

# SEMLEP Business Survey 2019: Central Bedfordshire Council

Report: December 2019

# SEMLEP

South East Midlands  
Local Enterprise Partnership



Central  
Bedfordshire



Research  
Evaluation  
Community Engagement  
Strategy Development

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# SEMLEP Business Survey 2019: Central Bedfordshire Council

## Executive Summary

### Introduction and background

1. The South East Midlands Local Enterprise Partnership (SEMLEP) has a key role in determining economic priorities for the region in partnership with the Local Authorities and other stakeholders in the area. It also has a role in developing and undertaking activities aimed at driving economic growth and increasing jobs in the South East Midlands region. The 13 local authorities in the SEMLEP area include over 83,000 businesses and generate an economy worth some £52bn annually<sup>1</sup>.
2. This report presents findings from the 2019 SEMLEP business survey for Central Bedfordshire Council. It is the fifth such survey to be conducted by SEMLEP and covers the following issues:
  - Quality of the local area as a business location
  - Business engagement and support
  - Business performance
  - Employment, skills and training
  - Innovation
  - Perceptions about SEMLEP
3. The survey's overarching purpose was to identify the economic challenges and opportunities facing businesses in the area, in order to inform SEMLEP and local authority approaches to the development and delivery of their economic strategy and support activities. The analysis in this report builds a picture of the needs and priorities of businesses in the region, including comparisons to SEMLEP overall and over time, as well as by other variables such as business size and other key variables (where sample sizes allow) and also a section dedicated to the showcase sectors.
4. A total of 1,675 interviews (257 of which were in Central Bedfordshire) were carried out via telephone over a six-week period between October and November 2019 with a sample of businesses that was representative of the business population in the area.
5. The survey was undertaken at a time when uncertainty around Brexit was particularly high and at the forefront of businesses' concerns, given the deadline at the time for Brexit of the end of October 2019. This should be taken into consideration when reviewing the results, especially around leaving the EU.

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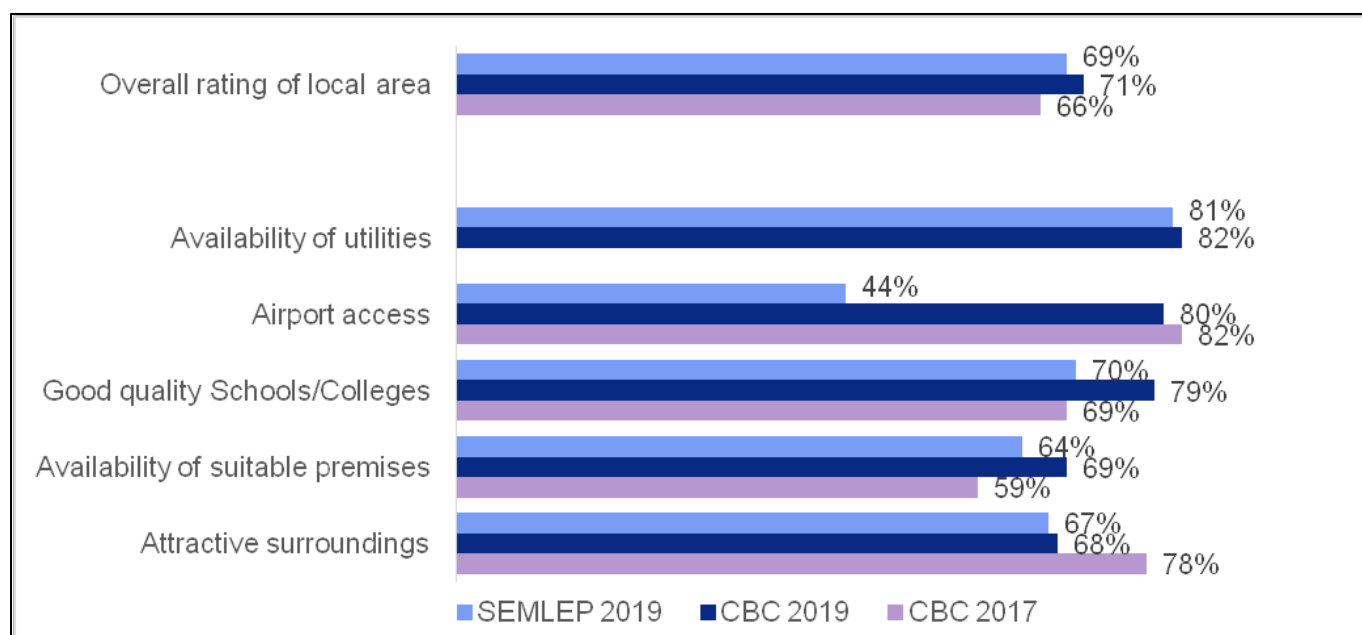
<sup>1</sup> Source: <http://www.semlep.com/> (accessed 18/11/2019)

