



# **Business demography for VAT and pay as you earn (PAYE) registered businesses, 2016**

**Key findings for the Lancashire-14 area**

**Paul Ayre, principal research and intelligence officer**

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For further information on the work of the Business Intelligence, please contact us at:

Business Intelligence  
Lancashire County Council  
2nd floor Christ Church Precinct  
County Hall  
Fishergate Hill  
Preston  
Lancashire  
PR1 8XJ

E: [insight@lancashire.gov.uk](mailto:insight@lancashire.gov.uk)

W: [www.lancashire.gov.uk/lancashire-insight](http://www.lancashire.gov.uk/lancashire-insight)

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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.

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.

## 2. Key findings for the Lancashire-14 area

### 2.1 VAT/PAYE registered businesses in 2016

The 2016 figures for the United Kingdom show that there were over 2.8 million active VAT and/or PAYE registered enterprises, of which 276,520 (9.8%) were in the North West. The Lancashire-14 area accounted for 19.5% of the regional total with 54,045 active enterprises. The Lancashire-12 area had 44,775 active VAT and/or PAYE registered enterprises in 2016.

Preston had the largest number of active VAT/PAYE registered enterprises (5,565) in the Lancashire-14 area in 2016, whilst in contrast, Hyndburn (2,455) had the lowest.

There were 61 active businesses per 1,000 persons aged 18 to 74 in the UK in 2016 and 54.2 businesses in the North West. The Lancashire-12 area (53.2) and the Lancashire-14 area (51.9) had lower ratios.

Ribble Valley (74.6) had by far the greatest number of businesses per 1,000 population aged 18 to 74 in the Lancashire-14 area in 2016, followed by Fylde (63.1). These were the only Lancashire-14 areas to have greater ratios than the UK average (61.0%). By contrast, the lowest number of businesses per 1,000 population aged 18 to 74 in the area were recorded in Lancaster (44.4), Hyndburn (44.1) and Blackpool (42.8).

All of the authorities in the Lancashire-14 area recorded more active enterprise births than deaths in 2016.

### 2.2 VAT/PAYE registered business births in 2016

The birth rate of enterprises in the Lancashire-14 area at 12.2% (6,620 enterprise births) in 2016 was lower than the rates for the UK (14.6%) and the North West

region (15.2%). For the Lancashire-12 area, the business birth rate was 11.9% (5,310 enterprise births) in 2016.

Within the Lancashire-14 area, Blackburn with Darwen (14.1%) and Blackpool (14.1%) had the highest business birth rates. However both of these were lower than the UK average (14.6%). Preston (12.9%) and Pendle (12.8%) had the next highest birth rates of enterprises. Ribble Valley (10.8%) had the lowest rate in the area.

Preston (720), Blackburn with Darwen (715) and Blackpool (595) recorded the largest number of business births in the Lancashire-14 area in 2016, whilst Ribble Valley (330), Rossendale (320) and Hyndburn (295) saw the lowest numbers.

The business birth rate per 1,000 population aged 18 to 74 was 8.9 in the UK in 2016 and 8.8 in the North West of England. The rates for the Lancashire-14 area (6.4) and Lancashire-12 area (6.3) were both 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 (8.9). Ribble Valley (8.0), Fylde (7.7), Preston (7.2) and Blackburn with Darwen (7.1) had the highest rates. The lowest rates were recorded for Burnley (5.6), Hyndburn (5.3) and Lancaster (5.1).

### **2.3 VAT/PAYE registered business deaths in 2016**

The business death rate of 11.0% for Lancashire-14 area in 2016 was lower than the UK average (11.6%) and the North West rate (11.7%). The business death rate for the Lancashire-12 area (10.8%) was slightly lower than that for the Lancashire-14 area (11.0%).

Within the Lancashire-14 area, the business death rates in 2016 were greater than the UK average (11.6%) in Blackpool (12.6%), Preston (12.2%) and Blackburn with Darwen (11.8%). The lowest business death rates in the Lancashire-14 area were recorded in Rossendale (9.9%), Lancaster (9.8%), Ribble Valley (9.8%) and Wyre (9.6%).

Preston (680), Blackburn with Darwen (595), Blackpool (530), West Lancashire (520) and Chorley (510) saw the largest number of business deaths in the Lancashire-14 area in 2016, whilst Hyndburn (275) and Rossendale (265) recorded the lowest.

The business death rate per 1,000 population aged 18 to 74 in the UK was 7.1 in 2016 and 6.3 in the North West of England. The rates for both the Lancashire-14 and Lancashire-12 areas, of 5.7, were lower than the rates for the UK and the North West.

Within the Lancashire-14 area, Ribble Valley (7.3) and Fylde (7.2) had business death rates per 1,000 population aged 18 to 74 that were greater than the UK average (7.1) in 2016. The rates for Preston (6.8) and West Lancashire (6.5) were also above the regional average (6.3). Hyndburn (4.9), Pendle (4.9), Burnley (4.8)

and Lancaster (4.4) had the lowest business death rates per 1,000 population aged 18 to 74 in the Lancashire-14 area in 2016.

## 2.4 Differences between business births and deaths in 2016

In 2016, business births exceeded business deaths in the UK by 86,580, whilst for the Lancashire-14 area, births exceeded deaths by 680. For the Lancashire-12 area the difference was 495 businesses.

All of the local authorities within the Lancashire-14 area recorded more business births than business deaths in 2016. Blackburn with Darwen (120) and Lancaster (75) recorded the greatest difference between the birth and death of enterprises in the Lancashire-14 area in 2016, whilst Hyndburn (20) and South Ribble (20) and West Lancashire (10) saw the lowest differences.

