



Business demography for VAT and pay as you earn (PAYE) registered businesses, 2015

Key findings for the Lancashire-14 area

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1. Overview

The Office for National Statistics (ONS) publishes [business demography statistics](#) for VAT and Pay As You Earn (PAYE) registered businesses in the UK each year, usually in November. The figures are derived from the Inter-Departmental Business Register (IDBR), managed by the ONS. Business demography focuses on enterprise births and deaths, business survival rates and the active stock of VAT and/or PAYE enterprises regardless of their size. Figures are available by local authority area and by industry sector. The data for the latest two years of data are subject to revision.

2. Key findings for the Lancashire-14 area

2.1 VAT/PAYE registered businesses in 2015

The 2015 figures for the United Kingdom show that there were nearly 2.7 million active VAT and/or PAYE registered enterprises, of which 259,740 (9.7%) were in the North West. The Lancashire-14 area accounted for 20.2% of the regional total with 52,350 active enterprises.

Preston had the largest number of active VAT/PAYE registered enterprises (5,290) in the Lancashire-14 area, whilst in contrast, Hyndburn (2,385) had the lowest.

There were 58 business registered for VAT/PAYE per 1,000 persons aged 18 to 74 in the UK and 51.2 businesses in the North West in 2015. Lancashire-14 (50.4) had a lower ratio.

Ribble Valley (73.6) had by far the greatest number of VAT/PAYE registered businesses per 1,000 population aged 18 to 74 in the Lancashire-14 area, followed by Fylde (61.6). These were the only authorities in the Lancashire-14 area to have a greater ratio than the UK average (58). By contrast, the lowest numbers were recorded in Hyndburn (42.9), Lancaster (42.5) and Blackpool (42.4).

All of the authorities in the Lancashire-14 area recorded more active enterprise births than deaths in 2015.

2.2 VAT/PAYE business births in 2015

The birth rate of enterprises in the Lancashire-14 area at 12.2% (6,370 enterprise births) in 2015 was lower than the UK (14.3%) and the North West region (14.1%).

Within the Lancashire-14 area, only Blackburn with Darwen (14.4%) had a business birth rate greater than the UK average. Ribble Valley had the lowest (9.7%).

Preston (705) and Blackburn with Darwen (695) recorded the largest number of business births in the Lancashire-14 area in 2015, whilst Ribble Valley (290), Hyndburn (280) and Rossendale (280) saw the lowest numbers.

The business birth rate per 1,000 population aged 18 to 74 was 8.3 in the UK in 2015 and 7.2 in the North West of England. The rate for the Lancashire-14 area of 6.1 was lower.

Within the Lancashire-14 area, none of the business birth rates per 1,000 population aged 18 to 74 were greater than the UK average (8.3). Only Fylde (7.5) had a rate above the regional average (7.2). The lowest rates were in Hyndburn (5.0) and Lancaster (4.8).

2.3 VAT/PAYE registered business deaths in 2015

The business death rate of 9.3% for Lancashire-14 in 2015 was fractionally lower than the UK average (9.4%) and lower than the regional rate (9.9%).

Within the Lancashire-14 area the business death rates in 2015 were greater than the UK average (9.4%) in Blackpool (11.9%), Chorley (10.7%), West Lancashire (10.2%), Blackburn with Darwen (9.7%) and Preston (9.5%). The lowest business death rates in the Lancashire-14 area were recorded in Ribble Valley (8.3%), Pendle (8.3%), Rossendale (8.3%) and Lancaster (8.0%).

Preston (500), Blackpool (495), Chorley (480) and Blackburn with Darwen (470) saw the largest number of business deaths in the Lancashire-14 area in 2015, whilst Pendle (235), Hyndburn (225) and Rossendale (215) recorded the lowest.

The business death rate per 1,000 population aged 18 to 74 in the UK was 5.5 in 2015 and 5.1 in the North West of England. The rate for the Lancashire-14 area of 4.7 was lower than the rates for the UK and the North West.

Within the Lancashire-14 area, Ribble Valley (6.1), Chorley (5.9) and West Lancashire (5.6) had business death rates per 1,000 population aged 18 to 74 that were greater than the UK average (5.5). The rate for Fylde (5.4) was above the regional average (5.1), whilst the rate for Blackpool (5.1) was the same as that for the North West. Pendle (3.8) and Lancaster (3.4) had the lowest business death rates per 1,000 population aged 18 to 74 in the Lancashire-14 area in 2015.

2.4 Differences between business births and deaths in 2015

In 2015 business births exceeded business deaths in the UK by 131,035, whilst for the Lancashire-14 area, births exceeded deaths by 1,470.

Blackburn with Darwen (225) and Preston (205) recorded the greatest net difference between the birth and death of enterprises in the Lancashire-14 area in 2015, whilst Chorley (45) and Ribble Valley (40) saw the lowest difference.