## Key findings

### Quality of the local area for business

- The majority of businesses rated their local area as a good place to do business, with 71% giving a rating of 4 or 5 out of 5. This is comparable to the 66% seen in 2017 and the 69% across SEMLEP.
- The specific aspects businesses were most positive about were availability of utilities such as energy and water, airport access, the quality of local schools and colleges, the availability of suitable premises for their business and the attractiveness of the surroundings (See Figure 1). Ratings on specific aspects were generally in line with ratings seen across SEMLEP.

Figure 1: Top 5 rated aspects of the local area over time (% giving a 4 or 5 out of 5)



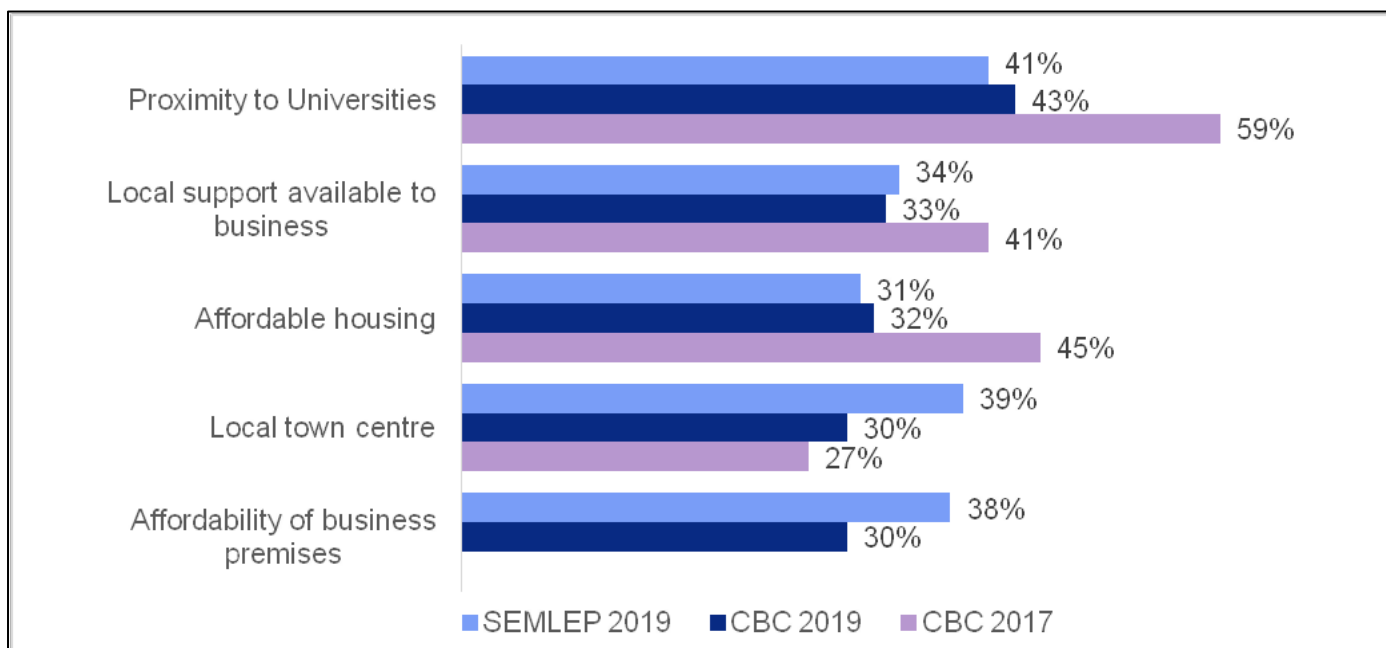
Number of respondents: SEMLEP 1675, CBC 2019 257, CBC 2017 252. Figures exclude 'don't know' answers.