The difference between the UK business birth rate (14.6%) and the UK business death rate (11.6%) in 2016 was 3.0 percentage points. For Lancashire-14, the difference between the rates was lower at 1.2 percentage points and slightly lower again for the Lancashire-12 area at 1.1 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 in 2016 was 2.4 percentage points in Pendle (12.8% v 10.4%), which was lower than the UK (3.0 percentage points). South Ribble (0.5 percentage points) and West Lancashire (0.2 percentage point) had the smallest differences.

## 2.5 Difference between VAT/PAYE registered business birth rates and business death rates per 1,000 population aged 18 to 74 in 2016

The difference between the UK business birth rate per 1,000 population aged 18 to 74 (8.9%) and the UK business death rate per 1,000 population aged 18 to 74 (7.1) in 2016 was 1.8 percentage points. For the Lancashire-14 area (0.7) and the Lancashire-12 area (0.6), the difference between the rates were about a third of the UK figure (1.8). This indicates that the business stock per 1,000 population aged 18 to 74 in the Lancashire-14 and Lancashire-12 areas grew at about a third of the UK pace in 2016.

Blackburn with Darwen (1.2), Rossendale (1.1), Pendle (1.1) and Burnley (0.8) 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 2016. However, all were lower than the UK figure (1.8). Preston (0.4), Hyndburn (0.4), South Ribble (0.3) and West Lancashire (0.1) had lowest differences in the Lancashire-14 area in 2016.

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

Between 2010 and 2016, 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. Three of these areas, Hyndburn, 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 Hyndburn, 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.

## 2.7 Yearly change in VAT/PAYE registered businesses, 2015 to 2016

Between 2015 and 2016, the number of VAT/PAYE registered enterprises in the UK increased by 6.1% (169,940 businesses) and rose by 6.5% (16,780 businesses) in the North West. The percentage increases were lower in the Lancashire-12 area (3.3%, 1,415 businesses) and the Lancashire-14 area (3.2%, 1,695 businesses).

All of the authorities within the Lancashire-14 area recorded increases in the number of VAT/PAYE registered businesses between 2015 and 2016. None of the percentage increases for the Lancashire-14 area were greater than the UK percentage rise (6.1%).

Within the Lancashire-14 area, Preston (5.2%, 275 businesses), Blackburn with Darwen (4.5%, 220 businesses) and Pendle (4.1%, 115 businesses) saw the greatest percentage increases between 2015 and 2016. Lancaster (155 businesses, 3.6%), Chorley (150 businesses, 3.3%) and Fylde (125 businesses, 3.8%) saw larger increases in the actual number of businesses than Pendle, but their percentage increases were lower.

Hyndburn (+70 businesses, +2.9%), Wyre (+70 businesses, +1.8%), Ribble Valley (+60 businesses, +2.0%) and Blackpool (+60 businesses, +1.4%) recorded the lowest increases in active enterprises between 2015 and 2016 in the Lancashire-14 area.

## 2.8 Change in VAT/PAYE registered businesses from 2010 to 2016

Between 2010 and 2016, the number of active VAT/PAYE registered enterprises in the UK rose by 20.5% (482,540 businesses). This was a greater percentage increase

than seen in the North West (18.3%, 42,785 businesses) and more than three times the pace of increase seen in the Lancashire-12 area (6.2%, 2,595 businesses) and the Lancashire-14 area (6.0%, 3,065 businesses).

Thirteen of the Lancashire-14 authority areas recorded increases in the number of active VAT/PAYE registered businesses between 2010 and 2016. Blackpool (-2.3%, -100 enterprises) was the only local authority in the area that saw the number of businesses fall over the period.

None of the 13 areas in the Lancashire-14 area that saw increases since 2010, recorded a percentage rise that was above the UK increase (20.5%). Blackburn with Darwen (12.7% +570 businesses), Chorley (11.9% +150 businesses), Burnley (11.6%, +290 businesses), Preston (9.5%, +485 businesses) and West Lancashire (8.2%, +340 businesses) recorded the largest percentage increases. These were also the greatest numeric rises, although not in the same order.

Hyndburn (0.4%, +10 businesses) recorded the lowest numeric and percentage rise between 2010 and 2016 in the Lancashire-14 area (of the 13 that rose). A further five authorities in the Lancashire-14 area saw small percentage increases between 2010 and 2016, ranging from 2.1% to 5.5%.

## **2.9 VAT/PAYE registered business survival rates for those enterprises born in 2011**

After only five years, more than half of the active enterprises born in 2011 had ceased to exist in the majority of areas in the UK. At the United Kingdom level, only 44.1% of enterprises born in 2011 were still active after five years. The rates were slightly lower in the Lancashire-12 area (42.1%) and the Lancashire-14 area (41.5%).

At the local authority level, Fylde had a particularly poor five-year survival rate of just 34.3%. Blackpool (37.6%), Blackburn with Darwen (39.4%) and Hyndburn (39.6%) also recorded five-year survival rates below 40.0%. In contrast, the rates for Ribble Valley (48.1%) and Pendle (48.1%) were in excess of the UK average (44.1%). The five-year survival rate for Rossendale (44.2%) was also marginally above the UK figure.

Coastal resorts such as Blackpool, and those within Fylde district 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.

Within the North West, the Cumbria sub-region (50.5%) had the highest five-year business survival rate (for those enterprises born in 2011). This was some way ahead of the UK average (44.1%). The five-year survival rate for enterprises in the Cheshire sub-region (46.0%) was also above the UK figure. The five-year business survival rates for the Lancashire-14 area (41.5%), Merseyside (41.4%) and Greater Manchester (41.1%) were fairly similar and below the UK percentage (44.1%).

