

New Business Starts in Bristol for the period 2008 to 2018.

Summary



Numbers of new business start-ups¹ have been falling more or less steadily since 2011, throughout the West of England.



In Bristol the number has been falling at a definite trend rate of 92 fewer start-ups each year. This amounts to an annual average reduction in the number² of new business start-ups between 2011 and 2018 of 3.0%.



In the West of England LEP area the number has been falling at a definite trend rate of 317 per year. This amounts to an annual average reduction in the number³ of new business start-ups between 2011 and 2018 of 3.9%.



The distribution of start-ups amongst the WoE local authorities has not changed significantly throughout the period (2008-18). On average⁴ 16.7% of start-ups were in BANES; 42.3% in Bristol; 19.6% in North Somerset and 21.4% in South Gloucestershire.

¹ Source: Start-ups department - BankSearch Information Consultancy Ltd. Web site: <https://www.banksearch-consultancy.com/>

² From 3,794 in 2011 to 3,039 in 2018

³ From 3,794 in 2011 to 3,039 in 2018

⁴ With 95% confidence limits of 10.6%, 8.2%, 9.4% and 5.2% for BANES, Bristol, N Somerset and South Gloucestershire respectively

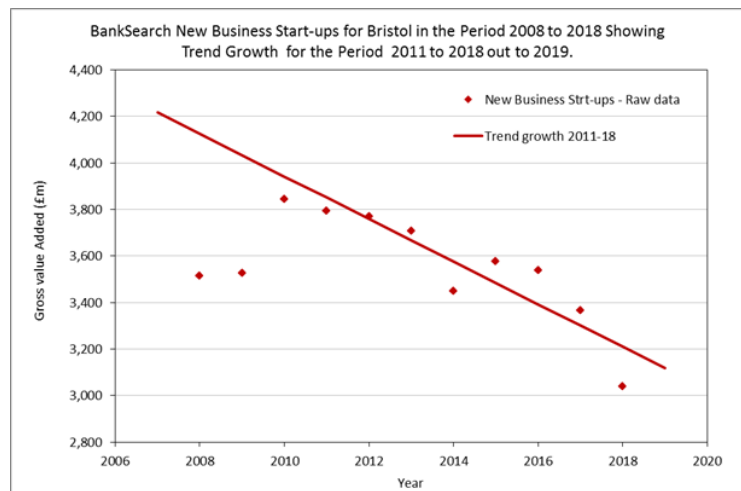
BRISTOL Economic Briefing

New Business Starts in Bristol for the period 2008 to 2018.

Overview

New business start-ups have been reported by BankSearch^{5,6} since 2008. The data is reported monthly and shows a clear seasonal^{7,8} variation, apparent in the quarterly totals. As a consequence, no significant long term trends are shown⁹ in the quarterly numbers. For the period 2008 to 2018 statistical analysis reveals an average of 889 new business start-ups per quarter (confidence limits suggest the actual total could be anywhere between 727 and 1,051). By quarter, new business start-ups in Bristol have been remarkably stable for most of the period since 2008, but look to have fallen in the last year.

Annual numbers, shown in the chart opposite, are more revealing because they are four times as large and so can show variation more clearly. Although not uniform, since 2011, there has been a clear reduction in the number of start-ups that have occurred annually in Bristol. Trend analysis for the period 2011 to 2018 results in a probable¹⁰ trend¹¹ of -91.5 new start-ups per year per year. Between 2011 and 2018 the total number of new business start-ups that occurred annually in Bristol fell from 3,794 to 3,039 and as a result was over 20% below the maximum of 3,845 that occurred in 2010. In 2018 69.6% of new start-ups were limited companies, this compares to 37.8% in 2008. On the other hand, the proportion of new start-ups that were not for profit businesses fell from 11.4% in 2008 to 6.3% in 2018. This implies that not for profit businesses have become more difficult to start-up. Consequently the contribution that they make to the economy of Bristol may shrink. By industry the largest falls have been in the Recreational, personal & community service; Administrative & support services; Construction; Retail and the Professional, scientific & technical activities sectors. These sectors account for 35%, 32%, 15%, 13% and 10% respectively of the fall (755) for all industry.



⁵ Proprietary data base that counts new "business" bank accounts

⁶ Source: Start-ups department - BankSearch Information Consultancy Ltd. Web site: <https://www.banksearch-consultancy.com/>

⁷ A significant dip in the number of start-ups in Dec of each year and a subsequent increase in Jan of the next. See Appendix 1.

⁸ See Appendix 1

⁹ See Appendix 2

¹⁰ The data is such that quality parameter (R^2) has a value of 0.8079 so that the trend is only probable

¹¹ With 95% confidence limits of 39%

Comparison with the West of England LEP Area and Other Local Authorities.

The annual totals of new business start-ups for all industry in the local authorities that constitute the West of England LEP area all follow the same pattern¹². In all of these areas the annual totals of new business start-ups have been falling more or less steadily since 2011. The table below shows the results of trend analysis of new start-ups in the WoE and

Area Name	Trend Parameters for the period 2011 to 2018			
	Trend (start-ups/yr)/yr	95% Conf Limit	Quality of Trend	
			R ²	Description
BANES	-77	18	0.9180	definite
Bristol	-92	36	0.8079	probable
North Somerset	-78	17	0.9348	definite
South Gloucestershire	-70	29	0.7908	probable
West of England	-317	62	0.9429	definite

its four constituent local authorities. Over the period 2011 to 2018 the annual number of start-ups in the WoE fell by 2,315. The distribution of the new start-ups between the local authorities in the WoE has not changed significantly. Statistical variables for the proportion of start-ups in each local authority are shown in the table opposite.

