

London Borough Business Profiles Westminster



**LONDON
COUNCILS**

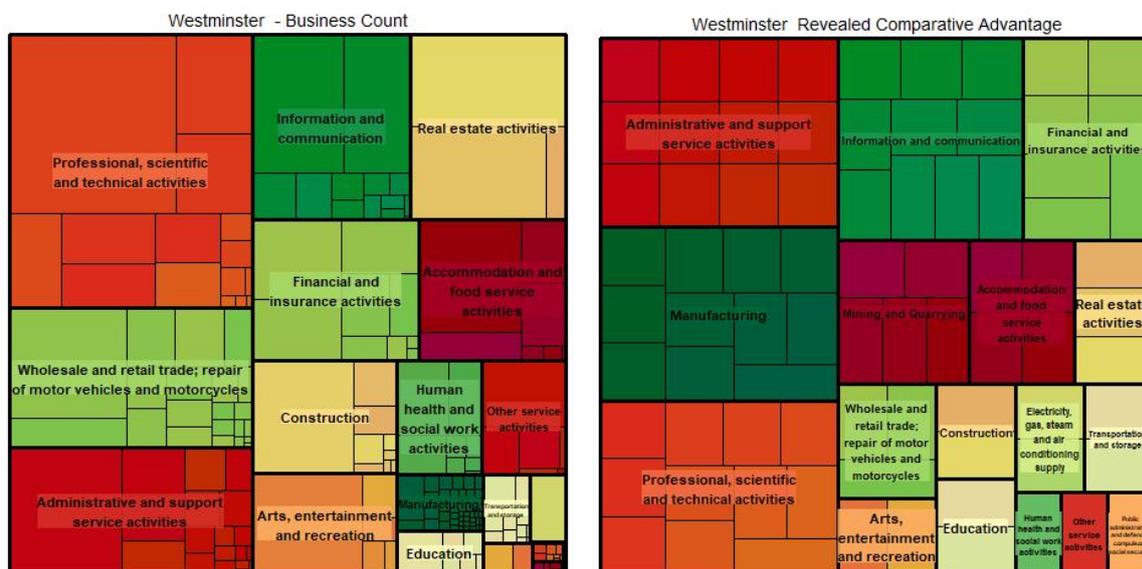
Borough Overview

Measure	Description	Borough	London
Business count	The number of registered business in the borough.	56,580	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.	0.99	0.21
Micro-share	The share of registered business that are micro-businesses - defined as those businesses that have between 0-9 employees.	81%	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.	0.56	0.48
GVA per business (£m)	The borough's total economic output (Gross Value Added) per registered business.	1.10	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.	0.30	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>	1.58	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 Westminster 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 Westminster'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	Wholesale and retail trade	Manufacturing
3	Administrative and support services	Professional, scientific and technical
4	Information and communication	Information and communication
5	Real estate activities	Financial and insurance activities

The professional, scientific and technical sector is the most prominent in Westminster when measured by total business count with strong representation from management consultancies, legal services, architectural and engineering firms. Wholesale and retail firms and administrative and support services are also well represented in Westminster's business base.

Westminster has 12 industries within administrative and support service activities 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	4740	9%
82990 : Other business support service activities	2635	5%
68209 : Letting and operating of own or leased real estate	2535	5%
41100 : Development of building projects	2130	4%
56101 : Licensed restaurants	1310	2%