Questions asked: Overall, how do you rate your location as a place to do business? How do you rate the availability of, or quality of, the following aspects of your location from a business perspective?

There is no comparable data from 2017 for "Availability of utilities".

- Businesses were less positive about the affordability of both housing and business premises in the area, the local support available to business, the local town centre and the proximity to universities.

**Figure 2: Bottom 5 rated aspects of the local area, over time (% giving a 4 or 5 out of 5)**



Number of respondents: SEMLEP 1675, CBC 2019 257, CBC 2017 252. Figures exclude 'don't know' answers.

Question asked: How do you rate the availability of, or quality of, the following aspects of your location from a business perspective?

There is no comparable data from 2017 for "Affordability of business premises".

## **Business engagement**

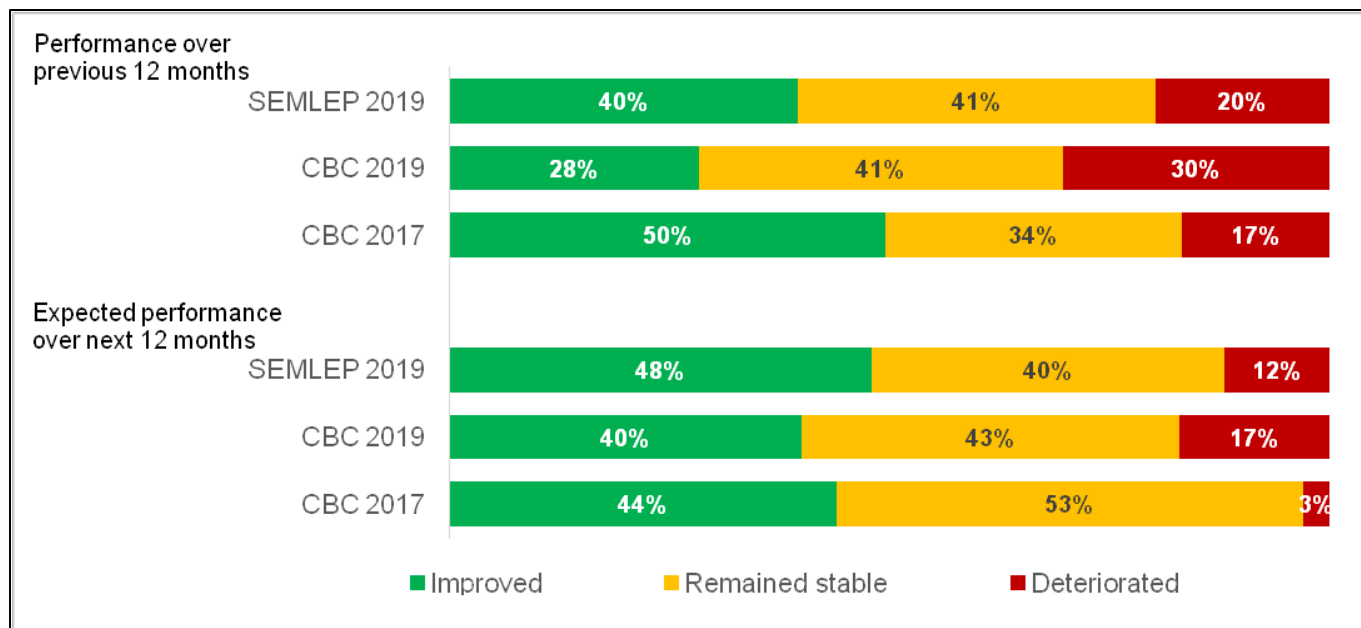
9. Most businesses (93%) had sought or received advice or support in the previous 12 months, lower than in 2017 (99%). Smaller businesses with 1-4 staff commonly sought advice from private sector professionals (such as accountants, solicitors and banks) and other business owners; the larger businesses with 10 or more staff were most likely to have received support from recruitment agencies.
10. Family and friends as a source of support was commonplace among businesses with fewer than 5 staff.
11. Just over one-in-nine businesses (11%) had heard of SEMLEP's Growth Hub, and 1% had used it already. Awareness that it had replaced the Velocity and Northamptonshire Growth Hubs was fairly low, with just around a third which had heard of any of the Growth Hubs aware of this.

