



Forum of  
Private  
Business

The business people – an extension to your team

# The small business fact file

... brought to you by the Forum of Private Business

	Number of businesses	Proportion of jobs at SMEs	Proportion of private sector turnover through SMEs	SMEs per 10,000 population
<b>United Kingdom</b>	4,783,285	59.4%	50.1%	966
<b>North East</b>	136,255	61.6%	50.1%	648
<b>North West</b>	453,565	64.9%	60.1%	815
<b>Yorkshire and the Humber</b>	345,805	56.6%	54.9%	821
<b>East Midlands</b>	319,290	56.5%	50.0%	890
<b>West Midlands</b>	364,635	59.5%	52.1%	841
<b>East of England</b>	488,335	54.7%	42.1%	1,065
<b>London</b>	800,050	48.0%	46.9%	1,309
<b>South East</b>	768,920	60.6%	44.0%	1,143
<b>South West</b>	456,295	73.3%	60.5%	1,072
<b>England</b>	4,133,150	58.0%	49.1%	996
<b>Wales</b>	201,355	77.4%	60.3%	830
<b>Scotland</b>	322,140	61.8%	52.9%	761
<b>Northern Ireland</b>	126,640	79.5%	78.9%	917

## General

Small to medium-sized enterprises make up 99.9% of businesses in the UK.

They are responsible for 13.7 million jobs (59.4% of employment).

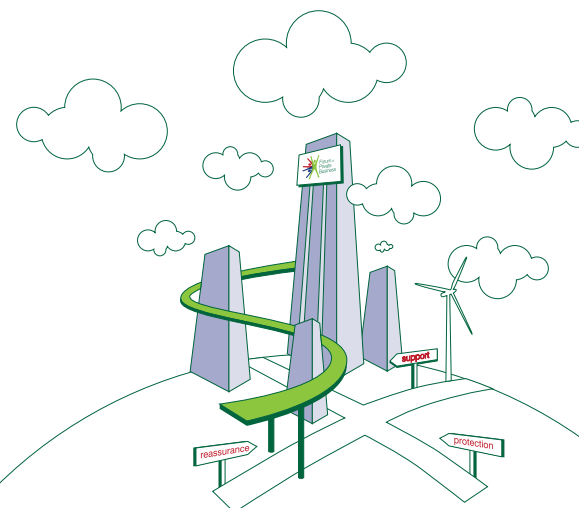
They have a collective turnover of £1,500,825 million or 50.1% of private sector turnover.

## Definitions

Micro business – 0 to 9 employees

Small business – 10 to 49 employees

Medium-sized business – 50 to 249 employees



## Red tape and regulation

In a recent survey of Forum members, 81% of respondents did not feel that the current regulatory framework was realistic, robust and fair for their businesses, reinforcing the idea that smaller firms suffer disproportionately.

On average, one person is responsible for legal compliance in 42% of small and medium-sized businesses, although the percentage is higher the smaller the business. So, 47% of micro businesses have one person responsible for compliance, while just 21% of small businesses leave it to one person. No medium-sized businesses have just one person responsible for all regulatory compliance.

Red tape costs small and medium-sized business employers £9.3bn per year in terms of internal costs (time, salary and so on) or an average of 34 hours per month per company.

The most costly regulations to comply with are employment law at £2.4bn, health and safety at £2.1bn; and tax at £1.8bn.

*(Referendum 188)*

## Tax

68% of small business employers would see increases in National Insurance Contributions as damaging to their firms.

*(Referendum 187)*

68% of respondents felt that the taxation burden on small business employers was unfair, with 52% feeling that larger corporations gleaned the most advantage from the tax system.

*(Forum of Private Business Tax Panel January 2010)*

## Access to finance

40% of respondents to a recent survey were unable to obtain any finance. The main reasons cited for refusal of credit were lack of security (41%) and the industry being perceived as too risky (28%); too much existing debt (18%) was also an issue.

*(Forum of Private Business and Graydon, 2009)*

42% were refused credit from commercial sources. 62% approached banks for loans or overdrafts; refusal rates were particularly high in commercial loans (52%) and equity finance (49%). Credit from the supply chain was the most successful source.

*(Forum of Private Business and Graydon, 2009)*

## Late payment

More than a million small and medium-sized British businesses have now been hit by late payment – and, collectively, they're owed a staggering £30.4bn.

*(Bacs Payment Schemes Limited)*

## Acronym buster

<b>ACCA</b>	<b>Association of Chartered Certified Accountants</b>	<b>ICAEW</b>	<b>Institute of Chartered Accountants in England and Wales</b>
<b>APPSBG</b>	<b>All-Party Parliamentary Small Business Group</b>	<b>IoD</b>	<b>Institute of Directors</b>
<b>BCC</b>	<b>British Chambers of Commerce</b>	<b>NEA</b>	<b>National Enterprise Academy</b>
<b>BIS</b>	<b>Department for Business, Innovation and Skills</b>	<b>NFEA</b>	<b>National Federation of Enterprise Agencies</b>
<b>BL</b>	<b>Business Link</b>	<b>PPC</b>	<b>Prompt Payment Code</b>
<b>BPSS</b>	<b>Business Payment Support Service (HMRC)</b>	<b>SBF</b>	<b>Small Business Forum (BIS)</b>
<b>CBI</b>	<b>Confederation of British Industry</b>	<b>SBFF</b>	<b>Small Business Finance Forum (BIS)</b>
<b>EFG</b>	<b>Enterprise Finance Guarantee</b>	<b>SMEs</b>	<b>Small and medium enterprises</b>
<b>EHRC</b>	<b>Equality and Human Rights Commission</b>	<b>SFEDI</b>	<b>Small Firms Enterprise Development Initiative</b>
<b>FORUM</b>	<b>Forum of Private Business</b>	<b>SSC</b>	<b>Sector Skills Council</b>
<b>FSB</b>	<b>Federation of Small Businesses</b>	<b>UKCES</b>	<b>United Kingdom Commission on Employment and Skills</b>
		<b>UKTI</b>	<b>United Kingdom Trade &amp; Investment</b>

# Keys to rebuilding the UK economy in 2010-2011

From the Forum of Private Business's manifesto:

### ▶ Free enterprise

We believe that the greatest drivers of growth in the UK economy will come from small businesses, with new ideas born in rapidly changing sectors and developed at a speed that traditional models of government spending will not have the agility to support.

### ▶ Fiscal responsibility

Securing the UK's reputation as a good place to do business will mean bringing Britain's finances under control.

### ▶ Stability

Whichever party is elected, we believe that any drastic cuts to government programs and initiatives should be balanced out with the need to ameliorate the damage of the recession. Simply, there should be a continuity of support that goes beyond party politics.

### ▶ New technologies, new markets

As new technologies develop and new markets open around the world, there should be equal opportunities for small businesses to develop new business models in innovative ways.