The difference between the UK business birth rate (14.3%) and the UK business death rate (9.4%) in 2015 was 4.9 percentage points. For the Lancashire-14 area,

the difference between the rates was lower at 2.9 percentage points. This indicates a lower pace of business formation in the Lancashire-14 area in 2015.

Within the Lancashire-14 area, the greatest difference between the business birth rate and the business death rate was 4.7 percentage points in Blackburn with Darwen (14.4% v 9.7%), which was slightly lower than the UK (4.9 percentage points). Ribble Valley (1.4 percentage points) and Chorley (1.0 percentage point) had the smallest differences.

2.5 Difference between business birth rates and business death rates per 1,000 population aged 18 to 74 in 2015

The difference between the UK business birth rate per 1,000 population aged 18 to 74 (8.3%) and the UK business death rate per 1,000 population aged 18 to 74 (5.5) in 2015 was 2.8 percentage points. For the Lancashire-14 and Lancashire-12 areas, the difference between the rates, at 1.4 percentage points, was half that of the UK (2.8). This indicates that business stock per 1,000 population aged 18 to 74 grew at half the pace in the Lancashire-14 and Lancashire-12 areas than the UK in 2015.

Blackburn with Darwen (2.3), Fylde (2.1) and Preston (2.0) had the largest differences in the Lancashire-14 area between their respective business birth and business death rates per 1,000 population aged 18 to 74 in 2015. However, all were lower than the UK figure (2.8). Hyndburn (1.0), Ribble Valley (1.0), Blackpool (0.8) and Chorley (0.8) had lowest differences in the Lancashire-14 area in 2015.

2.6 Change in VAT/PAYE registered businesses from 2010 to 2015

There has been a small rise in the number of VAT/PAYE registered enterprises in the Lancashire-14 area of 1,370 (2.7%) between 2010 and 2015. However, the percentage increases for the UK (13.6%, 320,600 businesses) and the North West (11.1%, 26,005 businesses) were much higher.

Within the Lancashire-14 area, Chorley (8.3%, 345 businesses), Blackburn with Darwen (7.8%, 350 businesses) and Burnley (7.8%, 195 businesses) saw the greatest percentage increases between 2010 and 2015. West Lancashire (225 businesses, 5.4%) and Preston (210 businesses, 4.1%) saw larger increases in the actual number of businesses than Burnley, but their percentage increases were lower.

Five authorities within the Lancashire-14 area recorded reductions in the number of businesses between 2010 and 2015. Blackpool saw the greatest fall (-160 businesses, -3.7%) over the period, followed by Hyndburn (-60 businesses, -2.5%), Lancaster (-40 businesses, -0.9%), Fylde (-25 businesses, -0.7%) and Rossendale (-15 businesses, -0.6%).

2.7 Recent low points in the number of VAT/PAYE-registered enterprises

Between 2010 and 2015, the number of active enterprises in the UK dipped to a post 2008/09 recession low point in 2011 at 2,342,595 enterprises. The majority of local authorities in the Lancashire-14 area (ten), however, saw the number of enterprises fall to low points later, in 2012. Two of these areas, Lancaster and Wyre, did not see any recovery in the number of enterprises in 2013, so had low points for two years in both 2012 and 2013. Both the Lancashire-14 and Lancashire-12 areas also recorded low points in 2012.

In addition to Lancaster and Wyre, Fylde, Rossendale and Blackpool also recorded post 2008/09 recession low points in the number of enterprises in 2013. Within the Lancashire-14 area, only South Ribble reached a low point in 2011, the same year as the UK.

2.8 Yearly change in VAT/PAYE registered businesses, 2014 to 2015

Between 2014 and 2015, the number of VAT/PAYE registered enterprises in the UK rose by 4.7% (121,135 businesses). This was a greater percentage increase than seen in the North West 4.1% (10,275 businesses), the Lancashire-12 area (2.4%, 1,005 businesses) and more than double pace of increase seen in the Lancashire-14 area (2.3%, 1,180).

All of the authorities within the Lancashire-14 area recorded increases in the number of VAT/PAYE registered businesses between 2014 and 2015. West Lancashire (4.8%, 200 enterprises) was the only local authority that saw the number of businesses rise by a greater percentage than the UK (4.7%) over the year, although Chorley (4.7%, 200 businesses) recorded the same percentage increase as the UK. These were also the largest numeric increases in the Lancashire-14 area, ahead of Preston (185 businesses, 3.6%) and Blackburn with Darwen (110 businesses, 2.3%).

Lancaster (0.8%, 35 businesses) recorded the lowest percentage rise over the year between 2014 and 2015, whilst Rossendale (25 businesses, 1.0%) saw the smallest numeric increase in the number of businesses. A further seven authorities in the Lancashire-14 area saw small percentage increases over the year, ranging between 1.1% and 2.0%.