## **Business performance**

12. Whilst the performance of Central Bedfordshire businesses over the past 12 months has been, on the whole, neutral, with 28% of businesses reporting their performance has improved compared to 30% saying it has deteriorated, the decline in growth seen from 2015 to 2017 has continued and 2019 paints a less positive picture than in 2017. This is also a less positive picture than is seen across SEMLEP as a whole.
13. Business confidence for the future has also decreased, with two fifths now expecting an improvement in the coming year. That said, businesses were still more likely to expect improvement than deterioration in their performance. Two fifths of businesses (40%) were expecting performance to improve in the next 12 months compared to 17% expecting to see a downturn. Optimism for the coming year is also lower than is seen across SEMLEP

as a whole.

**Figure 3: Business performance over previous 12 months, and expected performance over next 12 months**



Number of respondents: SEMLEP 1675, CBC 2019 257, CBC 2017 252.

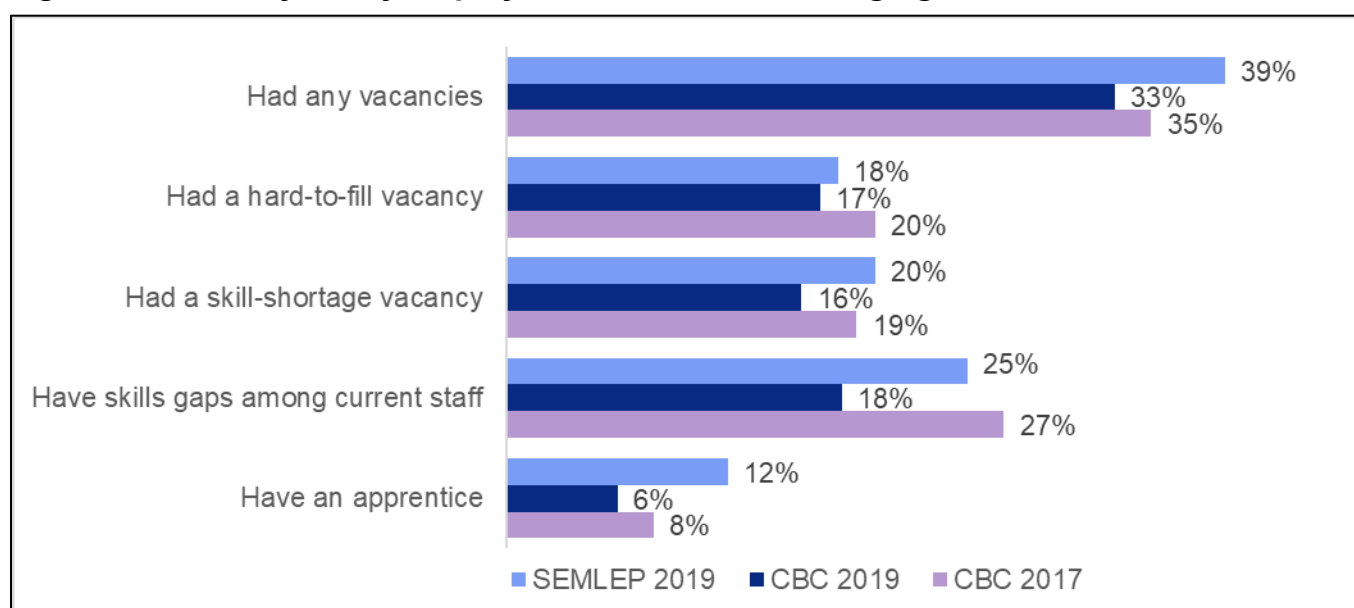
Questions asked: Would you say that, overall, your business performance in the past 12 months has improved, remained stable or deteriorated? Over the next 12 months, do you expect your business performance to generally improve, remain stable or deteriorate?