## 2.10 Churn rates for VAT/PAYE active enterprises in 2016

The business churn rate (a measure of enterprise start up and closure) in the UK was 26.2% in 2016 (North West = 26.9%). The business churn rates for the Lancashire-14 area (23.2%) and the Lancashire-12 area (22.6%) were both lower than the UK and North West figures.

Within the Lancashire-14 area, Blackpool (26.7%) was the only area in 2016 to have a business churn rate above the UK average (26.2%). Blackburn with Darwen (25.9%) and Preston (25.1%) had the next highest churn rates in the area, whilst Ribble Valley (20.6%) and Wyre (20.4%) had the lowest.

In the region, Greater Manchester (30.9%) and Merseyside (27.4%) had business churn rates that were above the UK average (26.2%) in 2016. The churn rate for the Cheshire sub-region (24.5%) was above the rate for the Lancashire-14 area. Cumbria (19.4%) had the lowest business churn rate of the five sub-regions in the North West region in 2016.

## 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 2017, 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 2016

Table 1 shows that for 2016, there were over 2.8 million active VAT and/or PAYE registered enterprises in the United Kingdom, of which 276,520 (9.8%) were in the North West. The Lancashire-14 area, with 54,045, accounted for 19.5% of the regional total, and 1.9% of the UK figure. The Lancashire-12 area had 44,775 active VAT and/or PAYE registered enterprises in 2016.

At the local authority level within the Lancashire-14 area, Preston had the largest number of active VAT and/or PAYE registered enterprises (5,565) in 2016, followed by Blackburn with Darwen (5,060), Chorley (4,640), Lancaster (4,520) and West Lancashire (4,490). A further three areas had over 4,000 active enterprises, two had between 3,000 and 4,000 enterprises, and four had between 2,000 and 3,000. Hyndburn had the smallest total in the Lancashire-14 area in 2016 with 2,455 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.

**Table 1: VAT/PAYE active enterprises and births and deaths of enterprises, 2016**

Area	Active enterprises	Business births	Business birth rate (%)	Business deaths	Business death rate (%)	Difference between the births and deaths of active enterprises in 2016
Burnley	2,800	340	12.1%	290	10.4%	50
Chorley	4,640	555	12.0%	510	11.0%	45
Fylde	3,435	420	12.2%	390	11.4%	30
Hyndburn	2,455	295	12.0%	275	11.2%	20
Lancaster	4,520	520	11.5%	445	9.8%	75
Pendle	2,940	375	12.8%	305	10.4%	70
Preston	5,565	720	12.9%	680	12.2%	40
Ribble Valley	3,060	330	10.8%	300	9.8%	30
Rossendale	2,690	320	11.9%	265	9.9%	55
South Ribble	4,115	465	11.3%	445	10.8%	20
West Lancashire	4,490	530	11.8%	520	11.6%	10
Wyre	4,065	440	10.8%	390	9.6%	50
<b>Lancashire-12</b>	<b>44,775</b>	<b>5,310</b>	<b>11.9%</b>	<b>4,815</b>	<b>10.8%</b>	<b>495</b>
Blackburn with Darwen	5,060	715	14.1%	595	11.8%	120
Blackpool	4,210	595	14.1%	530	12.6%	65
<b>Lancashire-14</b>	<b>54,045</b>	<b>6,620</b>	<b>12.2%</b>	<b>5,940</b>	<b>11.0%</b>	<b>680</b>
Cheshire sub-region <sup>(1)</sup>	47,595	6,490	13.6%	5,165	10.9%	1,325
Cumbria	20,450	1,980	9.7%	1,985	9.7%	-5
Greater Manchester	112,390	20,535	18.3%	14,110	12.6%	6,425
Merseyside	42,040	6,405	15.2%	5,120	12.2%	1,285
North West	276,520	42,030	15.2%	32,320	11.7%	9,710
<b>United Kingdom</b>	<b>2,833,965</b>	<b>414,355</b>	<b>14.6%</b>	<b>327,775</b>	<b>11.6%</b>	<b>86,580</b>

Note: (1) Cheshire sub-region is comprised of Cheshire East unitary authority, Cheshire West and Chester unitary authority, Halton unitary authority & Warrington unitary authority.

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

## 4.2 VAT/PAYE registered business births in 2016

The birth rate of enterprises in the Lancashire-14 area at 12.2% (6,620 enterprise births) in 2016 was lower than the rates for the UK (14.6%) and the North West region (15.2%). Table 1 refers.

For the Lancashire-12 area, the business birth rate of enterprises was 11.9% (5,310 enterprise births) in 2016.

Looking at the North West sub-regions, the Lancashire-14 area had the second lowest birth rate of enterprises (12.2%) behind Greater Manchester (18.3%), Merseyside (15.2%) and the Cheshire sub-region (13.6%). Cumbria (9.7%) had the lowest birth rate of enterprises in the region in 2016.

Within the Lancashire-14 area, Blackburn with Darwen (14.1%) and Blackpool (14.1%) had the highest business birth rates. However both of these were lower than the UK average (14.6%). Preston (12.9%) and Pendle (12.8%) had the next highest birth rates of enterprises in the Lancashire-14 area. Ribble Valley (10.8%) had the lowest rate.

Preston (720), Blackburn with Darwen (715) and Blackpool (595) recorded the largest number of business births in the Lancashire-14 area in 2016, whilst Ribble Valley (330), Rossendale (320) and Hyndburn (295) saw the lowest numbers.

### **4.3 VAT/PAYE registered business deaths in 2016**

The business death rate of 11.0% for Lancashire-14 area in 2016 was lower than the UK average (11.6%) and the North West rate (11.7%).

The business death rate for the Lancashire-12 area (10.8%) was slightly lower than that for the Lancashire-14 area (11.0%).