2.9 VAT/PAYE registered business survival rates for those enterprises born in 2010

After only five years, more than half of the active enterprises born in 2010 had ceased to exist. At the United Kingdom level, only 41.4% of enterprises born in 2010

were still active after five years. The rates were slightly lower in the Lancashire-12 area (40.7%) and the Lancashire-14 area (40.3%).

At the local authority level, Blackpool (35.2%) had a particularly poor five-year survival rate. Burnley (36.4%), Fylde (37.7%), Preston (38.2%), Wyre (38.7%) and Rossendale (39.6%) also recorded five-year survival rates below 40.0%. In contrast, Ribble Valley (47.0%), was well in excess of the UK average (41.4%). Pendle (43.4%) had the second highest five-year survival rate in the Lancashire-14 area.

Coastal resorts such as Blackpool, can have a tendency to attract enterprises that follow the patterns of seasonal trade, which leads to high rates of business creation but low survival rates. High business churn rates can also be a sign of greater levels of entrepreneurship within an area.

2.10 VAT/PAYE registered business survival rates, businesses born in 2010 v 2009

West Lancashire was the only authority in the Lancashire-14 area to have better business survival rates for those enterprises born in 2010 than those born in 2009 across all 5 survival periods (1 year to 5 years).

Five-year survival rates for businesses born in 2010 were better than for those born in 2009 in Hyndburn, West Lancashire, Pendle, Blackpool, Preston and South Ribble, whilst the rate for Rossendale was unchanged.

The remaining seven authorities in the Lancashire-14 area showed a reduction in the five-year survival rates for businesses born in 2010 compared to those born in 2009. For these seven areas, the survival rates for those businesses born in 2010 are poorer than those born in 2009 for all, or the majority of the five survival rate periods (1 year to 5 years). Burnley and Chorley have shown some notable reductions in survival rates for those businesses born in 2010 compared to those born in 2009 across all five survival rate periods (1 year to 5 years), followed by Wyre, Fylde and Ribble Valley.

The five-year survival rate for the Lancashire-14 area improved marginally, by 0.1 percentage point, between those businesses born in 2009 and those born in 2010. The business survival rates for earlier periods (1-year to 4-years) were however poorer for those businesses born in 2010 than for 2009 in the Lancashire-14 area.

The survival rates for businesses born in 2010 in the Lancashire-12 area were lower than those businesses born in 2009 in four of the five survival rate periods (1 year to 5 years), including the five-year survival rate. Only the two-year survival rate was unchanged for businesses born in both 2010 and 2009 in the Lancashire-12 area.

With the exception of West Lancashire, the one year business survival rates appear to have deteriorated for those enterprises born in 2010 compared to those born in 2009 for all of the areas analysed in this report.

3. Background information

3.1 Business demography statistics

The Office for National Statistics (ONS) publishes [business demography statistics](#) for VAT and Pay As You Earn (PAYE) registered businesses in the UK each year, usually in November. The figures are derived from the Inter-Departmental Business Register (IDBR), managed by the ONS. Business demography focuses on enterprise births and deaths, business survival rates and the active stock of VAT and/or PAYE enterprises regardless of their size. Figures are available by local authority area and by industry sector. The data for the latest two years of data are subject to revision.

The starting point for the calculation of business demography data is the concept of active businesses in a reference year. These are defined as businesses that had either turnover or employment at any time during the reference year. New business registrations are referred to as business births and the birth rate is calculated using the number of births as a proportion of the active businesses in the reference year. Businesses that cease trading (identified through de-registration for VAT and/or PAYE) are referred to as business deaths and the business death rate is calculated using the number of deaths as a proportion of the active businesses in the reference year.

Although business demography statistics are derived from the Inter-Departmental Business Register (IDBR), the total stock of active VAT and/or PAYE registered businesses in the UK (2.67 million for 2015) is greater than that provided in the related UK business: activity, size and location document, published by the ONS, which gives a figure of 2.55 million VAT and/or PAYE registered businesses (for March 2016). This is because the business demography definition of an active business is based on activity at any point in the year, whereas the UK business: activity, size and location definition is based on an annual snapshot at a point in time (at the end of March each year).

A complementary report produced by Business Intelligence at Lancashire County Council analyses the [business structure](#) of VAT and/or PAYE registered businesses by the number of employees and turnover in the Lancashire-14 area in March 2016, sourced from the [UK business: activity, size and location dataset](#).

The IDBR contains information on over 2.5 million VAT and/or PAYE registered businesses in the UK. The Department for Business, Energy and Industrial Strategy (BIS) produces a third business dataset, the BIS [business population estimates](#), which is the only estimate of the total UK business population in the UK. It includes an estimate of both the unregistered business population and VAT and/or PAYE registered businesses. It focusses on the private sector, but also provides the statistics for the public sector and non-profit organisations. It produces a UK business population total for a single point in time as the beginning of each calendar year (1 January). The data is however only available at the UK and regional level. The data can be broken down by employee numbers, legal status, industry and geography (regions).

