

PRESS RELEASE

Monday 9 January 2017



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NOT FOR BROADCAST OR PUBLICATION BEFORE 00:01 WEDNESDAY 11 JANUARY 2017

START-UP NUMBERS SUFFER FIVE YEAR FALL

- **The number of new businesses started up in the UK has fallen by nearly a fifth (19%) in the last five years.**
- **Wales has seen the biggest drop with start-up numbers falling by over a quarter (26%) between November 2011 and 2016.**
- **The prospects are better in Scotland which has only declined by 3% over the same period.**
- **Almost half of Scottish regions saw growth in the number of start-up businesses over the last five years.**

Start-up numbers have fallen significantly in the last five years according to Lloyds Bank analysis. The findings reveal that 19% fewer new businesses were started up in the UK in November 2016 compared to November 2011.

Regionally, the data from BankSearch shows that Wales has seen the largest decline in new start-ups falling by over a quarter (26%) between a rolling 12 months from November 2011 compared to November 2016. In contrast, the business climate appears to be more positive in Scotland with a much smaller decline in new business openings of just 3% over the past five years.

England has also been hit hard, declining by a fifth (20%). As this is where the greatest volume of new start businesses are launched, this equates to nearly 100,000 fewer new businesses created in 2016 compared to 2011. [Table 1]

Although there has been a fall in the number of new businesses being created, Lloyds Bank has maintained its commitment to supporting British enterprise. In 2016 Lloyds Banking Group (which includes Lloyds Bank) exceeded its pledge to help 100,000 start-ups get off the ground as part of its drive to support small businesses.

Jo Harris, Managing Director of Retail Business Banking at Lloyds Bank, said: "The New Year is a time when people aim to make a fresh start. There's no bigger or braver change you can make than starting your own business. The recent downward trend we've seen in new business start-ups is likely to be a response to the uncertain economic environment; however there are significant opportunities if you have the determination and drive and we will be there to support you every step of the way.

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“At Lloyds Bank we understand that starting a new business is a serious dream for many, not just an unrealistic New Year’s resolution. Building a business from scratch takes hard work and persistence, and it may not even succeed the first time round. This is why we offer support from our experienced business managers who can help to develop a clear and realistic plan to get a business off the ground so they can stay up and ultimately scale up. We are committed to supporting small businesses and are proud that Lloyds Banking Group helped more than 100,000 new start-ups in 2016.”

REGIONAL IMPACT

ENGLAND [Table 2]

There’s been a widespread decline across all regions of England but Yorkshire & The Humber and the South West are the most impacted, with both regions seeing about a quarter (26% and 24%) fewer start-ups in November 2016 compared to five years ago.

Interestingly, the West Midlands has been the least impacted after a 16% decrease in new businesses, with London closely behind it, falling by 17%.

WALES [Table 3]

Like England, all regions in Wales have declined in the number of new start-ups, however 50% of them (11 out of 22 regions) have reduced by over a quarter, while almost a third of regions (7 out of 22) saw the number of new start-ups shrink by more than a third in 2016 compared to five years ago.

The Isle of Anglesey has been worst hit almost halving (50%) from 668 new businesses in 2011 compared to 331 in November 2016.

Amongst the top five worst hit regions are Gwynedd in second place at almost 43% and Pembrokeshire which declined by almost 41% over the last five years. These were closely followed by Ceredigion and Conwy with 40% and 37% fewer new businesses in November 2016 compared to five years ago.

The three least impacted areas are Merthyr Tydfil, which has stayed fairly static at 0.3%, following this Blaenau Gwent is the second least impacted reducing almost 8% from 364 new businesses in 2011, down to 335 in 2016. And finally Newport had almost 9% fewer start-ups, falling from 941, down to 861 five years later.

SCOTLAND [Table 4]

In contrast to England and Wales, the view in Scotland is much more encouraging, with almost half (14 of 32) of Scottish regions seeing growth in the number of start-up businesses over the last five years. This follows additional research from Bank of Scotland’s ‘How Scotland Lives’ study which showed that more

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than one-in-nine Scots anticipate starting a company on their own or with a partner, the equivalent to 12% of the Scottish adult population of 4,459,590.

The biggest success story is the Orkney Islands which leapt by more than a third (42%) from just 83 in 2011 to 118 in 2016. In December it was rated the best place to live in Scotland for its low unemployment rates, among other things, for the fourth year running (Bank of Scotland quality of life survey), the group of islands is clearly fostering an entrepreneurial spirit.

The Highland region also saw a fair increase of 15% from 1,180 new start-ups in 2011, rising to 1,354 in 2016. Aberdeenshire and Midlothian have both seen improvements of 10%, and Moray has increased by a little over 8% over the last five years.

Glasgow City ranked 15th declining by just over 1% in 2016 compared to 2011, with a total of 28,163 new businesses launched over that period, compared to the City of Edinburgh, which ranked 21st decreasing by almost 7% - a total of 24,134 start-ups during the same period.

The worst affected areas in Scotland can be captured in the bottom five regions which all saw reductions in the number of new businesses launched in 2016 compared to five years ago.

South Ayrshire, Dumfries & Galloway and Argyll & Bute all declined by over a fifth with 23%, 22% and 20% fewer new businesses, respectively, launched in 2016 compared to five years ago. East Ayrshire reduced by just under 18% and North Ayrshire fell by 17% making these the five worst affected regions in Scotland.