Of the five sub-regions in the North West, Greater Manchester (12.6%) and Merseyside (12.2%) had business death rates that were above the UK average (11.6%). Cumbria (9.6%) had the lowest business death rate in the region, below the rates for the Cheshire sub-region (10.9%) and the Lancashire-14 area (11.0%).

Within the Lancashire-14 area the business death rates in 2016 were greater than the UK average (11.6%) in Blackpool (12.6%), Preston (12.2%) and Blackburn with Darwen (11.8%). The lowest business death rates in the Lancashire-14 area were recorded in Rossendale (9.9%), Lancaster (9.8%), Ribble Valley (9.8%) and Wyre (9.6%).

Preston (680), Blackburn with Darwen (595), Blackpool (530), West Lancashire (520) and Chorley (510) saw the largest number of business deaths in the Lancashire-14 area in 2016, whilst Hyndburn (275) and Rossendale (265) recorded the lowest.

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

In 2016, business births exceeded business deaths in the UK by 86,580, whilst for the Lancashire-14 area, births exceeded deaths by 680. For the Lancashire-12 area the difference was 495 businesses.

In the North West region, business births exceeded business deaths by the largest extent in the Greater Manchester sub-region (6,425), followed by the Cheshire sub-region (1,325), Merseyside (1,285) and the Lancashire-14 area (680). Cumbria (-5) was the only North West sub-region where business deaths exceeded business births, although only marginally.

All of the local authorities within the Lancashire-14 area recorded more business births than business deaths in 2016. Blackburn with Darwen (120) and Lancaster (75) recorded the greatest difference between the birth and death of enterprises in the Lancashire-14 area in 2016, whilst Hyndburn (20) and South Ribble (20) and West Lancashire (10) saw the lowest differences.

Table 2 shows that the difference between the UK business birth rate (14.6%) and the UK business death rate (11.6%) in 2016 was 3.0 percentage points. For Lancashire-14, the difference between the rates was lower at 1.2 percentage points and slightly lower again for the Lancashire-12 area at 1.1 percentage points. This indicates a lower pace of business formation in the Lancashire-14 and Lancashire-12 areas.

**Table 2: VAT/PAYE active enterprises and birth and death rates of enterprises, 2016**

Area	Active enterprises, 2016	Business birth rate (%) in 2016	Business death rate (%) in 2016	Difference between business births and business deaths in 2016	Difference between business birth rate and business death rate in 2016 (percentage points)
Burnley	2,800	12.1%	10.4%	50	1.7
Chorley	4,640	12.0%	11.0%	45	1.0
Fylde	3,435	12.2%	11.4%	30	0.8
Hyndburn	2,455	12.0%	11.2%	20	0.8
Lancaster	4,520	11.5%	9.8%	75	1.7
Pendle	2,940	12.8%	10.4%	70	2.4
Preston	5,565	12.9%	12.2%	40	0.7
Ribble Valley	3,060	10.8%	9.8%	30	1.0
Rossendale	2,690	11.9%	9.9%	55	2.0
South Ribble	4,115	11.3%	10.8%	20	0.5
West Lancashire	4,490	11.8%	11.6%	10	0.2
Wyre	4,065	10.8%	9.6%	50	1.2
<b>Lancashire-12</b>	<b>44,775</b>	<b>11.9%</b>	<b>10.8%</b>	<b>495</b>	<b>1.1</b>
Blackburn with Darwen	5,060	14.1%	11.8%	120	2.3
Blackpool	4,210	14.1%	12.6%	65	1.5
<b>Lancashire-14</b>	<b>54,045</b>	<b>12.2%</b>	<b>11.0%</b>	<b>680</b>	<b>1.2</b>
Cheshire sub-region <sup>(1)</sup>	47,595	13.6%	10.9%	1,325	2.7
Cumbria	20,450	9.7%	9.7%	-5	0.0
Greater Manchester	112,390	18.3%	12.6%	6,425	5.7
Merseyside	42,040	15.2%	12.2%	1,285	3.0
North West	276,520	15.2%	11.7%	9,710	3.5
<b>United Kingdom</b>	<b>2,833,965</b>	<b>14.6%</b>	<b>11.6%</b>	<b>86,580</b>	<b>3.0</b>

Note: (1) Cheshire sub-region is comprised of Cheshire East unitary authority, Cheshire West and Chester unitary authority, Halton unitary authority & Warrington unitary authority.

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

Within the Lancashire-14 area, the greatest difference between the business birth rate and the business death rate in 2016 was 2.4 percentage points in Pendle (12.8% v 10.4%), which was lower than the UK (3.0 percentage points). Blackburn with Darwen (2.3 percentage points) and Rossendale (2.0 percentage points) had the next highest difference between the two rates, whilst South Ribble (0.5 percentage points) and West Lancashire (0.2 percentage point) had the smallest differences.

Of the five North West sub-regions, Greater Manchester (5.7 percentage points) had the greatest difference between the business birth rate and the business death rate in 2016. It was the only North West sub-region to exceed the UK figure (3.0 percentage points), although Merseyside (3.0 percentage points) was on a par with the national figure. The difference between the business birth rate and the business death rate for the Cheshire sub-region (2.7 percentage points) was just below the UK figure (3.0 percentage points) but above the Lancashire-14 area figure (1.2 percentage points). For Cumbria, there was not difference between the business birth rate (9.7%) and the business death rate (9.7%) in 2016.

#### **4.5 VAT/PAYE registered active businesses per 1,000 population aged 18-74 in 2016**

Table 3 shows that in 2016, there were 61 active businesses per 1,000 persons aged 18 to 74 in the UK and 54.2 businesses in the North West.

The number of active businesses per 1,000 population aged 18 to 74 in the Lancashire-14 area (51.9) and the Lancashire-12 area (53.2) were lower than the North West (54.2) and UK (61.0) averages in 2016.

