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START-UP NUMBERS SUFFER FIVE YEAR FALL

Start-up numbers have fallen in Scotland in the last five years, however not as significantly as the UK as a whole, according to Bank of Scotland analysis. The findings reveal that 3% fewer new businesses were started up in Scotland in November 2016 compared to November 2011, while the UK figure dropped by 19%. (See table 1)

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.

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.

Although there has been a fall in the number of new businesses being created, Bank of Scotland has maintained its commitment to supporting British enterprise. In 2016, its parent group, Lloyds Banking Group 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 Bank of Scotland, 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.

“At Bank of Scotland 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.”

More.../

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Press Release



SCOTLAND

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 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*. (See table 2)

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 Highlands 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.../

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Table 1: Total Number of Start Ups in the UK over the last 5 Years – UK

Ranked by 5 Year % Change

	Nov '11	Nov '16	5 Year Change	5 Year Change %
UK Mainland				
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

Table 2: Total Number of Start Ups in Scotland over the last 5 years

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%
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%

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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

Notes to Editors

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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