Variable	BANES	Bristol	N Somerset	S Glouc's
Annual Average (%)	16.7	42.3	19.6	21.4
95% Conf Limit (%)	1.7	3.4	1.8	1.1

The proportion of new start-ups in each local authority has remained within 10% of the average for 95% of the time. As was the case for Bristol, the proportion of start-ups that were limited companies has increased throughout the WoE and the proportion that were not for profit businesses has decreased. The table opposite shows the proportion at the beginning and end of the time series. By industry the largest falls in the WoE and its constituent local authorities more or less mirror those of Bristol. For the WoE as a whole the largest falls have been in the Recreational, personal & community service; Administrative & support services; Retail Construction; Manufacturing and the Professional, scientific & technical activities sectors. These sectors account for 36%, 28%, 12%, 8.8%, 6.4% and 4.4% respectively of the fall (2,315) for all industry.

Type of Business	WoE: Proportion of Type in the year	
	2008	2018
Limited Company	35.8	66.1
Not for Profit	11.4	7.5

Questions about the contents of this briefing should be addressed to:

Stephen Usmar,
Economic Intelligence Officer,
Economic Development,
Bristol City Council.

email: stephen.usmar@bristol.gov.uk
Phone: 0117 9222925

¹² Charts of new business start-ups for all industry in BANES, Nth Somerset, Sth Glouc's and the WoE LEP are shown in Appendix 3.

Appendix 1

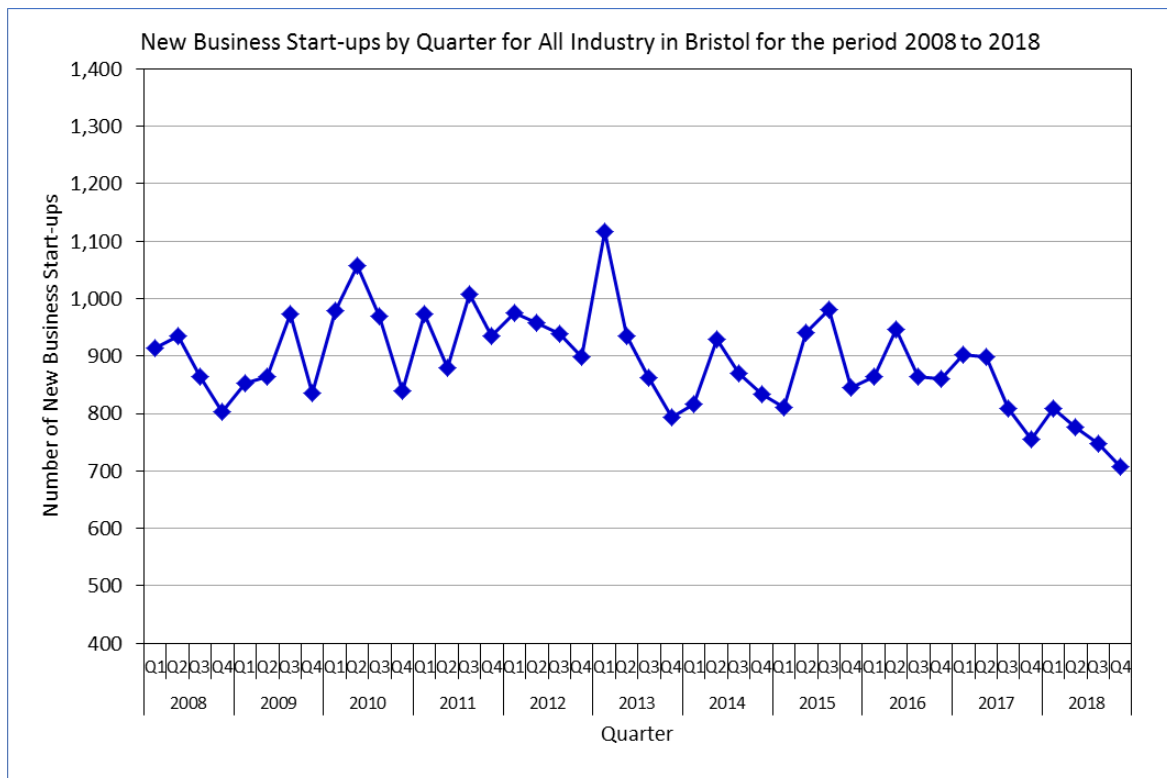
The table below shows the average number of new businesses formed in Bristol per month, for the period January to November, in the years 2008 to 2018 inclusive. Also shown are other statistical parameters for the January to November data and the numbers of new businesses for December of each year.

New business start-up variable	Statistical parameters for the Numbers of New Business Start-ups in Bristol (in year)										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Monthly Average Jan to Nov	301	300	331	324	324	317	292	304	298	286	258
Minimum Jan to Nov	235	256	295	286	299	255	245	261	271	251	243
Maximum Jan to Nov	341	346	372	384	374	447	324	373	322	316	315
95% conf	55	49	51	64	44	104	53	63	35	39	39
December	205	227	208	229	204	224	240	232	262	215	197

Clearly, whilst there are month to month variations for the period January to November, the number of new business starts in December has always been significantly lower than the average for the rest of the year.

Appendix 2

The chart below shows the numbers of new business start-ups by quarter for Bristol in the period 2008 to 2018. The data hints that number of start-ups have been falling over the



last few years. However the seasonal variations (dip in start ups in December each year) disguised any systematic changes that might be visible otherwise.

Appendix 3

Charts showing new business start-ups for all industry in BANES, North Somerset and South Gloucestershire local authorities and the West of England LEP area.