Within the Lancashire-14 area, however, Ribble Valley (74.6) had by far the greatest number of businesses per 1,000 population aged 18 to 74 in 2016, followed by the Fylde (63.1). These were the only local authorities within the Lancashire-14 area to have a greater ratio than the UK average (61.0%).

By contrast, the lowest number of businesses per 1,000 population aged 18 to 74 in the Lancashire-14 area were recorded in Lancaster (44.4), Hyndburn (44.1) and Blackpool (42.8) in 2016.

In the North West region, only the Cheshire sub-region (64.4) had a number of active businesses per 1,000 population aged 18 to 74 that was greater than the UK figure (61.0). Cumbria (57.8) and Greater Manchester (57.4) had the next highest figures, followed by the Lancashire-14 area (51.9) and Merseyside (41.7).

**Table 3: VAT/PAYE active enterprises, business births and business deaths per 1,000 population aged 18-74, 2016**

Area	2016 active enterprises	2016 mid-year population estimates, persons aged 18-74	2016 active enterprises per 1,000 population aged 18-74	2016 business birth rate per 1,000 population aged 18-74 (%)	2016 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 2016 (percentage points)
Burnley	2,800	60,869	46.0	5.6	4.8	0.8
Chorley	4,640	81,885	56.7	6.8	6.2	0.6
Fylde	3,435	54,416	63.1	7.7	7.2	0.5
Hyndburn	2,455	55,657	44.1	5.3	4.9	0.4
Lancaster	4,520	101,877	44.4	5.1	4.4	0.7
Pendle	2,940	62,372	47.1	6.0	4.9	1.1
Preston	5,565	100,420	55.4	7.2	6.8	0.4
Ribble Valley	3,060	41,027	74.6	8.0	7.3	0.7
Rossendale	2,690	49,386	54.5	6.5	5.4	1.1
South Ribble	4,115	77,570	53.0	6.0	5.7	0.3
West Lancashire	4,490	80,260	55.9	6.6	6.5	0.1
Wyre	4,065	76,133	53.4	5.8	5.1	0.7
<b>Lancashire-12</b>	<b>44,775</b>	<b>841,872</b>	<b>53.2</b>	<b>6.3</b>	<b>5.7</b>	<b>0.6</b>
Blackburn with Darwen	5,060	101,008	50.1	7.1	5.9	1.2
Blackpool	4,210	98,283	42.8	6.1	5.4	0.7
<b>Lancashire-14</b>	<b>54,045</b>	<b>1,041,163</b>	<b>51.9</b>	<b>6.4</b>	<b>5.7</b>	<b>0.7</b>
Cheshire sub-region <sup>(1)</sup>	47,595	739,290	64.4	8.8	7.0	1.8
Cumbria	20,450	353,660	57.8	5.6	5.6	0.0
Greater Manchester	112,390	1,959,576	57.4	10.5	7.2	3.3
Merseyside	42,040	1,007,152	41.7	6.4	5.1	1.3
North West	276,520	5,100,841	54.2	8.2	6.3	1.9
<b>United Kingdom</b>	<b>2,833,965</b>	<b>46,442,040</b>	<b>61.0</b>	<b>8.9</b>	<b>7.1</b>	<b>1.8</b>

Note: (1) Cheshire sub-region is comprised of Cheshire East unitary authority, Cheshire West and Chester unitary authority, Halton unitary authority & Warrington unitary authority.

Source: [Office for National Statistics: Business demography: UK, business births, deaths and survival](#) and [Mid-year population estimates, 2016 \(revised 22 March 2018\)](#).

## 4.6 VAT/PAYE registered business births per 1,000 population aged 18-74 in 2016

The business birth rate per 1,000 population aged 18 to 74 was 8.9 in the UK in 2016 and 8.8 in the North West of England. The rates for the Lancashire-14 area (6.4) and Lancashire-12 area (6.3) were both lower than the rates for the UK and North West.

In the North West region, only the Greater Manchester sub-region (10.5) had a business birth rate per 1,000 population aged 18 to 74 that was higher than the UK average. The rate for the Cheshire sub-region (8.8) was marginally lower than the UK figure, whilst the Merseyside rate (6.4) was the same as the Lancashire-14 area. Cumbria (5.6) had the lowest rate of the five North West sub-regions.

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 (8.9). Ribble Valley (8.0), Fylde (7.7), Preston (7.2) and Blackburn with Darwen (7.1) had the highest rates. The lowest rates were recorded for Burnley (5.6), Hyndburn (5.3) and Lancaster (5.1).

#### **4.7 VAT/PAYE registered business deaths per 1,000 population aged 18-74 in 2016**

The business death rate per 1,000 population aged 18 to 74 in the UK was 7.1 in 2016 and 6.3 in the North West of England. The rates for both the Lancashire-14 and Lancashire-12 areas, of 5.7, were lower than the rates for the UK and the North West. Table 3 refers.

Greater Manchester (7.2) was the only North West sub-region to have a business death rate per 1,000 population aged 18 to 74 that was greater than the UK figure (7.1) in 2016. Again, the rate for the Cheshire sub-region (7.0) was just lower the UK average. The rate for Cumbria (5.6) was marginally lower than the rate for the Lancashire-14 area (5.7). Merseyside (5.1) had the lowest business death rate per 1,000 population aged 18 to 74 of the five sub-regions in the North West.