At the start of 2016, the BIS [business population estimates](#) indicated that there were 5.5 million private sector businesses in the UK. The 2.5 million businesses registered for VAT and/or PAYE represent 45% of the estimated total UK private sector business population. There were just over 3.0 million businesses that traded without being registered for VAT or PAYE that had no employees. Of the 2.55 million VAT or PAYE registered businesses, 1.13 million had no employees. 76% of private businesses in the UK had no employees.

This article focuses on the business demography results for the Lancashire-14 area, but statistics for all other areas of the country can be downloaded directly from the [ONS business demography web pages](#).

- **Business birth:** a business that was not present in the previous two years
- **Business death:** a business that was no longer present in the active file (these figures are subject to revision)
- **Business survival:** a business that was a birth in the specified year and has survived to the next year and onwards

Estimates presented in this release and the associated published tables are rounded to prevent disclosure. Differences may exist in totals across tables due to the disclosure control methods used.

The ONS also publishes [bespoke datasets as requested by users](#) related to business births, deaths and survival rates.

Data limited to “employer enterprises” – enterprises with at least 1 employee – has been introduced as a result of the joint [Eurostat-OECD Entrepreneurship Indicators Programme \(EIP\)](#). However, this data is not analysed in this report.

Further information on the methods and standards used to compile the business demography data can be found in the [Business Demography Quality and Methodology Information \(QMI\) document](#) published by the ONS. It reports on how the output was created, the quality and accuracy of the output, and the strengths and limitations of the data.

Information about how business demography data relates to other business population statistics and guidance on how to use each product can be found in the [Guide to the business population and demographics statistics publications](#).

3.2 Definition of the geographic areas used in this report

The Lancashire-12 area is comprised of the 12 local authorities that fall within the Lancashire County Council administrative boundary. The Lancashire-14 area incorporates the two additional unitary authorities of [Blackburn with Darwen](#) and [Blackpool](#) and has the same geographic footprint as the [Lancashire Local Enterprise Partnership](#) (LEP) area.

The 12 local authorities within the LCC boundary are [Burnley Borough Council](#), [Chorley Borough Council](#), [Fylde Borough Council](#), [Hyndburn Borough Council](#), [Lancaster City Council](#), [Pendle Borough Council](#), [Preston City Council](#), [Ribble Valley Borough Council](#), [Rossendale Borough Council](#), [South Ribble Borough Council](#), [West Lancashire Borough Council](#) and [Wyre Borough Council](#).

4. Analysis of the Lancashire-14 figures

4.1 VAT/PAYE registered businesses in 2015

Table 1 shows that for 2015, there were nearly 2.7 million active VAT and/or PAYE registered enterprises in the United Kingdom, of which 259,740 (9.7%) were in the North West. The Lancashire-14 area, with 52,350, accounted for 20.2% of the regional total, and 2.0% of the UK figure.

Table 1: VAT/PAYE active enterprises and births and deaths of enterprises, 2015

Area	Active enterprises	Business births	Business birth rate (%)	Business deaths	Business death rate (%)	Net difference between the births and deaths of active enterprises in 2015
Burnley	2,705	325	12.0%	250	9.2%	75
Chorley	4,490	525	11.7%	480	10.7%	45
Fylde	3,310	405	12.2%	290	8.8%	115
Hyndburn	2,385	280	11.7%	225	9.4%	55
Lancaster	4,365	495	11.3%	350	8.0%	145
Pendle	2,825	335	11.9%	235	8.3%	100
Preston	5,290	705	13.3%	500	9.5%	205
Ribble Valley	3,000	290	9.7%	250	8.3%	40
Rossendale	2,605	280	10.7%	215	8.3%	65
South Ribble	4,015	445	11.1%	355	8.8%	90
West Lancashire	4,375	550	12.6%	445	10.2%	105
Wyre	3,995	465	11.6%	340	8.5%	125
Lancashire-12	43,360	5,100	11.8%	3,935	9.1%	1,165
Blackburn with Darwen	4,840	695	14.4%	470	9.7%	225
Blackpool	4,150	575	13.9%	495	11.9%	80
Lancashire-14	52,350	6,370	12.2%	4,900	9.3%	1,470
North West	259,740	36,500	14.1%	25,720	9.9%	10,780
United Kingdom	2,672,025	383,075	14.3%	252,040	9.4%	131,035

Source: [Office for National Statistics: Business demography: UK, business births, deaths and survival.](#)

At the local authority level within the Lancashire-14 area, Preston had the largest number of active VAT and/or PAYE registered enterprises (5,290) in 2015. A further six areas had over 4,000 active enterprises, and three had between 3,000 and 4,000 enterprises. Four authorities had between 2,000 and 3,000. Hyndburn district had the smallest total in the Lancashire-14 area with just 2,385 active enterprises.

Births and deaths of enterprises are identified by looking at the appearance on, or disappearance from, the 'annual active population file' of enterprises from year to year.

