

## Midlands Engine Business Demography - 2023<sup>1</sup>, Released November 2024:

### In Summary:

- For the Midlands Engine area, there were 395,935 active enterprises in 2023. This has decreased by 2.2% (a net increase of 9,020 enterprises) since 2022, greater than the decline across the UK of 1.9%.
- There were 373 enterprises per 10,000 population in the Midlands Engine area in 2023, compared to 439 per 10,000 population for England.
- For the Midlands Engine to reach the national average of 439 per 10,000 population requires an additional 69,331 active enterprises.
- There were 43,230 enterprise births in the Midlands Engine in 2023. This represents a decrease of 10.7% (-5,165 births) since 2022, with the UK decreasing at a slower rate (-6.2%) over the same period.
- There were 41 enterprise births per 10,000 population in the Midlands Engine area in 2023, below the England figure of 49 births per 10,000 population. For the Midlands Engine to reach the national average, an additional 8,574 enterprise births are required each year.
- Enterprise survival rates show the percentage of businesses that survived in 2023 and in previous years. From 2018 to 2023, the Midlands Engine had lower enterprise survival rates than the UK average across all time periods from 1-5 years.
- The latest available data suggests there were 1,675 high growth enterprises across the Midlands Engine in 2023. This represents an increase of 16.7% (+240 firms) since 2022, the UK overall number increased by (19.7%).

### In Detail:

#### UK-Level Findings

- Between 2022 and 2023, the number of UK business births<sup>2</sup> decreased from 336,925 to 316,025; this represents a birth rate of 11.5% in 2022, compared with 11.0% in 2023.
- The number of UK business deaths<sup>3</sup> decreased from 348,695 to 309,290 between 2022 and 2023; this represents a death rate of 10.8%, compared with 11.9% in 2022.
- Overall, there were approximately 2.9 million active businesses in the UK during 2023, a decrease of 54,390 (-1.9%) on 2022.
- In 2023, business births exceeded business deaths in the UK (by 6,735), after enterprise deaths exceeded enterprise births in 2022.

<sup>1</sup> Source: Office for National Statistics (ONS), [Business Demography: UK 2023](#), released November 2024

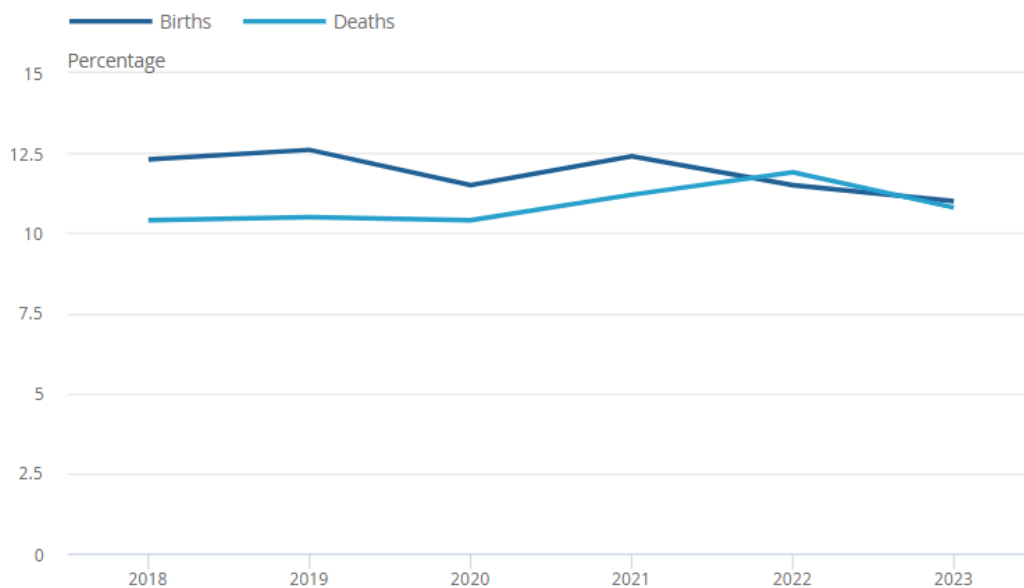
Please note, Charnwood, Bolsover, Birmingham, Bromsgrove and Broxtowe have been highlighted within this dataset for having more than 500 businesses at a single postcode within it. The potential impact of multiple registrations includes, large increases in business births, large increases in business deaths, poor one-year survival rates and large year-on-year fluctuations. Further information is located here - [Multiple business registrations at a single postcode](#)

