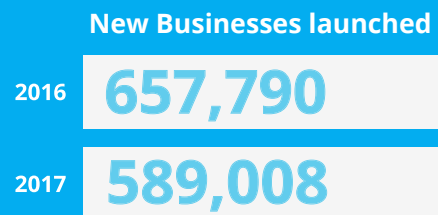


START-UP BRITAIN

The best UK cities
to start a business

A study by the Centre for Entrepreneurs (CFE) found that, for the first time since 2010, new business registrations across the UK were down.

“The CFE report crunches Companies House data from the past year and concludes that in 2017, 589,008 new businesses were launched, down from 657,790 in 2016. That is a fall of 10% in the number of start-ups, the first annual decline since 2010.”



Whether due to rising costs, economic pressures or political uncertainties, it seems that fewer Brits were prepared to make the leap into starting their own business in 2017 than the previous year.

But on a local level, we're hard at work promoting our cities as the beating heart of the UK's business prospects. Whether it's improving road networks, or touting local talent as the cornerstone of up-and-coming industries, entrepreneurs are once again becoming open to the possibility of progress through the support of others.

As Britain gears up for an exit from the EU, cities and towns must work harder to promote themselves as viable destinations for fresh business blood. A new business must do its homework on convenience, costs and pools of available talent

before it can set up shop somewhere, and the timing must be precise.

The best connected cities like London and Manchester seem the obvious choice for an entrepreneur with a dream and a business loan. However, variables like leasing costs and the average salary all weigh heavily. As do wildcard considerations such as the survival rate of other businesses in the area.

From these variables we've developed the Start-Up Index, which ranks the UK's largest cities and determines which is the best place to start a new business using our own methodical analysis and calculations.

So is the lure of London too strong for many, or are we looking at a new Northern Powerhouse?



“Our findings prove that you don't need to be in London to make it in the world of business. As a business based in Essex we can vouch that there are prosperous places for business all over the UK. It's no longer about being based in the capital; it's about the right mix of people, enthusiasm and an idea of the local economy.”

- Aron Priest, Co-Founder at Solopress





RESULTS

Using our research and some calculations based on stats around the UK's largest cities, we've been able to identify which five cities are set to shake up the British business landscape by offering the right mix of available talent, affordable costs and convenience.

We've also established which cities offer the least potential for a start-up when it comes to survival rates and other factors.

Highest and Lowest Ranking UK Cities

 Cities with the least potential for start-ups

 Cities with the most potential for start-ups





TOP CITIES

To start a business



Oxford

Overall Ranking : **5th**

Minimal business closures	600	Ranking:	1st
Students as % age of population	26%	Ranking:	3rd
Average weekly pay:	£600.30	Ranking:	5th
5-year Start-up survival rate:	47%	Ranking:	2nd

Oxford University has produced more Unicorns than any other university in the UK and Europe. That's the term for a billion-dollar business start-up – and Oxford has eight of them, including LinkedIn and EventBrite.

That's reason enough to consider a move to Oxford for business, where the fifth-best take-home pay on the map mingles with the second-best start-up rate. But, Oxford students also make up a quarter of the city population – so much untapped talent. Which may also explain why so few companies are

founded in Oxford itself – the talent could be lured away or abroad. But given the dearth of start-up companies in Oxford, it could be the perfect place to set up given the opportunity.



Southampton

Overall Ranking : **4th**

Start-ups in 2016:	2,700	Ranking:	14th
Start-up growth (2015-16)	12%	Ranking:	2nd
Commercial rent (£ per sq.ft.) (avg.)	£16.00	Ranking:	10th
Average weekly pay	£579.20	Ranking:	9th

The explosion of start-ups in Southampton may have come about as a result of the jobs created by the growth at ABP Southampton, which as of 2015 was the UK's fourth-busiest shipping port.

A more general view is that the number of businesses in Southampton grew by 18% since 2010, with more than a quarter of new companies in professional, scientific and technical fields.

City centre redevelopment is thought to be the main driver of growth, and with commercial rent

under £20 per square foot, it's a good prospect particularly on the south coast. Given strong transport links offshore and on the roads to other major cities in the south, Southampton's sudden boom in businesses suggests a number of gaps in the market that an influx of new talent could help to plug.



Cambridge

Overall Ranking : **3rd**

Minimal business closures

674

Ranking:

2nd

Students as % age of population

32%

Ranking:

2nd

Average weekly pay:

£608.60

Ranking:

4th

5-year start-up survival rate:

43%

Ranking:

6th

With an even larger pool of prospects from university in the local area, and some of the best take-home pay in the UK, it appears that Cambridge is one of the most promising locations for workers looking to set up shop.