14. Uncertainty around the UK's exit from the EU was by far the most commonly cited constraint on business growth, mentioned by two fifths of all businesses (also most commonly cited across SEMLEP). Businesses with 10 or more staff were also concerned about a lack of skilled labour.
15. Businesses were more likely to say the impact of leaving the EU will be negative for their business (37%) than positive (8%). There was a sizable number of businesses however who believe there will be no notable impact (36%). Almost a fifth were still unsure what the impact will be (18%). Businesses' main concerns surround loss of business or increased cost of business, mentioned by 14% and 13% respectively, problems exporting to the EU and problems importing from the EU, both mentioned by 12%. Importing was a particular concern for larger businesses with 10 or more staff.
16. Around half of businesses (53%) believed the impact of leaving the EU without a deal will be greater than if the UK leaves with a deal (this related to a deal around the withdrawal agreement at the time of surveying, but the findings could still be relevant in the context of a trade deal). Around a third of businesses felt "quite well" or "very well" prepared for such a scenario. A large proportion of businesses felt ill-prepared (46%), and around two in ten said their business would not be affected by leaving the EU so they did not need to make any preparations.

## Employment, skills and training

17. Businesses in the Central Bedfordshire area, especially larger businesses, put a sufficient supply of skilled labour near the top of their concerns. It was one of the top constraints on business growth for businesses with 10 or more staff. Furthermore, three-in-ten businesses rated the availability of skilled staff in their local area as “poor”. The survey therefore looks at the recruitment of new staff and skills of current staff to evaluate the situation in the Central Bedfordshire area.
18. Around three-in-ten businesses had at least one vacancy in the 12 months preceding the survey (33%). This was in line with previous years and with the SEMLEP average. Approaching a fifth (17%) of all businesses had been affected by difficulties in recruiting, having had at least one vacancy that they had difficulty filling. This was in line with 2017 and SEMLEP as a whole.

**Figure 4: Summary of key employment, skills and training figures**



Number of respondents: SEMLEP 1675, CBC 2019 257, CBC 2017 252.

19. Under half of employers who had a vacancy (47%) could name at least one skill they had trouble finding in applicants. Businesses blamed this on the quantity of applications received overall and the quality of applicants.
20. Large and small businesses used different channels to try to fill their vacancies. Smaller businesses were more likely to use word of mouth and recruitment agencies.
21. The majority of businesses believed their workforce to be already well skilled, however 18% were able to list at least one skill their staff were lacking (a “skills gap”), which continues the improvement over time. This also gives a better picture than across SEMLEP as a whole (25%) and has improved since 2017.
22. Overall, 6% of businesses had a current apprentice (on a recognised government apprenticeship scheme) at the time of the survey, similar to in 2017, but lower than SEMLEP-wide figure of 12%. A further 35% of Central Bedfordshire businesses said they would consider taking on an apprentice, leaving 59% who would not consider employing apprentices.

