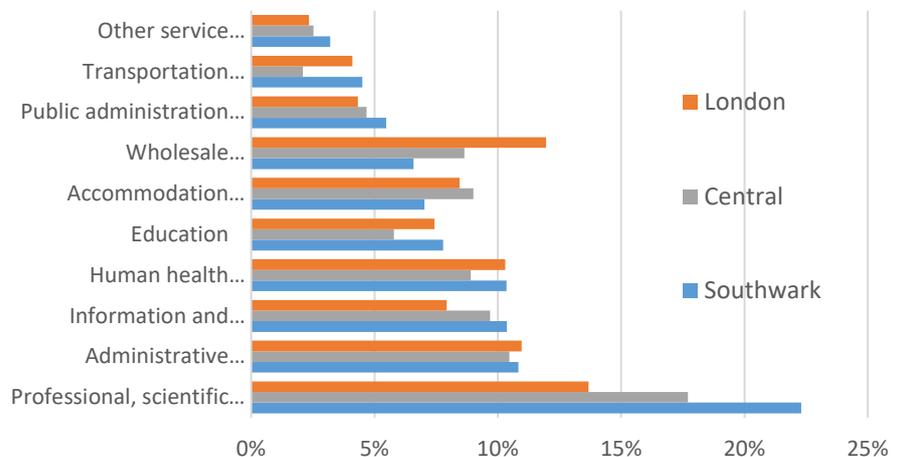
## Employment

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

The equivalent sectors account for 79% of employment across the Central London sub-region and 81% of employment in London.

The professional, scientific and technical sector is the largest, accounting for 22% 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
Electricity, gas, steam and air conditioning supply	Production of electricity	0.530	100	90%	Southwark 006	No	95%
Wholesale and retail trade; repair of motor vehicles and motorcycles	Retail sale via mail order houses or via Internet	0.321	235	47%	Southwark 011	No	93%
Professional, scientific and technical activities	Management consultancy activities (other than financial management)	0.285	1,570	17%	Southwark 003	Yes	93%
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.	0.196	225	31%	Southwark 002	No	91%
Human health and social work activities	Other social work activities without accommodation nec	0.183	280	29%	Southwark 009	No	69%

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 Southwark.

The most geographically clustered industries in Southwark are outlined in the table above. The industry with the highest cluster score of 0.530 is production of electricity. More specifically, of the 100 local business units, 90 of them (90%) are located in the same MSOA indicating that there exists an electricity production cluster in Southwark 006. There is also a cluster of online retail businesses in Southwark 011.

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).

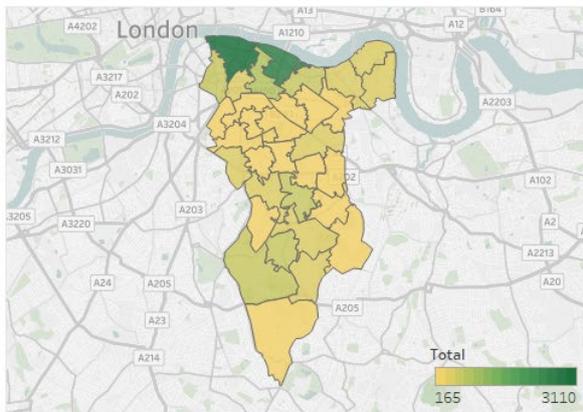
<sup>2</sup> Proportion of industry local units found in the dominant MSOA.

<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.

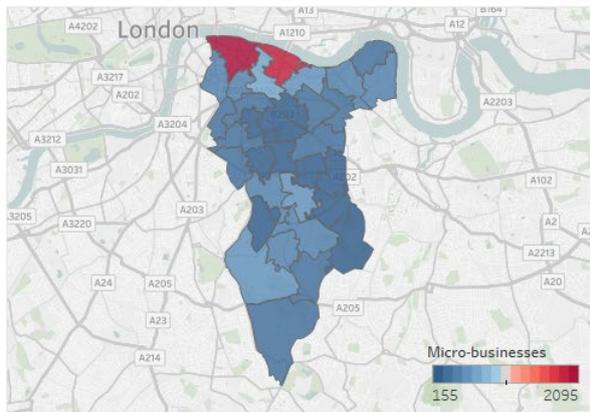
<sup>4</sup> The Office for National Statistics has categorised certain Standard Industry Classification (SIC) codes as Knowledge Intensive service industries. This categorisation is based on the proportion of tertiary-educated people employed in the industry.

# Mapping the business base

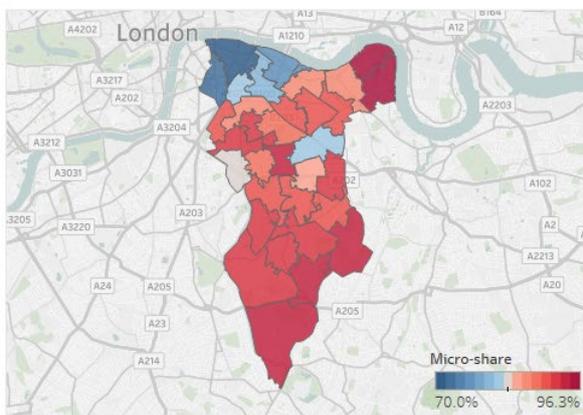
Local Units



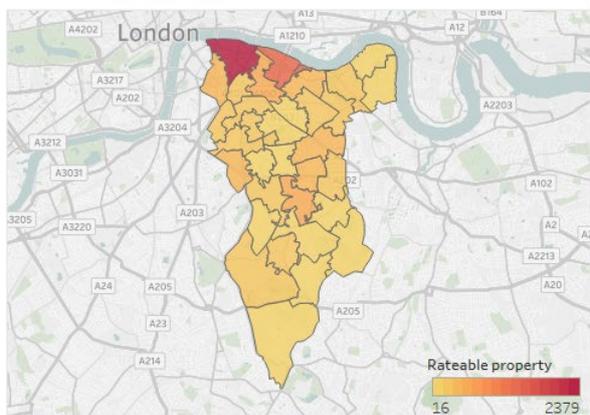
Micro-businesses



Micro-share



Rateable property



**Local units:** There are 18,320 businesses (in local units) across Southwark. 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 MSAO with the highest concentration of businesses are Southwark 002 and 003 which contain 31% (5,685 local units) of all local units in Southwark.

**Micro-businesses:** Of the 18,320 businesses located in Southwark, 15,185 are microbusinesses with 0-9 employees. Unsurprisingly, the MSAO with the highest number of microbusinesses is Southwark 002 and 003 with 2,095 and 1,955 local units respectively. The map in the top right corner displays the distribution of micro-businesses across Southwark. Similar to the local units map to the left, there is a high concentration of micro-businesses in the northern parts of Southwark along the river Thames.

**Micro-share:** The average share of microbusinesses across MSAOs in Southwark is 83%. Southwark 001 has the highest share of microbusinesses at 96%. In contrast, Southwark 002 and 003 who have the highest number of microbusinesses in local units only have a 67% and 76% share of microbusinesses because most of the larger businesses are also located in these MSAOs.

**Rateable property:** Southwark has 10,580 rateable properties the majority of these properties are located in Southwark 002 and 003. This aligns with other results as Southwark 002 and 003 also have the highest number of businesses local units.

# MSOA reference map

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