<sup>2</sup> Business births are defined as new business registrations. The birth rate is calculated using the number of births as a proportion of the active businesses.

<sup>3</sup> Business deaths are defined as businesses that have ceased to trade. The death rate is calculated using the number of deaths as a proportion of the active businesses

## National birth and death rates of enterprises:

### UK, 2018 to 2023



Source: Office for National Statistics – Inter-Departmental Business Register

- The transport and storage (including postal) industry had the highest business birth rate, at 14.5%, and the highest death rate, at 21.6%.

### Regional Level Findings

- At a regional level, the West Midlands had the highest business death rate at 12.4%. The main industry impacting deaths in the West Midlands was transport and storage at 17.5%, with the freight transport by road industry contributing over half of this increase.
- The West Midlands and the East Midlands had business death rates (12.4% and 11.2% respectively) higher than the overall UK rate of 10.8%.
- The West Midlands the fourth highest enterprise birth rate of all regions across the UK, with the birth rate at 11.3%, which was above the UK overall rate of 11.0%, while the East Midlands had a business birth rate of 10.8%.

## Birth and death rates by region:

Counts given to the nearest thousand					
	Active	Births		Deaths	
	Count	Count	Rate (%)	Count	Rate (%)
North East	77	9	11.7	9	11.7
North West	285	33	11.6	33	11.7
Yorkshire and The Humber	202	22	11.0	23	11.5
East Midlands	190	20	10.8	21	11.2
West Midlands	232	26	11.3	29	12.4
East	286	30	10.6	29	10.3
London	592	75	12.6	66	11.1
South East	433	43	9.9	42	9.8
South West	234	23	9.8	23	9.7
Wales	102	11	10.3	11	11.1
Scotland	172	18	10.6	17	10.1
Northern Ireland	65	5	8.3	5	7.9
<b>Total</b>	<b>2,870</b>	<b>316</b>	<b>11.0</b>	<b>309</b>	<b>10.8</b>

Source: Office for National Statistics – Inter-Departmental Business Register

## Midlands Engine Level Findings

### Active Enterprises

- For the Midlands Engine area, there were 395,935 active enterprises in 2023. This has decreased by 2.2% (a net decrease of 9,020 enterprises) since 2022, greater than the decline across the UK of 1.9%.
- There were 373 enterprises per 10,000 population in the Midlands Engine area in 2023, compared to 439 per 10,000 population for England.
- For the Midlands Engine to reach the national average of 439 per 10,000 population requires an additional 69,331 active enterprises.