Within the Lancashire-14 area, Ribble Valley (7.3) and Fylde (7.2) had business death rates per 1,000 population aged 18 to 74 that were greater than the UK average (7.1). The rates for Preston (6.8) and West Lancashire (6.5) were also above the regional average (6.3). Hyndburn (4.9), Pendle (4.9), Burnley (4.8) and Lancaster (4.4) 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 2016**

The difference between the UK business birth rate per 1,000 population aged 18 to 74 (8.9%) and the UK business death rate per 1,000 population aged 18 to 74 (7.1) in 2016 was 1.8 percentage points. For the Lancashire-14 area (0.7) and the Lancashire-12 area (0.6), the difference between the rates were about a third of the UK figure (1.8). This indicates that the business stock per 1,000 population aged 18 to 74 in the Lancashire-14 and Lancashire-12 areas grew at about a third of the UK pace in 2016.

In the North West, the difference between the business birth rates per 1,000 population aged 18 to 74, and the business death rates per 1,000 population aged 18 to 74 was greatest in the Greater Manchester sub-region (3.3). It was the only North West sub-region where the difference was higher than the UK figure (1.8). This indicates that the business stock per 1,000 population aged 18 to 74 in the Greater Manchester sub-region grew at almost double the UK pace in 2016. The Cheshire sub-region (1.8) had the same difference between its business birth and death rates (per 1,000 population aged 18-74) as the UK (1.8). The difference for Merseyside (1.3) was lower than the UK figure but higher than the Lancashire-14 figure. Cumbria (-5) was the only North West sub-region where business deaths exceeded business births and this is reflected in the difference between its business birth and death rates (per 1,000 population aged 18-74), which was 0 in 2016.

Blackburn with Darwen (1.2), Rossendale (1.1), Pendle (1.1) and Burnley (0.8) 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 2016. However, all were lower than the UK figure (1.8). Preston (0.4), Hyndburn (0.4), South Ribble (0.3) and West Lancashire (0.1) had lowest differences in the Lancashire-14 area in 2016.

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

Between 2010 and 2016, 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. Three of these areas, Hyndburn, 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 Hyndburn, 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, 2015 to 2016

Tables 4 and 5 show that there has been a rise in the number of VAT/PAYE registered enterprises in the Lancashire-14 area of 1,695 (3.2%) between 2015 and 2016 and an increase of 1,415 (3.3%) in the Lancashire-12 area. However, the percentage increases for the UK (6.1%, 161,940 businesses) and the North West (6.5%, 16,780 businesses) were higher.

Of the five North West sub-regions, only Greater Manchester (9.9%, +10,160 businesses) saw a percentage increase that was greater than the UK rise (6.1%).

Merseyside (5.6%, +2,220 businesses) recorded the second largest percentage rise, followed by the Cheshire sub-region (5.3%, +2,380 businesses), the Lancashire-14 area (3.2%, +1,695 businesses) and Cumbria (1.6%, +325 businesses).

All of the authorities within the Lancashire-14 area recorded increases in the number of VAT/PAYE registered businesses between 2015 and 2016. None of the percentage increases for the Lancashire-14 area were greater than the UK percentage rise (6.1%).

**Table 4: Active VAT and/or PAYE enterprises, 2010-2016**

Area	2010	2011	2012	2013	2014	2015	2016	% Change, 2010-16
Burnley	2,510	2,500	2,470	2,540	2,675	2,705	2,800	11.6%
Chorley	4,145	4,075	4,030	4,080	4,290	4,490	4,640	11.9%
Fylde	3,335	3,255	3,240	3,190	3,230	3,310	3,435	3.0%
Hyndburn	2,445	2,395	2,340	2,340	2,355	2,385	2,455	0.4%
Lancaster	4,405	4,275	4,185	4,185	4,330	4,365	4,520	2.6%
Pendle	2,740	2,690	2,680	2,760	2,775	2,825	2,940	7.3%
Preston	5,080	5,020	4,925	4,945	5,105	5,290	5,565	9.5%
Ribble Valley	2,870	2,880	2,860	2,910	2,955	3,000	3,060	6.6%
Rossendale	2,620	2,595	2,555	2,545	2,580	2,605	2,690	2.7%
South Ribble	3,900	3,805	3,825	3,920	3,970	4,015	4,115	5.5%
West Lancashire	4,150	4,080	4,050	4,060	4,175	4,375	4,490	8.2%
Wyre	3,980	3,910	3,855	3,855	3,915	3,995	4,065	2.1%
<b>Lancashire-12</b>	<b>42,180</b>	<b>41,480</b>	<b>41,015</b>	<b>41,330</b>	<b>42,355</b>	<b>43,360</b>	<b>44,775</b>	<b>6.2%</b>
Blackburn with Darwen	4,490	4,425	4,365	4,550	4,730	4,840	5,060	12.7%
Blackpool	4,310	4,100	3,965	3,945	4,085	4,150	4,210	-2.3%
<b>Lancashire-14</b>	<b>50,980</b>	<b>50,005</b>	<b>49,345</b>	<b>49,825</b>	<b>51,170</b>	<b>52,350</b>	<b>54,045</b>	<b>6.0%</b>
Cheshire sub-region (1)	40,225	40,280	40,765	41,975	43,480	45,215	47,595	18.3%
Cumbria	19,640	19,160	19,005	19,245	19,815	20,125	20,450	4.1%
Greater Manchester	88,010	87,435	88,490	92,670	96,840	102,230	112,390	27.7%
Merseyside	34,880	34,465	34,795	36,360	38,160	39,820	42,040	20.5%
North West	233,735	231,345	232,400	240,075	249,465	259,740	276,520	18.3%
<b>United Kingdom</b>	<b>2,351,425</b>	<b>2,342,595</b>	<b>2,372,960</b>	<b>2,448,745</b>	<b>2,550,890</b>	<b>2,672,025</b>	<b>2,833,965</b>	<b>20.5%</b>

Note: (1) Cheshire sub-region is comprised of Cheshire East unitary authority, Cheshire West and Chester unitary authority, Halton unitary authority & Warrington unitary authority.