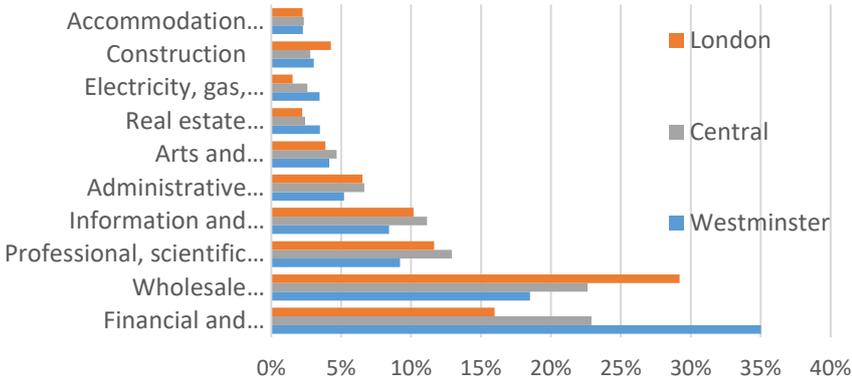
Management consultancy activities followed by other business support service activities have the highest number of businesses in terms of local units in Westminster. Together the top five industry groupings account for a quarter of all registered businesses in the borough.

Turnover

Total business turnover in Westminster is dominated by the financial and insurance sector which accounts for 35% of the total (25% of turnover among micro-businesses).

This compares to 23% of turnover across the Central London subregion and 16% across London.

Top 10 sectors by % of total turnover



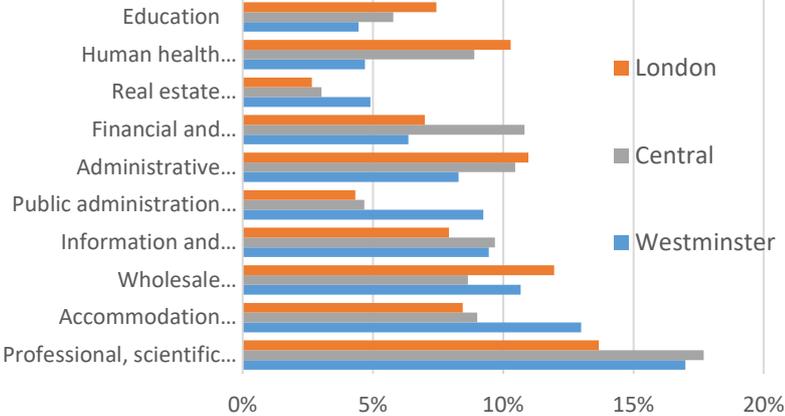
Employment

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

The equivalent sectors account for 89% of employment across the Central London sub-region and 85% of employment in London.

The professional, scientific and technical 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
Professional, scientific and technical activities	Barristers at law	1.132	635	98%	Westminster 018	Yes	97%
Professional, scientific and technical activities	Management consultancy activities (other than financial management)	0.720	4,740	26%	Westminster 013	Yes	89%
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.	0.627	2,535	25%	Westminster 018	No	90%
Construction	Development of building projects	0.607	2,130	32%	Westminster 013	No	94%
Information and communication	Motion picture production activities	0.597	785	66%	Westminster 013	Yes	90%

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 Westminster.

The most geographically clustered industries in Westminster are outlined in the table above. The industry with the highest cluster score of 1.132 is barristers at law. More specifically, of the 635 local business units, nearly all of them (98%) are located in the same MSOA indicating that there exists a cluster barristers in Westminster 018. Additionally, there exists a cluster of management consultancy businesses in Westminster 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).

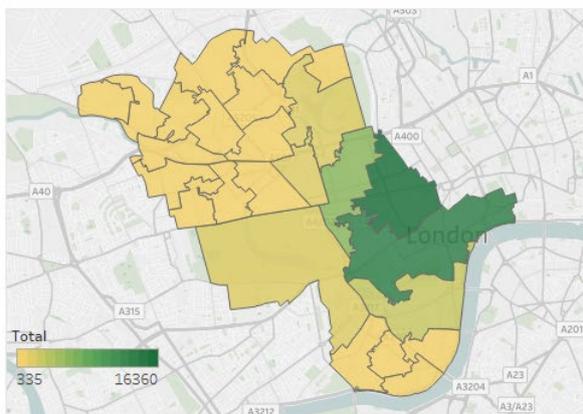
² Proportion of industry local units found in the dominant MSOA.

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.