### Enterprise Births

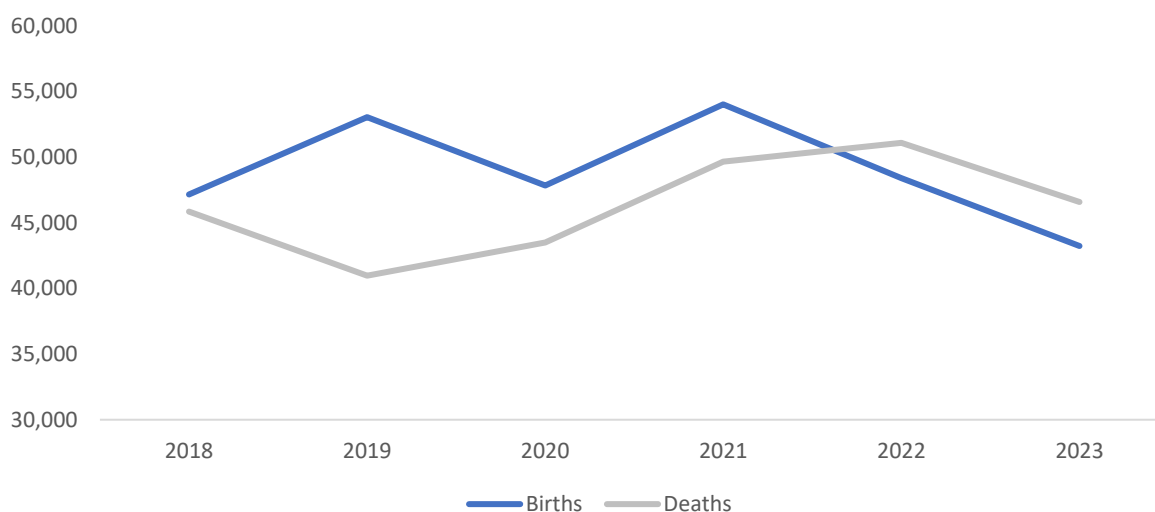
- There were 43,230 enterprise births in the Midlands Engine in 2023. This represents a decrease of 10.7% (-5,165 births) since 2022, with the UK decreasing at a slower rate (-6.2%) over the same period.
- The Midlands Engine area had an enterprise birth rate of 10.9 % in 2023 (below the UK rate of 11.0%), a decrease from 12.0% in 2022.
- There were 41 enterprise births per 10,000 population in the Midlands Engine area in 2023, below the England figure of 49 births per 10,000 population.

- For the Midlands Engine to reach the national average, an additional 8,574 enterprise births are required each year.
- There were 14 local authorities that saw increases in business births from 2022 to 2023 in the Midlands Engine area, with Solihull having the largest increase of 17.2% (+160 enterprise births).

### Enterprise Deaths

- Enterprise deaths in the Midlands Engine area decreased by 8.8% (-4500 deaths) between 2022 and 2023 to 46,585, below the UK overall decline of 11.3%.
- The Midlands Engine area had an enterprise death rate of 11.8% in 2023, exceeding the UK overall rate of 10.8%. The enterprise death rate decreased from 12.5% in 2022 in the Midlands Engine area.
- There were 44 enterprise deaths per 10,000 population in the Midlands Engine area in 2023, below the England average of 48 deaths per 10,00 population.
- Enterprise deaths decreased in 50 local authorities across the Midlands Engine area between 2022 and 2023.
- Enterprise deaths exceeded enterprise births in the Midlands area in 2023, with there being 3,355 more deaths than births.

The following chart shows a summary of Midlands Engine enterprise births and deaths in recent years:

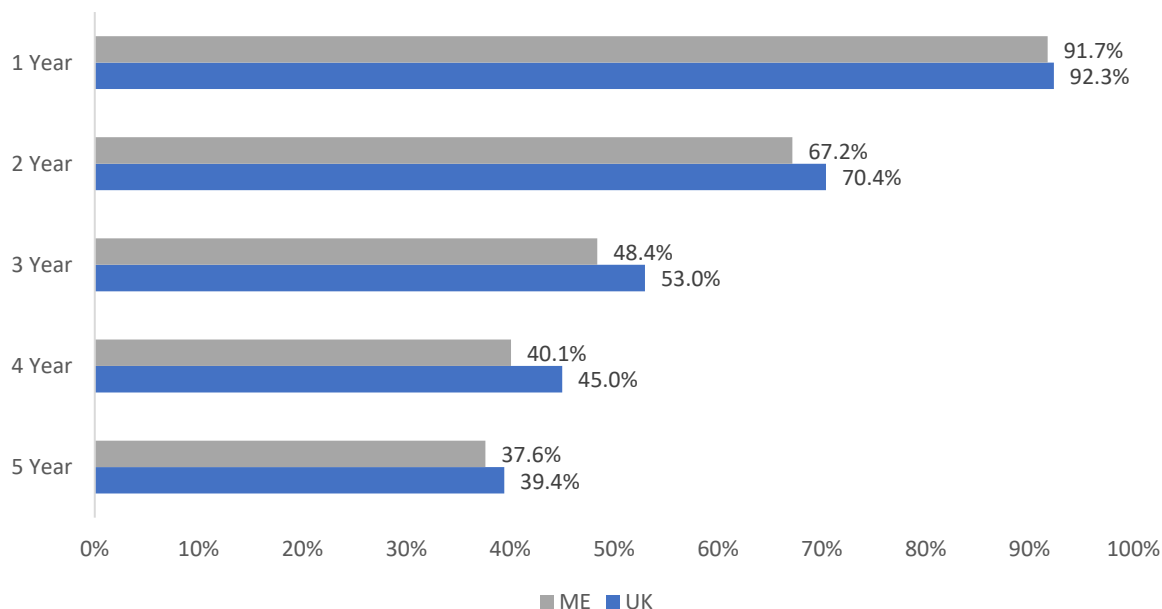


### Survival Rates

- Enterprise survival rates show the percentage of businesses that survived in 2023 and in previous years.
  - Of the 48,395 enterprise births in 2022 in the Midlands Engine area, 91.7% (44,395) were still active after 1 year. This is below the UK 1-year survival rate of 92.3%. In the Midlands Engine area 36 local authorities had survival rates equal to or above the UK rate. The local authority area with the highest survival rate in the Midlands Engine area was Derbyshire Dales at 96.7%.
  - Of the 47,840 enterprise births in 2020 in the Midlands Engine area, 48.4% (23,145) were still active after 3 years compared to 53.0% for the UK. 43 local authorities in the Midlands Engine area had survival rates higher than the UK rate with the highest being in High Peak at 67.7%.

- Of the 47,155 enterprise births in 2018 in the Midlands Engine area, 37.6% (17,735) were still active in 2023. This is below the UK survival rate of 39.4%. In the Midlands Engine area 49 local authorities had survival rates higher than the UK average with Rutland having the highest rate of 54.8%.

**The following chart shows from 2018 births the five-year survival rates for the Midlands Engine area and the UK:**



### High Growth Enterprises<sup>4</sup>

- The latest available data suggests there were 1,675 high growth enterprises across the Midlands Engine in 2023. This represents an increase of 16.7% (+240 firms) since 2022, the UK overall number increased by (19.7%).
- The number of high growth enterprises increased in 38 local authorities from 2022-2023, with high growth enterprises remaining the same in 18 and decreasing in 9. The largest increase in the number of high growth enterprises was in Herefordshire, increasing by 20 to total 45 in 2023.

<sup>4</sup> ONS use the following methodology / definition for high growth enterprise analysis: all enterprises with average annualised growth greater than 20% per annum, over a three-year period. Growth can be measured by the number of employees or by turnover. For this analysis growth has been measured using employment.

**Appendix 1: summary of active enterprises, births and deaths between 2022 and 2023: all Midlands local authority areas**