However, Cambridge averaged only 55 start-ups per 10,000 people according to 2016 figures – less than half that of London. Despite this, the region is home to a large cluster of tech businesses which gives it the name Silicon Fen, a la California's Silicon Valley.

A healthy five-year survival rate for start-ups of 43% means that Cambridge is one of the UK's highlights of the start-up scene – and well worth considering if your business idea has a tech slant.



Leicester

Overall Ranking : **2nd**

Start-ups in 2016:	3,115	Ranking:	10th
Start-up growth (2015-16)	7%	Ranking:	4th
Commercial rent (£ per sq.ft.) (avg.)	£13.50	Ranking:	6th
5-year start-up survival rate:	44%	Ranking:	7th

Leicester's share of start-ups skyrocketed in 2015-16, joining Cambridge (3rd) among the top cities for start-up growth. In doing so, the Midlands has been catapulted into a new business boom.

The city's sporting success may have played a large role in that growth. Since Leicester City lifted the Premier League title in 2016, experts predicted that similar achievements did wonders for local economies. The Bournemouth boom of 2011, where registered businesses increased by 15% against the UK average of 9%, mirrored the rise in fortunes of their football club.

Given the high regard in which the Premier League is held around the world, perhaps it proved to be the case on an even larger scale for Leicester's coffers.

1



Aberdeen

Overall Ranking : **1st**

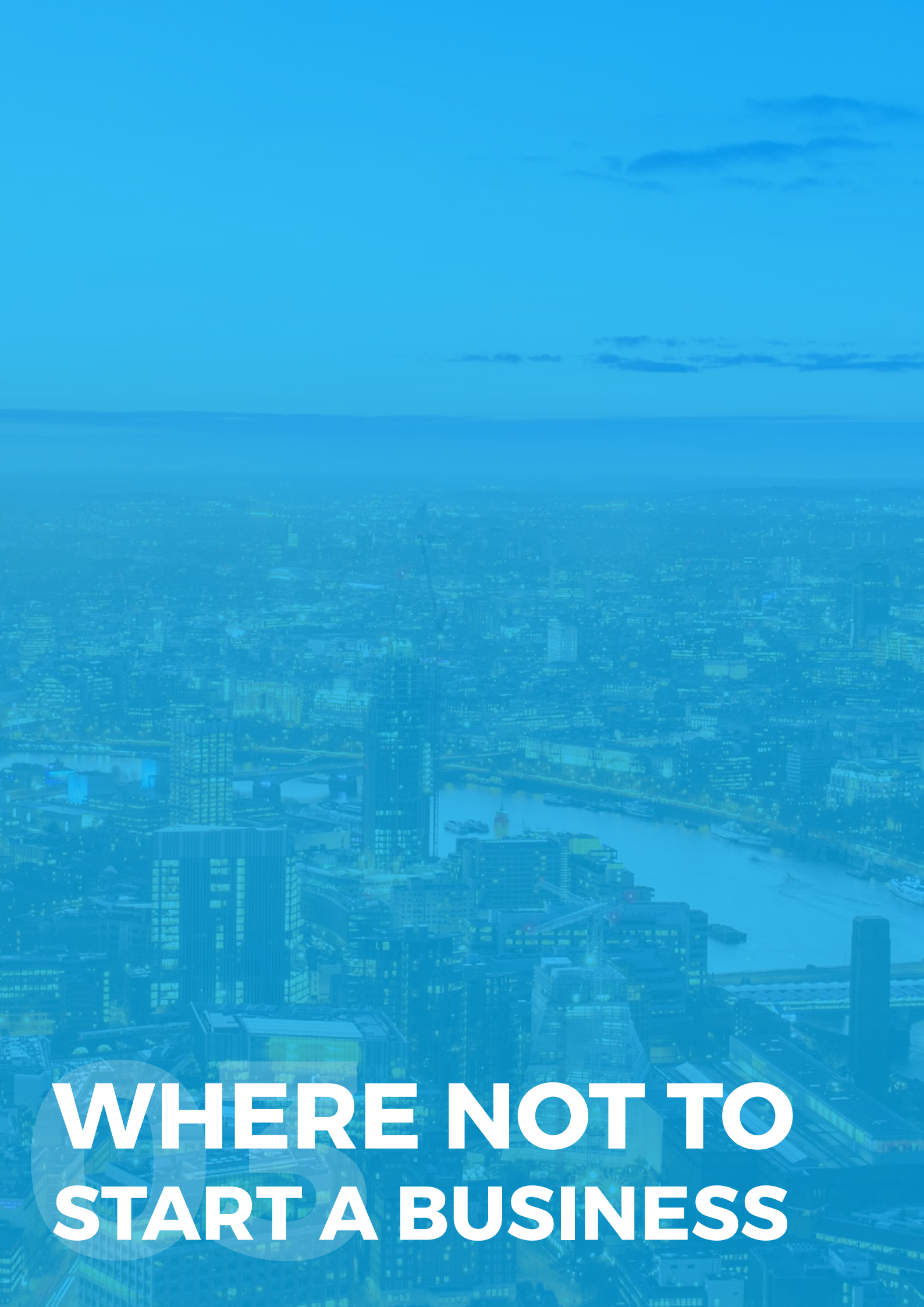
Start-up growth	3%	Ranking:	9th
Students as % age of population	12%	Ranking:	6th
Average weekly pay:	£483.90	Ranking:	7th
5-year start-up survival rate:	54%	Ranking:	1st

