

The drivers behind business births and deaths in Barnet

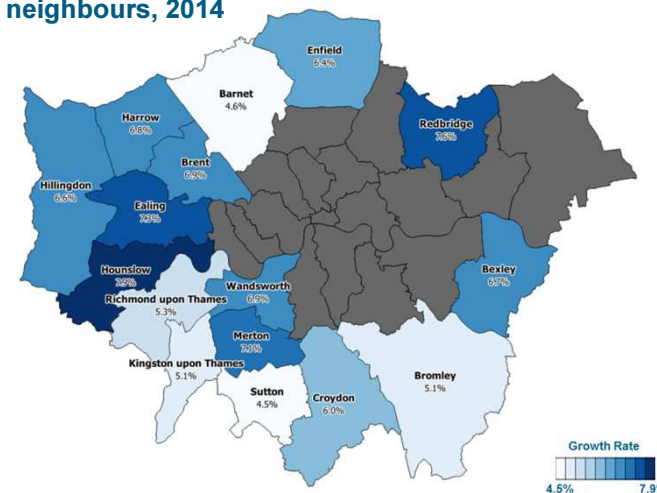
Objective

- To examine business growth in Barnet relative to other Local Authorities and to better understand the key drivers behind business births and deaths in the borough.

Key Findings – LA comparison

- Compared to other Local Authorities and ‘statistical neighbours’, Barnet has recorded lower rates of growth, driven by relatively high death and relatively low birth rates
- Barnet is over-represented in sectors associated with high death rates
- Increasing growth rates to match average growth rates could mean an additional £860K from Non-domestic business rates.

Growth rates, Barnet & its statistical neighbours, 2014



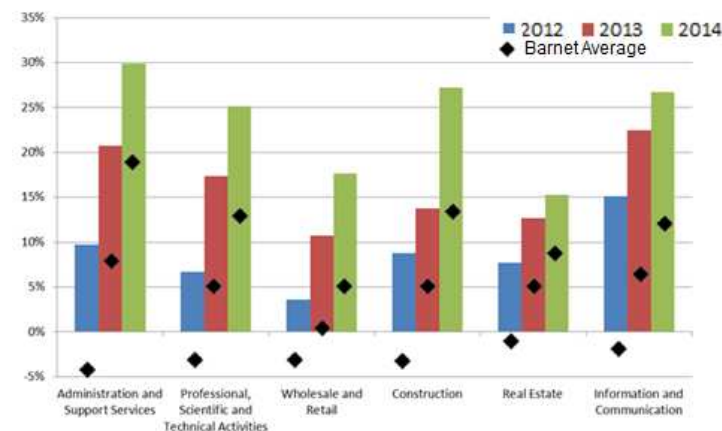
Key Findings – Drivers impacting Barnet’s growth

- The professional and businesses sectors recorded the highest birth and death rates. These sectors are associated with low costs of entry/exit and strong competition
- Regeneration areas showed significantly higher growth rates across sectors, with growth also spilling over into nearby areas
- More deprived areas showed higher death rates
- 17% of all businesses set up since 2011 closed within 3 years
- Business rates do not appear to have an impact on business survival

Recommendations

- Strategic Planning Documents should recognise the importance of regeneration areas in generating business growth, not just in these areas, but in neighbouring areas as well
- Non-domestic business rates do not appear to be a burden to small businesses and do not need to be addressed in any policy changes. However, there is a role in supporting businesses as they step up from owner-operator into a business with several employees
- The biggest impact on overall growth would be the targeting of key sectors within Barnet which show high birth but also high death rates – Administration & Support, Professional, Scientific & Technical Activities
- Strategies should focus on addressing the higher death rates in more deprived areas.

Year-on-year growth rates in regeneration areas



Customer and Support Group