4.2 VAT/PAYE registered business births in 2015

The birth rate of enterprises in the Lancashire-14 area at 12.2% (6,370 enterprise births) in 2015 was lower than the UK (14.3%) and the North West region (14.1%).

Within the Lancashire-14 area, only Blackburn with Darwen (14.4%) had a business birth rate greater than the UK average. Blackpool (13.9%), Preston (13.3%) and West Lancashire (12.6%) had the next highest birth rates in the Lancashire-14 area. Ribble Valley had the lowest rate (9.7%).

Preston (705) and Blackburn with Darwen (695) recorded the largest number of business births in the Lancashire-14 area in 2015, whilst Ribble Valley (290), Hyndburn (280) and Rossendale (280) saw the lowest numbers.

4.3 VAT/PAYE registered business deaths in 2015

The business death rate of 9.3% for Lancashire-14 in 2015 was fractionally lower than the UK average (9.4%) and somewhat lower than the regional rate (9.9%).

Within the Lancashire-14 area the business death rates in 2015 were greater than the UK average (9.4%) in Blackpool (11.9%), Chorley (10.7%), West Lancashire (10.2%), Blackburn with Darwen (9.7%) and Preston (9.5%). The lowest business death rates in the Lancashire-14 area were recorded in Ribble Valley (8.3%), Pendle (8.3%), Rossendale (8.3%) and Lancaster (8.0%).

Preston (500), Blackpool (495), Chorley (480) and Blackburn with Darwen (470) saw the largest number of business deaths in the Lancashire-14 area in 2015, whilst Pendle (235), Hyndburn (225) and Rossendale (215) recorded the lowest.

4.4 Change in VAT/PAYE registered businesses arising from business births and business deaths

In 2015 business births exceeded business deaths in the UK by 131,035, whilst for the Lancashire-14 area, births exceeded deaths by 1,470. For the Lancashire-12 area the difference was 1,165 businesses.

Table 2: VAT/PAYE active enterprises and birth and death rates of enterprises, 2015

Area	Active enterprises	Business birth rate (%)	Business death rate (%)	Difference between business births and business deaths in 2015	Difference between business birth rate and business death rate in 2015 (percentage points)
Burnley	2,705	12.0%	9.2%	75	2.8
Chorley	4,490	11.7%	10.7%	45	1.0
Fylde	3,310	12.2%	8.8%	115	3.4
Hyndburn	2,385	11.7%	9.4%	55	2.3
Lancaster	4,365	11.3%	8.0%	145	3.3
Pendle	2,825	11.9%	8.3%	100	3.6
Preston	5,290	13.3%	9.5%	205	3.8
Ribble Valley	3,000	9.7%	8.3%	40	1.4
Rossendale	2,605	10.7%	8.3%	65	2.4
South Ribble	4,015	11.1%	8.8%	90	2.3
West Lancashire	4,375	12.6%	10.2%	105	2.4
Wyre	3,995	11.6%	8.5%	125	3.1
Lancashire-12	43,360	11.8%	9.1%	1,165	2.7
Blackburn with Darwen	4,840	14.4%	9.7%	225	4.7
Blackpool	4,150	13.9%	11.9%	80	2.0
Lancashire-14	52,350	12.2%	9.3%	1,470	2.9
North West	259,740	14.1%	9.9%	10,780	4.2
United Kingdom	2,672,025	14.3%	9.4%	131,035	4.9

Source: [Office for National Statistics: Business demography: UK, business births, deaths and survival.](#)

All of the local authorities within the Lancashire-14 area recorded more births than deaths in 2015. Blackburn with Darwen (225) and Preston (205) recorded the greatest difference between the birth and death of enterprises in the Lancashire-14 area in 2015, whilst Chorley (45) and Ribble Valley (40) saw the lowest difference.

Table 2 shows that the difference between the UK business birth rate (14.3%) and the UK business death rate (9.4%) in 2015 was 4.9 percentage points. For Lancashire-14, the difference between the rates was lower at 2.9 percentage points and slightly lower for the Lancashire-12 area at 2.7 percentage points. This indicates a lower pace of business formation in the Lancashire-14 and Lancashire-12 areas.

Within the Lancashire-14 area, the greatest difference between the business birth rate and the business death rate was 4.7 percentage points in Blackburn with Darwen (14.4% v 9.7%), which was slightly lower than the UK (4.9 percentage points). Preston (3.8 percentage points) and Pendle (3.6 percentage points) had the next highest difference between the two rates, whilst Ribble Valley (1.4 percentage points) and Chorley (1.0 percentage point) had the smallest differences.

4.5 VAT/PAYE registered active businesses per 1,000 population aged 18-74 in 2015

Table 3 shows that in 2015, there were 58 business per 1,000 persons aged 18 to 74 in the UK and 51.2 businesses in the North West.