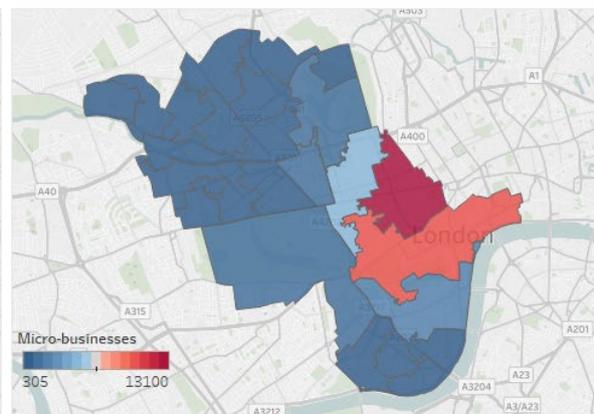
⁴ The Office for National Statistics has categorised certain Standard Industry Classification (SIC) codes as Knowledge Intensive service industries. This categorisation is based on the proportion of tertiary-educated people employed in the industry.

Mapping the business base

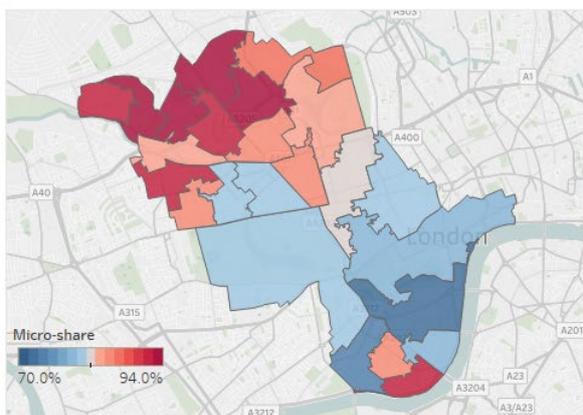
Local Units



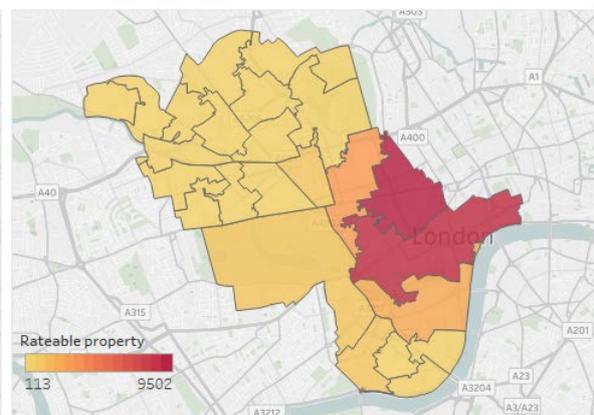
Micro-businesses



Micro-share



Rateable property



Local units: There are 56,580 businesses (in local units) across Westminster. As illustrated on the map in the left corner, the businesses are relatively evenly spread out across the borough with a high density of businesses located in the South East corner of the borough. The MSOAs with the highest concentration of businesses are Westminster 013 and 018 which combined contain 52% (29,670 local units) of all local units in Westminster.

Micro-businesses: Of the 56,580 businesses located in Westminster, 45,735 are microbusinesses with 0-9 employees. Unsurprisingly, the MSOA with the highest number of microbusinesses is Westminster 013 with 13,100 local units. The map in the top right corner displays the distribution of micro-businesses across Westminster. Similar to the local units map to the left, there is a high concentration of micro-businesses in the South East corner Westminster along the river Thames.

Micro-share: The average share of microbusinesses across MSOAs in Westminster is 81%. Westminster 003 and 005 have the highest share of microbusinesses at 94%. In contrast, Westminster 013 who have the highest number of microbusinesses in local units only have an 80% share of microbusinesses because most of the larger businesses are also located in this MSOA.

Rateable property: Westminster has 31,850 rateable properties the majority of these properties are located in Westminster 013 and 018. This aligns with other results as Westminster 013 and 018 also has the highest number of businesses local units.

MSOA reference map

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