	Births				Deaths				Active Enterprises			
	2022	2023	% change	Num. Change	2022	2023	% change	Num. Change	2022	2023	% change	Num. Change
Amber Valley	525	495	-5.7%	-30	445	465	4.5%	20	4,815	4,890	1.6%	75
Ashfield	405	370	-8.6%	-35	405	370	-8.6%	-35	3,425	3,390	-1.0%	-35
Bassetlaw	475	470	-1.1%	-5	455	475	4.4%	20	4,270	4,305	0.8%	35
Birmingham*	6,670	6,105	-8.5%	-565	6,200	5,885	-5.1%	-315	43,400	42,970	-1.0%	-430
Blaby	470	445	-5.3%	-25	480	370	-22.9%	-110	4,230	4,170	-1.4%	-60
Bolsover	240	235	-2.1%	-5	270	215	-20.4%	-55	2,355	2,180	-7.4%	-175
Boston	320	250	-21.9%	-70	265	285	7.5%	20	2,370	2,340	-1.3%	-30
Bromsgrove*	500	485	-3.0%	-15	625	675	8.0%	50	5,515	5,435	-1.5%	-80
Broxtowe	505	340	-32.7%	-165	560	390	-30.4%	-170	3,870	3,635	-6.1%	-235
Cannock Chase	390	335	-14.1%	-55	645	505	-21.7%	-140	4,245	3,880	-8.6%	-365
Charnwood	905	670	-26.0%	-235	910	760	-16.5%	-150	7,415	7,115	-4.0%	-300
Chesterfield	355	350	-1.4%	-5	360	355	-1.4%	-5	3,665	3,620	-1.2%	-45
Coventry	2,030	1,590	-21.7%	-440	1,760	1,845	4.8%	85	12,125	11,790	-2.8%	-335
Derby	1,140	990	-13.2%	-150	1,125	1,015	-9.8%	-110	8,515	8,360	-1.8%	-155
Derbyshire Dales	305	310	1.6%	5	340	305	-10.3%	-35	3,945	3,950	0.1%	5
Dudley	1,390	1,145	-17.6%	-245	1,420	1,210	-14.8%	-210	11,455	11,070	-3.4%	-385
East Lindsey	430	405	-5.8%	-25	430	400	-7.0%	-30	4,860	4,865	0.1%	5
East Staffordshire	525	600	14.3%	75	580	555	-4.3%	-25	4,925	4,965	0.8%	40
Erewash	660	400	-39.4%	-260	570	630	10.5%	60	4,500	4,335	-3.7%	-165
Gedling	445	445	0.0%	0	450	445	-1.1%	-5	3,965	3,950	-0.4%	-15
Harborough	500	530	6.0%	30	520	510	-1.9%	-10	5,290	5,335	0.9%	45
Herefordshire	820	865	5.5%	45	835	800	-4.2%	-35	9,070	9,100	0.3%	30
High Peak	400	360	-10.0%	-40	350	400	14.3%	50	4,015	3,975	-1.0%	-40
Hinckley and Bosworth	435	410	-5.7%	-25	510	395	-22.5%	-115	4,645	4,500	-3.1%	-145
Leicester	1,995	1,850	-7.3%	-145	3,555	1,745	-50.9%	-1,810	16,150	14,240	-11.8%	-1,910
Lichfield	440	465	5.7%	25	520	505	-2.9%	-15	5,020	5,010	-0.2%	-10
Lincoln	300	295	-1.7%	-5	285	310	8.8%	25	2,910	2,910	0.0%	0
Malvern Hills	355	325	-8.5%	-30	420	320	-23.8%	-100	4,025	3,925	-2.5%	-100
Mansfield	645	460	-28.7%	-185	535	685	28.0%	150	3,880	3,915	0.9%	35
Melton	205	235	14.6%	30	225	175	-22.2%	-50	2,340	2,335	-0.2%	-5
Newark and Sherwood	540	430	-20.4%	-110	485	615	26.8%	130	5,110	5,045	-1.3%	-65
Newcastle-under-Lyme	450	385	-14.4%	-65	450	405	-10.0%	-45	3,885	3,765	-3.1%	-120
North East Derbyshire	355	305	-14.1%	-50	430	320	-25.6%	-110	3,495	3,370	-3.6%	-125
North East Lincolnshire	645	525	-18.6%	-120	645	580	-10.1%	-65	5,240	5,080	-3.1%	-160
North Kesteven	455	380	-16.5%	-75	400	420	5.0%	20	4,105	4,030	-1.8%	-75
North Lincolnshire	785	605	-22.9%	-180	660	610	-7.6%	-50	5,930	5,810	-2.0%	-120
North Warwickshire	290	275	-5.2%	-15	290	270	-6.9%	-20	2,890	2,935	1.6%	45
North West Leicestershire	455	405	-11.0%	-50	505	420	-16.8%	-85	4,590	4,450	-3.1%	-140
Nottingham	1,450	1,305	-10.0%	-145	1,255	1,165	-7.2%	-90	10,510	10,445	-0.6%	-65
Nuneaton and Bedworth	470	440	-6.4%	-30	560	495	-11.6%	-65	4,090	3,950	-3.4%	-140
Oadby and Wigston	315	350	11.1%	35	340	245	-27.9%	-95	2,440	2,430	-0.4%	-10
Redditch	475	410	-13.7%	-65	405	375	-7.4%	-30	3,350	3,300	-1.5%	-50
Rugby	640	615	-3.9%	-25	795	730	-8.2%	-65	5,420	5,225	-3.6%	-195
Rushcliffe	550	520	-5.5%	-30	635	555	-12.6%	-80	5,585	5,410	-3.1%	-175
Rutland	145	160	10.3%	15	200	145	-27.5%	-55	1,860	1,810	-2.7%	-50
Sandwell	1,635	1,540	-5.8%	-95	1,555	1,505	-3.2%	-50	11,530	11,465	-0.6%	-65
Shropshire	1,160	1,170	0.9%	10	1,300	1,165	-10.4%	-135	13,780	13,615	-1.2%	-165
Solihull	930	1,090	17.2%	160	1,045	880	-15.8%	-165	8,860	9,045	2.1%	185
South Derbyshire	910	410	-54.9%	-500	450	580	28.9%	130	4,450	4,380	-1.6%	-70
South Holland	485	400	-17.5%	-85	505	450	-10.9%	-55	3,935	3,815	-3.0%	-120
South Kesteven	645	525	-18.6%	-120	605	815	34.7%	210	6,345	6,265	-1.3%	-80
South Staffordshire	565	410	-27.4%	-155	490	570	16.3%	80	4,645	4,535	-2.4%	-110
Stafford	495	500	1.0%	5	520	460	-11.5%	-60	5,190	5,155	-0.7%	-35
Staffordshire Moorlands	270	300	11.1%	30	340	290	-14.7%	-50	3,475	3,420	-1.6%	-55
Stoke-on-Trent	1,080	870	-19.4%	-210	1,085	935	-13.8%	-150	7,630	7,395	-3.1%	-235
Stratford-on-Avon	1,050	755	-28.1%	-295	1,185	915	-22.8%	-270	8,965	8,500	-5.2%	-465
Tamworth	280	255	-8.9%	-25	275	270	-1.8%	-5	2,490	2,440	-2.0%	-50
Telford and Wrekin	695	645	-7.2%	-50	645	620	-3.9%	-25	6,210	6,190	-0.3%	-20