Table 1: Total Number of Start Ups in Last 5 Years - UK

Ranked by 5 Year % Change

UK Mainland	Nov '11	Nov '16	5 Year Change	5 Year Change %
Scotland	29,132	28,222	-910	-3.1%
England	494,614	395,088	-99,526	-20.1%
Wales	23,195	17,089	-6,106	-26.3%
UK Mainland	549,028	443,805	-105,223	-19.2%

12 Month Rolled Data

Source: BankSearch Business Start Ups

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Table 2: Total Number of Start Ups in Last 5 Years - ENGLAND

Ranked by 5 Year % Change

England and regions	Nov '11	Nov '16	5 Year Change	5 Year Change %
England	494,614	395,088	-99,526	-20.1%
West Midlands	45,093	37,864	-7,229	-16.0%
London	119,978	99,921	-20,057	-16.7%
East of England	53,301	43,025	-10,276	-19.3%
North West	55,247	44,297	-10,950	-19.8%
North East	16,502	13,210	-3,292	-19.9%
East Midlands	35,774	28,332	-7,442	-20.8%
South East	83,588	64,370	-19,218	-23.0%
South West	47,299	35,956	-11,343	-24.0%
Yorkshire and The Humber	37,828	28,113	-9,715	-25.7%

12 Month Rolled Data

Source: BankSearch Business Start Ups

Table 3: Total Number of Start Ups in Last 5 Years - WALES

Ranked by 5 Year % Change

Wales and regions	Nov '11	Nov '16	5 Year Change	5 Year Change %
Wales	23,195	17,089	-6,106	-26.3%
Merthyr Tydfil	364	363	-1	-0.3%
Blaenau Gwent	364	335	-29	-8.0%
Newport	941	861	-80	-8.5%
Swansea	1,667	1,424	-243	-14.6%
Neath Port Talbot	891	722	-169	-19.0%
Rhondda Cynon Taf	1,484	1,188	-296	-19.9%
Bridgend	927	742	-185	-20.0%
Torfaen	522	412	-110	-21.1%
The Vale of Glamorgan	1,014	800	-214	-21.1%

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Carmarthenshire	1,493	1,157	-336	-22.5%
Monmouthshire	808	618	-190	-23.5%
Cardiff	2,975	2,243	-732	-24.6%
Caerphilly	1,083	784	-299	-27.6%
Flintshire	1,144	823	-321	-28.1%
Wrexham	969	650	-319	-32.9%
Denbighshire	744	493	-251	-33.7%
Powys	1,215	786	-429	-35.3%
Conwy	1,044	658	-386	-37.0%
Ceredigion	665	399	-266	-40.0%
Pembrokeshire	1,157	687	-470	-40.6%
Gwynedd	1,055	607	-448	-42.5%
Isle of Anglesey	668	337	-331	-49.6%

12 Month Rolled Data

Source: BankSearch Business Start Ups

Table 4: Total Number of Start Ups in Last 5 Years SCOTLAND

Ranked by 5 Year % Change

Scotland and regions	Nov '11	Nov '16	5 Year Change	5 Year Change %
Scotland	29,132	28,222	-910	-3.1%
Orkney Islands	83	118	35	42.2%
Highland	1,180	1,354	174	14.7%
Aberdeenshire	1,467	1,615	148	10.1%
Midlothian	390	429	39	10.0%
Moray	387	419	32	8.3%
East Renfrewshire	472	511	39	8.3%
Dundee City	699	736	37	5.3%
North Lanarkshire	1,292	1,356	64	5.0%
Angus	522	543	21	4.0%

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East Lothian	523	533	10	1.9%
Shetland Islands	127	129	2	1.6%
Falkirk	661	667	6	0.9%
South Lanarkshire	1,620	1,629	9	0.6%
Fife	1,676	1,683	7	0.4%
Glasgow City	3,994	3,939	-55	-1.4%
Perth & Kinross	870	855	-15	-1.7%
West Lothian	849	813	-36	-4.2%
Western Isles	137	131	-6	-4.4%
Renfrewshire	925	867	-58	-6.3%
West Dunbartonshire	412	384	-28	-6.8%
Edinburgh, City of	3,547	3,301	-246	-6.9%
East Dunbartonshire	564	518	-46	-8.2%
Scottish Borders	702	636	-66	-9.4%
Inverclyde	337	303	-34	-10.1%
Clackmannanshire	217	194	-23	-10.6%
Aberdeen City	1,633	1,438	-195	-11.9%
Stirling	553	485	-68	-12.3%
North Ayrshire	709	587	-122	-17.2%
East Ayrshire	629	519	-110	-17.5%
Argyll & Bute	535	426	-109	-20.4%
Dumfries & Galloway	691	539	-152	-22.0%
South Ayrshire	729	565	-164	-22.5%

12 Month Rolled Data

Source: BankSearch Business Start Ups

ENDS

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Notes to Editors

- Lloyds Bank provides comprehensive expert financial services to businesses of all sizes, from start-ups and small businesses to mid-sized businesses and multinational corporations.
- Lloyds Business Banking supports almost one million small British businesses and start-ups including clubs, charities and societies with less than £1m turnover.

Support for SMEs

- Lloyds Banking Group is committed to helping businesses of all types and sizes, giving them the funding and support they need to grow at home and abroad. We have set out our pledges in our Helping Britain Prosper Plan.
- For our 2016 SME Charter we pledged to support 5,000 first time exporters; grow lending to small businesses; help 100,000 start-up businesses; and support small firms for their next phase of growth.
- Since the start of 2011, we have grown our lending to SMEs by 29% net, while the market has contracted by 12%.
- To see the latest supporting businesses factsheet please visit:
<http://www.lloydsbankinggroup.com/media/media-kit/sme-fact-sheet/>

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