Table 3: VAT/PAYE active enterprises, business births and business deaths per 1,000 population aged 18-74, 2015

Area	2015 active enterprises	2015 mid-year population estimates, persons aged 18-74	2015 active enterprises per 1,000 population aged 18-74	2015 business birth rate per 1,000 population aged 18-74 (%)	2015 business death rate per 1,000 population aged 18-74	Difference between the birth and death rates of active enterprises per 1,000 population aged 18-74 in 2015 (percentage points)
Burnley	2,705	60,929	44.4	5.3	4.1	1.2
Chorley	4,490	81,092	55.4	6.5	5.9	0.6
Fylde	3,310	53,775	61.6	7.5	5.4	2.1
Hyndburn	2,385	55,628	42.9	5.0	4.0	1.0
Lancaster	4,365	102,670	42.5	4.8	3.4	1.4
Pendle	2,825	62,376	45.3	5.4	3.8	1.6
Preston	5,290	100,840	52.5	7.0	5.0	2.0
Ribble Valley	3,000	40,779	73.6	7.1	6.1	1.0
Rosendale	2,605	49,225	52.9	5.7	4.4	1.3
South Ribble	4,015	77,455	51.8	5.7	4.6	1.2
West Lancashire	4,375	79,989	54.7	6.9	5.6	1.3
Wyre	3,995	75,929	52.6	6.1	4.5	1.6
Lancashire-12	43,360	840,687	51.6	6.1	4.7	1.4
Blackburn with Darwen	4,840	99,645	48.6	7.0	4.7	2.3
Blackpool	4,150	97,862	42.4	5.9	5.1	0.8
Lancashire-14	52,350	1,038,194	50.4	6.1	4.7	1.4
North West	259,740	5,069,158	51.2	7.2	5.1	2.1
United Kingdom	2,672,025	46,067,746	58.0	8.3	5.5	2.8

Source: [Office for National Statistics: Business demography: UK, business births, deaths and survival](#) and [Mid-year population estimates, 2015](#)

The number of businesses per 1,000 population aged 18 to 74 was lower than the UK average in the Lancashire-14 area (50.4) and the Lancashire-12 area (51.6). The Lancashire-12 figure was however greater than the regional average (51.2).

Within the Lancashire-14 area, however, Ribble Valley (73.6) had by far the greatest number of businesses per 1,000 population aged 18 to 74, followed by the Fylde (61.6). These were the only local authorities within the Lancashire-14 area to have a greater ratio than the UK average (58.0%).

By contrast, the lowest number of businesses per 1,000 population aged 18 to 74 in the Lancashire-14 area were recorded in Hyndburn (42.9), Lancaster (42.5) and Blackpool (42.4) in 2015.

4.6 VAT/PAYE registered business births per 1,000 population aged 18-74 in 2015

The business birth rate per 1,000 population aged 18 to 74 was 8.3 in the UK in 2015 and 7.2 in the North West of England. The rates for both the Lancashire-14 and Lancashire-12 areas, of 6.1, were lower than the rates for the UK and North West.

Within the Lancashire-14 area, none of the business birth rates per 1,000 population aged 18 to 74 were greater than the UK average (8.3). Only Fylde (7.5) had a rate above the regional average (7.2). Ribble Valley (7.1), Preston (7.0%), Blackburn with Darwen (7.0) and West Lancashire (6.9) had the next highest rates. The lowest business birth rates were recorded for Hyndburn (5.0) and Lancaster (4.8).

4.7 VAT/PAYE registered business deaths per 1,000 population aged 18-74 in 2015

The business death rate per 1,000 population aged 18 to 74 in the UK was 5.5 in 2015 and 5.1 in the North West of England. The rates for both the Lancashire-14 and Lancashire-12 areas, of 4.7, were lower than the rates for the UK and the North West. Table 3 refers.

Within the Lancashire-14 area, Ribble Valley (6.1), Chorley (5.9) and West Lancashire (5.6) had business death rates per 1,000 population aged 18 to 74 that were greater than the UK average (5.5). The rate for Fylde (5.4) was above the regional average (5.1), whilst the rate for Blackpool (5.1) was the same as that for the North West. Pendle (3.8) and Lancaster (3.4) had the lowest business death rates per 1,000 population aged 18 to 74 in the Lancashire-14 area.

4.8 Difference between VAT/PAYE registered business birth rates and business death rates per 1,000 population aged 18 to 74 in 2015

The difference between the UK business birth rate per 1,000 population aged 18 to 74 (8.3%) and the UK business death rate per 1,000 population aged 18 to 74 (5.5) in 2015 was 2.8 percentage points. For the Lancashire-14 and Lancashire-12 areas, the difference between the rates, at 1.4 percentage points, was half that of the UK (2.8). This indicates that business stock per 1,000 population aged 18 to 74 grew at half the pace in the Lancashire-14 and Lancashire-12 areas than the UK in 2015.