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

Within the Lancashire-14 area, Preston (5.2%, 275 businesses), Blackburn with Darwen (4.5%, 220 businesses) and Pendle (4.1%, 115 businesses) saw the greatest percentage increases between 2015 and 2016. Lancaster (155 businesses, 3.6%), Chorley (150 businesses, 3.3%) and Fylde (125 businesses, 3.8%) saw larger increases in the actual number of businesses than Pendle, but their percentage increases were lower.

Hyndburn (+70 businesses, +2.9%), Wyre (+70 businesses, +1.8%), Ribble Valley (+60 businesses, +2.0%) and Blackpool (+60 businesses, +1.4%) recorded the lowest increases in active enterprises between 2015 and 2016 in the Lancashire-14 area. Tables 4 and 5 refer.

#### 4.11 Change in VAT/PAYE registered businesses, 2010 to 2016

Tables 4 and 5 show that between 2010 and 2016, the number of active VAT/PAYE registered enterprises in the UK rose by 20.5% (482,540 businesses). This was a greater percentage increase than seen in the North West (18.3%, 42,785 businesses) and more than three times the pace of increase seen in the Lancashire-12 area (6.2%, 2,595 businesses) and the Lancashire-14 area (6.0%, 3,065 businesses).

**Table 5: Change in VAT/PAYE registered active enterprises, 2010-2016 and 2015-16**

Area	Change 2010-16	% Change, 2010-16	Change 2015-16	% Change, 2015-16
Burnley	290	11.6%	95	3.5%
Chorley	495	11.9%	150	3.3%
Fylde	100	3.0%	125	3.8%
Hyndburn	10	0.4%	70	2.9%
Lancaster	115	2.6%	155	3.6%
Pendle	200	7.3%	115	4.1%
Preston	485	9.5%	275	5.2%
Ribble Valley	190	6.6%	60	2.0%
Rossendale	70	2.7%	85	3.3%
South Ribble	215	5.5%	100	2.5%
West Lancashire	340	8.2%	115	2.6%
Wyre	85	2.1%	70	1.8%
<b>Lancashire-12</b>	<b>2,595</b>	<b>6.2%</b>	<b>1,415</b>	<b>3.3%</b>
Blackburn with Darwen	570	12.7%	220	4.5%
Blackpool	-100	-2.3%	60	1.4%
<b>Lancashire-14</b>	<b>3,065</b>	<b>6.0%</b>	<b>1,695</b>	<b>3.2%</b>
Cheshire sub-region (1)	7,370	18.3%	2,380	5.3%
Cumbria	810	4.1%	325	1.6%
Greater Manchester	24,380	27.7%	10,160	9.9%
Merseyside	7,160	20.5%	2,220	5.6%
North West	42,785	18.3%	16,780	6.5%
<b>United Kingdom</b>	<b>482,540</b>	<b>20.5%</b>	<b>161,940</b>	<b>6.1%</b>

Note: (1) Cheshire sub-region is comprised of Cheshire East unitary authority, Cheshire West and Chester unitary authority, Halton unitary authority & Warrington unitary authority.

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

Thirteen of the Lancashire-14 authority areas recorded increases in the number of active VAT/PAYE registered businesses between 2010 and 2016. Blackpool (-2.3%, -100 enterprises) was the only local authority in the area that saw the number of businesses fall over the period.

None of the 13 areas in the Lancashire-14 area that saw increases since 2010, recorded a percentage rise that was above the UK increase (20.5%). Blackburn with Darwen (12.7% +570 businesses), Chorley (11.9% +150 businesses), Burnley (11.6%, +290 businesses), Preston (9.5%, +485 businesses) and West Lancashire (8.2%, +340 businesses) recorded the largest percentage increases. These were also the greatest numeric rises, although not in the same order.

Hyndburn (0.4%, +10 businesses) recorded the lowest numeric and percentage rise between 2010 and 2016 in the Lancashire-14 area (of the 13 that rose). A further five authorities in the Lancashire-14 area saw small percentage increases between 2010 and 2016, ranging from 2.1% to 5.5%.

Of the five North West sub-regions, only Greater Manchester (27.7%, +24,380 businesses) saw a percentage increase that was greater than the UK rise (20.5%) between 2010 and 2016, although Merseyside (20.5%, +7,160 businesses) recorded a percentage rise that was the same as the UK percentage increase. The percentage rise for the Cheshire sub-region (18.3%, +7,370 businesses) was just below the UK average, followed by the rise in the Lancashire-14 area (6.0%, +3,065 businesses) and Cumbria (4.1%, +810 businesses), some way below.

#### **4.12 VAT/PAYE registered business survival rates for those enterprises born in 2011**

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 those born in 2011 by local authority district. The table shows that after only five years, more than half of the active enterprises born in 2011 have ceased to exist in the majority of areas. At the UK level, only 44.1% of enterprises born in 2011 were still active after five years (North West = 42.6%). The rates were slightly lower in the Lancashire-12 area (42.1%) and the Lancashire-14 area (41.5%).

At the local authority level, Fylde had a particularly poor five-year survival rate of just 34.3%. Blackpool (37.6%), Blackburn with Darwen (39.4%) and Hyndburn (39.6%) also recorded five-year survival rates below 40.0%. In contrast, the rates for Ribble Valley (48.1%) and Pendle (48.1%) were in excess of the UK average (44.1%). The five-year survival rate for Rossendale (44.2%) was also marginally above the UK figure.

Coastal resorts such as Blackpool and those within Fylde district 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.