	Births				Deaths				Active Enterprises			
	2022	2023	% change	Num. Change	2022	2023	% change	Num. Change	2022	2023	% change	Num. Change
Walsall	1,270	1,310	3.1%	40	1,350	1,230	-8.9%	-120	9,545	9,545	0.0%	0
Warwick	740	715	-3.4%	-25	890	795	-10.7%	-95	7,735	7,725	-0.1%	-10
West Lindsey	305	320	4.9%	15	340	310	-8.8%	-30	3,395	3,380	-0.4%	-15
Wolverhampton	1,510	1,300	-13.9%	-210	1,535	2,075	35.2%	540	10,485	10,315	-1.6%	-170
Worcester	470	390	-17.0%	-80	600	485	-19.2%	-115	3,955	3,745	-5.3%	-210
Wychavon	635	590	-7.1%	-45	1,185	935	-21.1%	-250	7,495	6,990	-6.7%	-505
Wyre Forest	465	395	-15.1%	-70	1,080	950	-12.0%	-130	5,130	4,500	-12.3%	-630
<b>Midlands Engine</b>	<b>48,395</b>	<b>43,230</b>	<b>-10.7%</b>	<b>-5,165</b>	<b>51,085</b>	<b>46,585</b>	<b>-8.8%</b>	<b>-4,500</b>	<b>404,955</b>	<b>395,935</b>	<b>-2.2%</b>	<b>-9,020</b>
UK	336,925	316,025	-6.2%	-20,900	348,695	309,290	-11.3%	-39,405	2,924,685	2,870,295	-1.9%	-54,390