Blackburn with Darwen (2.3), Fylde (2.1) and Preston (2.0) had the largest differences in the Lancashire-14 area between their respective business birth and business death rates per 1,000 population aged 18 to 74 in 2015. However, all were lower than the UK figure (2.8). Hyndburn (1.0), Ribble Valley (1.0), Blackpool (0.8) and Chorley (0.8) had lowest differences in the Lancashire-14 area in 2015.

4.9 Recent low points in the number of VAT/PAYE-registered enterprises

Between 2010 and 2015, the number of active enterprises in the UK dipped to a post 2008/09 recession low point in 2011 at 2,342,595 enterprises. The majority of local authorities in the Lancashire-14 area (ten), however, saw the number of enterprises fall to low points later, in 2012. Two of these areas, Lancaster and Wyre, did not see any recovery in the number of enterprises in 2013, so had low points for two years in both 2012 and 2013. Both the Lancashire-14 and Lancashire-12 areas also recorded low points in 2012.

In addition to Lancaster and Wyre, Fylde, Rossendale and Blackpool also recorded post 2008/09 recession low points in the number of enterprises in 2013. Within the Lancashire-14 area, only South Ribble reached a low point in 2011, the same year as the UK.

4.10 Change in VAT/PAYE registered businesses, 2010 to 2015

Tables 4 and 5 show that there has been a small rise in the number of VAT/PAYE registered enterprises in the Lancashire-14 area of 1,370 (2.7%) between 2010 and 2015 and an increase of 1,180 (2.8%) in the Lancashire-12 area. However, the percentage increases for the UK (13.6%, 320,600 businesses) and the North West (11.1%, 26,005 businesses) were much higher.

Within the Lancashire-14 area, Chorley (8.3%, 345 businesses), Blackburn with Darwen (7.8%, 350 businesses) and Burnley (7.8%, 195 businesses) saw the greatest percentage increases between 2010 and 2015. West Lancashire (225 businesses, 5.4%) and Preston (210 businesses, 4.1%) saw larger increases in the actual number of businesses than Burnley, but their percentage increases were lower.

Five authorities within the Lancashire-14 area recorded reductions in the number of businesses between 2010 and 2015. Blackpool saw the greatest fall (-160 businesses, -3.7%) over the period, followed by Hyndburn (-60 businesses, -2.5%), Lancaster (-40 businesses, -0.9%), Fylde (-25 businesses, -0.7%) and Rossendale (-15 businesses, -0.6%). Tables 4 and 5 refer.

Table 4: Active VAT and/or PAYE enterprises, 2010-2015

Area	2010	2011	2012	2013	2014	2015	% Change, 2010-15
Burnley	2,510	2,500	2,470	2,540	2,675	2,705	7.8%
Chorley	4,145	4,075	4,030	4,080	4,290	4,490	8.3%
Fylde	3,335	3,255	3,240	3,190	3,230	3,310	-0.7%
Hyndburn	2,445	2,395	2,340	2,340	2,355	2,385	-2.5%
Lancaster	4,405	4,275	4,185	4,185	4,330	4,365	-0.9%
Pendle	2,740	2,690	2,680	2,760	2,775	2,825	3.1%
Preston	5,080	5,020	4,925	4,945	5,105	5,290	4.1%
Ribble Valley	2,870	2,880	2,860	2,910	2,955	3,000	4.5%
Rossendale	2,620	2,595	2,555	2,545	2,580	2,605	-0.6%
South Ribble	3,900	3,805	3,825	3,920	3,970	4,015	2.9%
West Lancashire	4,150	4,080	4,050	4,060	4,175	4,375	5.4%
Wyre	3,980	3,910	3,855	3,855	3,915	3,995	0.4%
Lancashire-12	42,180	41,480	41,015	41,330	42,355	43,360	2.8%
Blackburn with Darwen	4,490	4,425	4,365	4,550	4,730	4,840	7.8%
Blackpool	4,310	4,100	3,965	3,945	4,085	4,150	-3.7%
Lancashire-14	50,980	50,005	49,345	49,825	51,170	52,350	2.7%
North West	233,735	231,345	232,400	240,075	249,465	259,740	11.1%
United Kingdom	2,351,425	2,342,595	2,372,960	2,448,745	2,550,890	2,672,025	13.6%

Source: [Office for National Statistics: Business demography: UK, business births, deaths and survival.](#)

4.11 Change in VAT/PAYE registered businesses, 2010 to 2015

Tables 4 and 5 show that between 2014 and 2015, the number of VAT/PAYE registered enterprises in the UK rose by 4.7% (121,135 businesses). This was a greater percentage increase than seen in the North West (4.1%, 10,275 businesses), the Lancashire-12 area (2.4%, 1,005 businesses) and more than double pace of increase seen in the Lancashire-14 area (2.3%, 1,180).