The meteoric rise of Aberdeen to the top of our Start Up Index comes amid a turbulent time for industry. The city is well-known as the oil capital of Europe, with an estimated 500,000 jobs created by the demand for offshore and processing services.

But rising costs and peak production volumes have led to declining fortunes in the oil industry, as did the tumble in oil prices in 2014. Local initiatives like Opportunity North East are well underway and helping the city diversify its offering. Now with a renewed focus on agriculture, recreation and life

sciences, Aberdeen has been able to recover from oil and gas setbacks to become a more rounded place for business.

As the city develops new specialist areas of business focus, opportunities for brand new business grows. Which is why, from our research, only Sunderland and Oxford have better five-year survival rates. Add to that a top-ten placement in take-home pay and a decent rate on commercial rent, and you can see why Aberdeen was named our top place to start a business in the UK.



WHERE NOT TO START A BUSINESS

The Start Up Index revealed some surprising stats on the cities least likely to succeed in developing new businesses.

London, Birmingham and Manchester all feature here – England’s three largest cities might be proof that having access to a developed infrastructure isn’t necessarily the main goal.

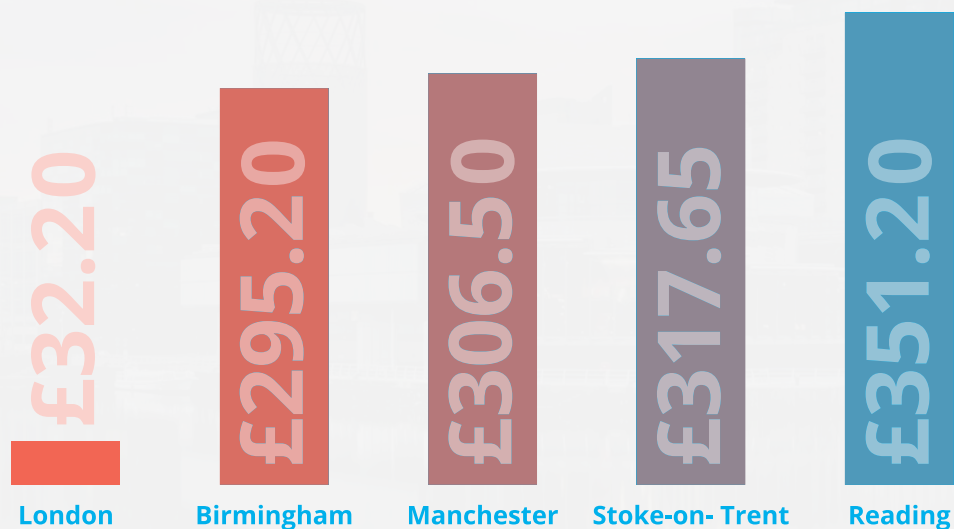
According to our calculations, Manchester experienced the largest growth in start-up businesses between 2015 and 2016. But it also suffered the most business closures outside London in 2016. Between them, these cities charge the most on business rent in the UK.

Birmingham also features because, like other cities in the lower reaches of our ranking, the gap

between income and expenses is uncomfortably narrow for new business owners trying to spread their wings.

‘England’s three largest cities might be proof that having access to a developed infrastructure isn’t necessarily the main goal’