## **Innovation**

23. Around a tenth (12%) of businesses said they had introduced at least one new product, service, patent or process in the 12 months preceding the survey, lower than the 20% seen in 2017 and SEMLEP average (26%). Innovation was more common in businesses with 5 or more staff.
24. In addition, the proportion of businesses with research and development links to colleges and universities (8%) had stayed in line with the 10% in 2017 and is also similar to the SEMLEP average.
25. Market demand for new products or services, the general economic climate, the cost and availability of finance are all commonly rated as factors restricting the amount of innovation businesses had achieved.

## **SEMLEP**

26. Overall, a quarter (25%) of businesses reported they had heard of SEMLEP or one of its associated services (such as the Growth Hub, Enterprise Advisor Network, Local Growth Fund, etc.).
27. Awareness of SEMLEP itself has slightly decreased from 20% in 2017 to 15% in 2019, although this difference is not statistically significant, whereas across SEMLEP as a whole awareness has increased to 17%.
28. The most common way businesses had heard of SEMLEP and its services was via direct communications from SEMLEP. Direct communications from the local authority was also a common source of information. For SEMLEP overall, the most common way businesses had heard of SEMLEP and its services was via networking with other businesses.
29. Businesses felt that SEMLEP should be focusing on providing business support; this ties in with the low ratings given in the survey for the business support available in their local area.

## **Showcase sectors**

### **Creative and Cultural sector:**

30. Creative and Cultural businesses were optimistic about the future, with above two fifths predicting growth. This is despite a high level of concern about the UK's exit from the EU (seven in ten expect a negative impact).

### **Manufacturing and Advanced Technology sector:**

31. Businesses in the Manufacturing and Advanced Technology sector were more likely than average to be looking to relocate.
32. Manufacturing and Advanced Technology businesses were more likely to say their business has remained stable in the last 12 months.

### **High Performance Technology sector:**

33. Businesses in this sector were more likely to have sought advice from a Central Government department or Government body and less likely to have sought advice from private sector professionals and other business owners.
34. Optimism for the future is low in this sector, with only 12% expecting to see an improvement in business performance in the coming year.



### **Logistics sector:**

35. Businesses in this sector were less likely than average to have sought advice from private sector professionals and other business owners.
36. Business performance in this sector has been poorer than across Central Bedfordshire; with more businesses seeing a deterioration in business performance than an improvement.
37. Two fifths of businesses in the Logistics sector still say they do not know what the impact of the UK leaving the EU will be on their business, but more than half do not have any concerns about it.

# SEMLEP Business Survey 2019: Central Bedfordshire Council

## Main Report

### Section 1: Introduction

#### Introduction and background

- 1.1. The South East Midlands Local Enterprise Partnership (SEMLEP) is one of 38 LEPs in England responsible for determining local economic priorities and undertaking activities aimed at driving economic growth and increasing jobs.
- 1.2. SEMLEP covers an area made up of 13 local authorities<sup>2</sup>, including Central Bedfordshire, which are home to over 83,000 businesses. The area contributes some £52bn to the national economy annually<sup>3</sup>.
- 1.3. This report presents the findings from the 2019 SEMLEP business survey for Central Bedfordshire. It provides analysis to support and inform SEMLEP and Central Bedfordshire's strategy and support activities, and builds a picture of the needs and priorities of businesses in the region, including comparisons to SEMLEP overall, over time and by other variables such as business size and other key variables, where possible, to build a picture of the needs of businesses in the area.

#### Aims and Objectives

- 1.4. The survey's overarching purpose was to identify the economic challenges and opportunities facing businesses in the area, in order to inform SEMLEP and local authority approaches to the development and delivery of their economic strategy and support activities.
- 1.5. Specific issues covered by the survey are:
  - Quality of the local area as a business location
  - Business engagement and support
  - Business performance
  - Employment, skills and training
  - Innovation
  - Perceptions about SEMLEP

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<sup>2</sup> Aylesbury Vale, Bedford, Central Bedfordshire, Corby, Daventry, East Northamptonshire, Kettering, Luton, Milton Keynes, Northampton, South Northamptonshire and Wellingborough (plus Northamptonshire County Council, which covers the seven Northamptonshire authorities)

<sup>3</sup> Source: <http://www.semlep.com/> Accessed 18/11/2019.