**Table 6: Active enterprise <sup>(1)</sup> survival rates (the percentage of enterprises born in 2011 that survive after one, two, three, four and five years).**

Area	1 year	2 years	3 years	4 years	5 years
Burnley	96.6	75.9	58.6	48.3	41.4
Chorley	94.0	78.3	63.9	54.2	43.4
Fylde	91.0	67.2	49.3	40.3	34.3
Hyndburn	91.7	72.9	56.3	43.8	39.6
Lancaster	92.2	72.7	59.7	50.6	41.6
Pendle	94.2	76.9	63.5	55.8	48.1
Preston	92.0	71.4	55.4	46.4	40.2
Ribble Valley	94.4	77.8	64.8	53.7	48.1
Rosendale	96.2	78.8	59.6	48.1	44.2
South Ribble	93.6	76.9	60.3	48.7	41.0
West Lancashire	93.4	76.3	60.5	52.6	43.4
Wyre	95.8	75.0	62.5	51.4	43.1
<b>Lancashire-12</b>	<b>93.6</b>	<b>74.8</b>	<b>59.3</b>	<b>49.5</b>	<b>42.1</b>
Blackburn with Darwen	93.3	72.1	56.7	46.2	39.4
Blackpool	90.6	70.6	55.3	44.7	37.6
<b>Lancashire-14 <sup>(2)</sup></b>	<b>93.3</b>	<b>74.2</b>	<b>58.7</b>	<b>48.7</b>	<b>41.5</b>
Cheshire sub-region <sup>(3)</sup>	93.6	78.1	63.1	52.6	46.0
Cumbria	94.3	79.2	66.6	57.1	50.5
Greater Manchester	92.5	73.0	57.8	47.9	41.1
Merseyside	93.2	73.9	58.6	48.1	41.4
North West	93.1	74.6	59.6	49.5	42.6
<b>United Kingdom</b>	<b>93.1</b>	<b>75.6</b>	<b>60.5</b>	<b>51.0</b>	<b>44.1</b>

Notes: (1) An enterprise is roughly equivalent to a single business, company or firm. Commonly used in other analyses is the local unit, which is roughly equivalent to a single branch or site. Since many businesses have more than one branch or site, figures for local units are higher than those for enterprises. (2) The figures for the Lancashire-14 area are derived by summing figures that are already rounded to 5, and so are especially susceptible to rounding error. (3) Cheshire sub-region is comprised of Cheshire East unitary authority, Cheshire West and Chester unitary authority, Halton unitary authority & Warrington unitary authority.

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

Within the North West, the Cumbria sub-region (50.5%) had the highest five-year business survival rate (for those enterprises born in 2011). This was some way ahead of the UK average (44.1%). The five-year survival rate for enterprises in the Cheshire sub-region (46.0%) was also above the UK figure. The five-year business survival rates for the Lancashire-14 area (41.5%), Merseyside (41.4%) and Greater Manchester (41.1%) were fairly similar and below the UK percentage (44.1%).

#### 4.13 VAT/PAYE active enterprises, plus birth, death and churn rates, 2016

The business churn rate (a measure of enterprise start up and closure) in the UK was 26.2% in 2016 (North West = 26.9%). The business churn rates for the Lancashire-14 area (23.2%) and the Lancashire-12 area (22.6%) were both lower than the UK and North West figures.

Within the Lancashire-14 area, Blackpool (26.7%) was the only area in 2016 to have a business churn rate above the UK average (26.2%). Blackburn with Darwen (25.9%) and Preston (25.1%) had the next highest churn rates in the area, whilst Ribble Valley (20.6%) and Wyre (20.4%) had the lowest.

**Table 7: VAT/PAYE active enterprises, plus birth, death and churn rates for 2016**

Area	Active enterprises, 2016	Business birth rate (%) in 2016	Business death rate (%) in 2016	Business churn rate (business births plus business deaths), 2016
Burnley	2,800	12.1%	10.4%	22.5%
Chorley	4,640	12.0%	11.0%	23.0%
Fylde	3,435	12.2%	11.4%	23.6%
Hyndburn	2,455	12.0%	11.2%	23.2%
Lancaster	4,520	11.5%	9.8%	21.3%
Pendle	2,940	12.8%	10.4%	23.2%
Preston	5,565	12.9%	12.2%	25.1%
Ribble Valley	3,060	10.8%	9.8%	20.6%
Rosendale	2,690	11.9%	9.9%	21.8%
South Ribble	4,115	11.3%	10.8%	22.1%
West Lancashire	4,490	11.8%	11.6%	23.4%
Wyre	4,065	10.8%	9.6%	20.4%
<b>Lancashire-12</b>	<b>44,775</b>	<b>11.9%</b>	<b>10.8%</b>	<b>22.7%</b>
Blackburn with Darwen	5,060	14.1%	11.8%	25.9%
Blackpool	4,210	14.1%	12.6%	26.7%
<b>Lancashire-14</b>	<b>54,045</b>	<b>12.2%</b>	<b>11.0%</b>	<b>23.2%</b>
Cheshire sub-region <sup>(1)</sup>	47,595	13.6%	10.9%	24.5%
Cumbria	20,450	9.7%	9.7%	19.4%
Greater Manchester	112,390	18.3%	12.6%	30.9%
Merseyside	42,040	15.2%	12.2%	27.4%
North West	276,520	15.2%	11.7%	26.9%
<b>United Kingdom</b>	<b>2,833,965</b>	<b>14.6%</b>	<b>11.6%</b>	<b>26.2%</b>

Note: (1) Cheshire sub-region is comprised of Cheshire East unitary authority, Cheshire West and Chester unitary authority, Halton unitary authority & Warrington unitary authority.

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

In the region, Greater Manchester (30.9%) and Merseyside (27.4%) had business churn rates that were above the UK average (26.2%) in 2016. The churn rate for the Cheshire sub-region (24.5%) was above the rate for the Lancashire-14 area.

Cumbria (19.4%) had the lowest business churn rate of the five sub-regions in the North West region in 2016.