

Press release: London

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2015 a record year for startup formation

Companies House data shows a record 608,100 new UK businesses formed in 2015 – reflecting a cultural shift in the UK economy

The latest Companies House data, as analysed by the Centre for Entrepreneurs (CFE), reveals that 2015 had the highest number of new incorporations on record – with a total of 608,110 new businesses started. This compares to 581,173 startups formed in 2014 (itself a record)*. The UK has managed to sustain the growth trend in company formation despite the strong economic recovery in the aftermath of the recession – suggesting a deep cultural shift towards entrepreneurialism is underway.

“The UK has sustained startup activity despite the economic recovery providing employment opportunities in established businesses,” says Luke Johnson – the Centre’s Chairman. “We have seen a record number of new businesses created for four consecutive years, proving that entrepreneurship has become engrained within the UK’s business culture. This is something we should celebrate and something we should continue to nurture through sensible and incentivising government policies.”

The Centre’s analysis highlights significant trends emerging in the UK – not least, London’s continued dominance as a hub of entrepreneurial activity, the growing strength of other major conurbations, and the growth of startups in suburban and exurban areas.

“While London remains unrivalled compared to the rest of the country, thanks to its better access to funding and strong entrepreneurial support, other regions are also proving their worth – especially Manchester, Edinburgh and Birmingham,” says Matt Smith, Director of the Centre for Entrepreneurs. “That said, it is interesting to see areas on the fringes of major cities, such as Watford and Warrington, do well and a concern that university cities do so badly. They should be the entrepreneurial hubs of the future.”

The Centre's analysis shows:

- With over 600,000 new enterprises in 2015, it is clear that the UK is now a nation of entrepreneurs. Entrepreneurialism has become an engrained part of our economic culture. Among other reasons, the upsurge in entrepreneurial activity is also supported by increased flexible working hours and greater professional and personal autonomy, demonstrating how a structural shift has occurred in the wake of the financial crisis.
- London dominates, with over 200,000 company formations. Also, many London boroughs feature as the top areas for company formation on a per capita basis – occupying 15 of the top 20 areas.
- Greater Manchester and the West Midlands also feature highly, although on a per capita basis the Greater Manchester areas outgun all other conurbations beyond London. This suggests there is some credence behind the government's notion of a “northern powerhouse” focused on Greater Manchester.
- University towns are underperforming in entrepreneurial activity, with Cambridge startups per 1,000 population dropping from 15.9 in 2014 to 9 in 2015. In addition, Oxford only saw 6.8 startups per 1,000 people, raising concerns that universities are failing to capitalise on their entrepreneurial potential.
- British seaside towns – including Brighton, Poole and Southend-on-Sea – also make the top 20 on a per capita basis, confirming a trend identified in a recent CFE [publication on the rising entrepreneurial tide reviving British seaside towns](#).
- Remote, rural areas feature predominantly as the least entrepreneurial areas. Indeed, remote communities have a significantly lower number of startups per 1,000 people – for example, 2.4 startups per 1,000 in the Isle of Anglesey – suggesting that a number of difficulties exist when setting up businesses in these areas.
- Watford and Warrington are in the top three boroughs for starting new businesses, surpassing London and Manchester authorities when comparing the startup figures on a per capita basis. This challenges the zeitgeist idea that entrepreneurialism is centred on tech or creative startups in big cities.
- Other “exurban” (i.e. areas adjacent to major conurbations) areas also do well, especially near London. Woking and Surrey Heath, for example, have just over 10 startups per 1,000. Other exurban areas – including Bury, Broxbourne and Welwyn Hatfield – also feature highly on the list.



*In previous years, the data has been released by national enterprise campaign StartUp Britain, which the Centre took ownership of in 2014.

An interactive map showing the total startups and startups per 1,000 population for each local authority can be viewed at: <http://startupbritain.org/startup-tracker/> This map can be embedded into other sites. The data – listing the performance of all local authorities can be downloaded from the same link.

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About the Centre for Entrepreneurs (CFE)

- *The Centre for Entrepreneurs promotes the role of entrepreneurs in creating economic growth and social well-being. In Spring 2014 it took ownership of the StartUp Britain campaign.*
- *The Centre is an independent non-profit think tank founded and chaired by Sunday Times columnist and serial entrepreneur Luke Johnson and housed within the Legatum Institute – a non-partisan think tank best known for its annual Prosperity Index.*
- *The Centre researches and communicates the positive impact of entrepreneurs on the economy and society; defends entrepreneurs from over-regulation, unhelpful legislation, over-taxation and monopolistic large firms; and encourages entrepreneurship as a career choice.*

<http://centreforentrepreneurs.org/>