Weekly business breathing space

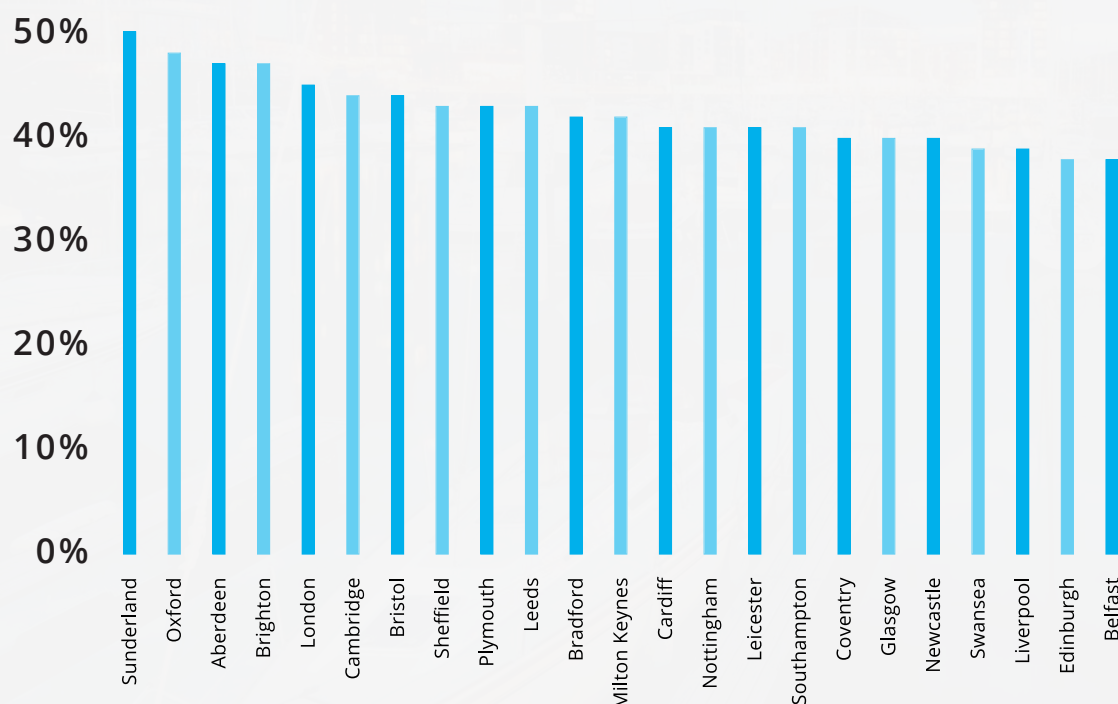


Stoke-on-Trent and Reading appear in the bottom five for different reasons entirely. Stoke-on-Trent boasts the joint-lowest business space rental rates, and is at the bottom end of the 2016 closures stats. However, the five-year survival rate for new businesses is under a third, and weekly pay is the second-lowest of all cities ranked.

matter how little, the other eight displayed negative growth. Reading ranked 27th, while London also crept into the minuses at 23rd. Despite the secondbest take-home pay on the list, Reading has the lowest five-year survival rate for new businesses at just 30%.

Prospects in Reading, on the other hand, are demonstrably shrinking. While 22 of the 30 cities analysed showed some growth in 2015-16, no

Five-year Start-up Survival Rate 2018





HOW TO GET SET UP

Starting a new business can be a daunting decision, no matter where you decide to start. But whatever city you are based in, help is always available for self-starters to get their footing in the local entrepreneurial scene.



City Councils

Most city councils offer support to businesses through access to resources online, as well as support from health and safety professionals when it comes to things like food preparation.



British Chamber of Commerce

A non-profit membership organisation that provides support and advice through regular meetups and workshops. They're organised by region, so you can get the help you need at a local level.



Growth Hubs

Local Enterprise Partnerships across the UK offer business loans and grants to help companies get started and grow. They're also available for advice, networking and mentoring sessions.

If you have the skills to start a new business, you don't need huge investment behind you, or even your own business premises at first. Many entrepreneurs look to keep costs down by running an efficient operation from home. With a laptop and a mobile phone, you're already well on your way to setting up the network you need to make an impact on your local community.





Check local listings

Your next customer could be closer than you think. Check local forums, social media hashtags and Facebook groups to find a potential customer base. There could even be demand in your local shop window for your chosen service.



Ask questions

Get to know your potential customers by doing research on what they're looking for in a service. Find out what bothers them and what they need, and tailor your business to solve that problem.



Seize the day

Most of all, don't wait around for inspiration to strike. Get stuck in to the next amazing opportunity and you could make a big impact.





APPENDIX

Written Sources

<http://www.centreforcities.org/city-by-city/>

<https://www.zoopla.co.uk/to-rent/>

<http://smallbusiness.co.uk/15-best-cities-uk-start-business-2018-2542731/>

<https://startups.co.uk/starting-a-business-the-uk-statistics/>

The Start-up Index was crafted using a number of key figures from 2017. We have ranked the top 30 most populated cities in the UK, weighting the following statistics:

Population figures: UKpopulation.org

How many start-ups per 10,000 people: Centreforcities.org

Start-up growth by city: Centreforcities.org

Five year survival rate figures: ONS

Two year survival rate figures: ONS

Business closures per 10,000 people: Centreforcities.org

Commercial rent per Sq Ft: Colliers.com

Number of students: Hesa.ac.uk

Average weekly pay: Centreforcities.org

Average cost of rent per week: Zoopla.co.uk

A full table of workings and sources is available on request.