All of the authorities within the Lancashire-14 area recorded increases in the number of VAT/PAYE registered businesses between 2014 and 2015. West Lancashire (4.8%, 200 enterprises) was the only local authority that saw the number of businesses rise by a greater percentage than the UK (4.7%) over the year, although Chorley (4.7%, 200 businesses) recorded the same percentage increase as the UK. These were also the largest numeric increases in the Lancashire-14 area, ahead of Preston (185 businesses, 3.6%) and Blackburn with Darwen (110 businesses, 2.3%).

Lancaster (0.8%, 35 businesses) recorded the lowest percentage rise over the year between 2014 and 2015, whilst Rossendale (25 businesses, 1.0%) saw the smallest numeric increase in the number of businesses. A further seven authorities in the Lancashire-14 area saw small percentage increases over the year, ranging between 1.1% and 2.0%.

Table 5: Change in VAT/PAYE registered active enterprises, 2010-2015 and 2014-15

Area	Change 2010-15	% Change, 2010-15	Change 2014-15	% Change, 2014-15
Burnley	195	7.8%	30	1.1%
Chorley	345	8.3%	200	4.7%
Fylde	-25	-0.7%	80	2.5%
Hyndburn	-60	-2.5%	30	1.3%
Lancaster	-40	-0.9%	35	0.8%
Pendle	85	3.1%	50	1.8%
Preston	210	4.1%	185	3.6%
Ribble Valley	130	4.5%	45	1.5%
Rossendale	-15	-0.6%	25	1.0%
South Ribble	115	2.9%	45	1.1%
West Lancashire	225	5.4%	200	4.8%
Wyre	15	0.4%	80	2.0%
Lancashire-12	1,180	2.8%	1,005	2.4%
Blackburn with Darwen	350	7.8%	110	2.3%
Blackpool	-160	-3.7%	65	1.6%
Lancashire-14	1,370	2.7%	1,180	2.3%
North West	26,005	11.1%	10,275	4.1%
United Kingdom	320,600	13.6%	121,135	4.7%

Source: [Office for National Statistics: Business demography: UK, business births, deaths and survival.](#)

4.12 VAT/PAYE registered business survival rates for those enterprises born in 2010

An enterprise that is active at any time in the year following the year of its birth is defined as having survived one year, and so on for subsequent years. Table 6 lists active enterprise survival rates for 2010 by local authority district. The table shows that after only five years, more than half of the active enterprises born in 2010 has ceased to exist. At the UK level, only 41.4% of enterprises born in 2010 were still active after five years. The rates were slightly lower in the Lancashire-12 area (40.7%) and the Lancashire-14 area (40.3%).

At the local authority level, Blackpool had a particularly poor five-year survival rate of just 35.2%. Burnley (36.4%), Fylde (37.7%), Preston (38.2%), Wyre (38.7%) and Rossendale (39.6%) also recorded five-year survival rates below 40.0%. In contrast, the rate for Ribble Valley, of 47.0%, was well in excess of the UK average (41.4%). Pendle (43.4%) had the second highest five-year survival rate in the Lancashire-14 area.

4.13 VAT/PAYE registered business survival rates, businesses born in 2010 v 2009

West Lancashire was the only authority in the Lancashire-14 area to have better business survival rates for those enterprises born in 2010 than those born in 2009 across all 5 survival periods (1 year to 5 years).

Five-year survival rates for businesses born in 2010 were better than for those born in 2009 in Hyndburn, West Lancashire, Pendle, Blackpool, Preston and South Ribble, whilst the rate for Rossendale was unchanged.

The remaining seven authorities in the Lancashire-14 area showed a reduction in the five-year survival rates for businesses born in 2010 compared to those born in 2009. For these seven areas, the survival rates for those businesses born in 2010 are poorer than those born in 2009 for all, or the majority of the five survival rate periods (1 year to 5 years). Burnley and Chorley have shown some notable reductions in survival rates for those businesses born in 2010 compared to those born in 2009 across all five survival rate periods (1 year to 5 years), followed by Wyre, Fylde and Ribble Valley.

The five-year survival rate for the Lancashire-14 area improved marginally, by 0.1 percentage point, between those businesses born in 2009 and those born in 2010. The business survival rates for earlier periods (1-year to 4-years) were however poorer in 2010 than for 2009 in the Lancashire-14 area.

The survival rates for businesses born in 2010 in the Lancashire-12 area were lower than those businesses born in 2009 in four of the five survival rate periods (1 year to 5 years), including the five-year survival rate. Only the two-year survival rate was unchanged for businesses born in both 2010 and 2009 in the Lancashire-12 area.

With the exception of West Lancashire, the one year business survival rates appear to have deteriorated for those enterprises born in 2010 compared to those born in 2009 for all areas shown in table 6.

Coastal resorts such as Blackpool, can have a tendency to attract enterprises that follow the patterns of seasonal trade, which leads to high rates of business creation but low survival rates. High business churn rates can also be a sign of greater levels of entrepreneurship within an area.