## Approach to the research

- 1.6. A total of 1,675 interviews were carried out via CATI (computer assisted telephone interviewing) over a six-week period between w/c 7<sup>th</sup> October and w/c 11<sup>th</sup> November 2019.<sup>4</sup> In total, 257 of these interviews were with Central Bedfordshire businesses. Interviews took an average of 20-25 minutes to complete, and were conducted with business decision makers.
- 1.7. Surveys were completed at the establishment level, that is to say, every site of a business was sampled separately and had a chance of being included. Responses given related to the situation at that site only. This ensured the information collected reflects the local picture.
- 1.8. The questionnaire was based on that used in the 2017 survey, with a few changes to reflect updated priorities and challenges of the area. Questions about regulatory requirements were removed in favour of a deeper understanding of skills needs in the area, particularly in relation to digital skills, barriers to innovation and levels of preparedness for the UK's exit from the European Union. Central Bedfordshire also included some questions specific to the area. The full questionnaire can be found in the appendix to this report.
- 1.9. Quota sampling was used to ensure a representative split of businesses by size and sector. Quotas were set in proportion to the latest SEMLEP business population statistics, sourced from the Office of National Statistics<sup>5</sup>. Quotas were achieved to within 1-2% of the original target. Weighting was then applied to ensure the final data was fully representative of the business population.

## A note on this report

- 1.10. This report presents the findings for the Central Bedfordshire local authority area, with analysis presented by key business characteristics such as size and sector where sample sizes allow. Comparisons to the overall SEMLEP findings are presented throughout.
- 1.11. This is the fifth iteration of the SEMLEP business survey, which was first run in 2013. Central Bedfordshire has participated on every occasion so, where possible, comparisons are made to previous years.
- 1.12. With 1,675 respondents, the survey provides for statistically reliable data. At this number of respondents, the sample error or accuracy of the survey results is around +/-2.5% at a 95% confidence level, for a finding of 50%<sup>6</sup>. This means that we can be 95% confident that the "real" result for any given question would be within 2.5% of that stated within the survey findings. There were 257 interviews completed in Central Bedfordshire, which gives a confidence interval of around +/-6% at the 95% level, for a finding of 50%. In crude terms, this means there needs to be a difference of between 5-9 percentage points between SEMLEP and Central Bedfordshire results to be statistically significant. It also means there needs to be an 8-12 percentage-point difference for comparisons over time to be statistically significant.

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<sup>4</sup> The interview target for each local authority was set at 100. Three local authorities including Central Bedfordshire chose to boost the number of interviews carried out in their area to 250 to increase statistical reliability and allow an individual report to be produced.

<sup>5</sup> ONS UK Business Activity – Size and Location 2018.

<sup>6</sup> Sampling error exists because even when surveying as robustly as has been the case with this survey, only a proportion of the population has been interviewed. Sampling error, therefore, is the measure of accuracy between the survey results and those that would have been obtained if all residents in the area had been surveyed, i.e. a census conducted.

## **Section 2: Quality of the Local Area for Business**

### **Key Findings:**

- The majority of businesses (71%) rated their local area as a good place to do business; in line with the 66% seen in 2017 and with SEMLEP overall (69%).
- Businesses were especially positive about the availability of utilities such as energy and water, airport access, the quality of local schools and colleges, the availability of suitable premises for their business and the attractiveness of the surroundings. Ratings on specific aspects were generally in line with ratings seen across SEMLEP.
- Businesses were less positive about the affordability of business premises in their area (30% gave a positive rating) and about their local town centre (30%).
- In total, 14% of businesses said they were considering relocating their business; 9% were looking within Central Bedfordshire or within the wider SEMLEP area. The remaining 5% were looking to leave the South East Midlands.

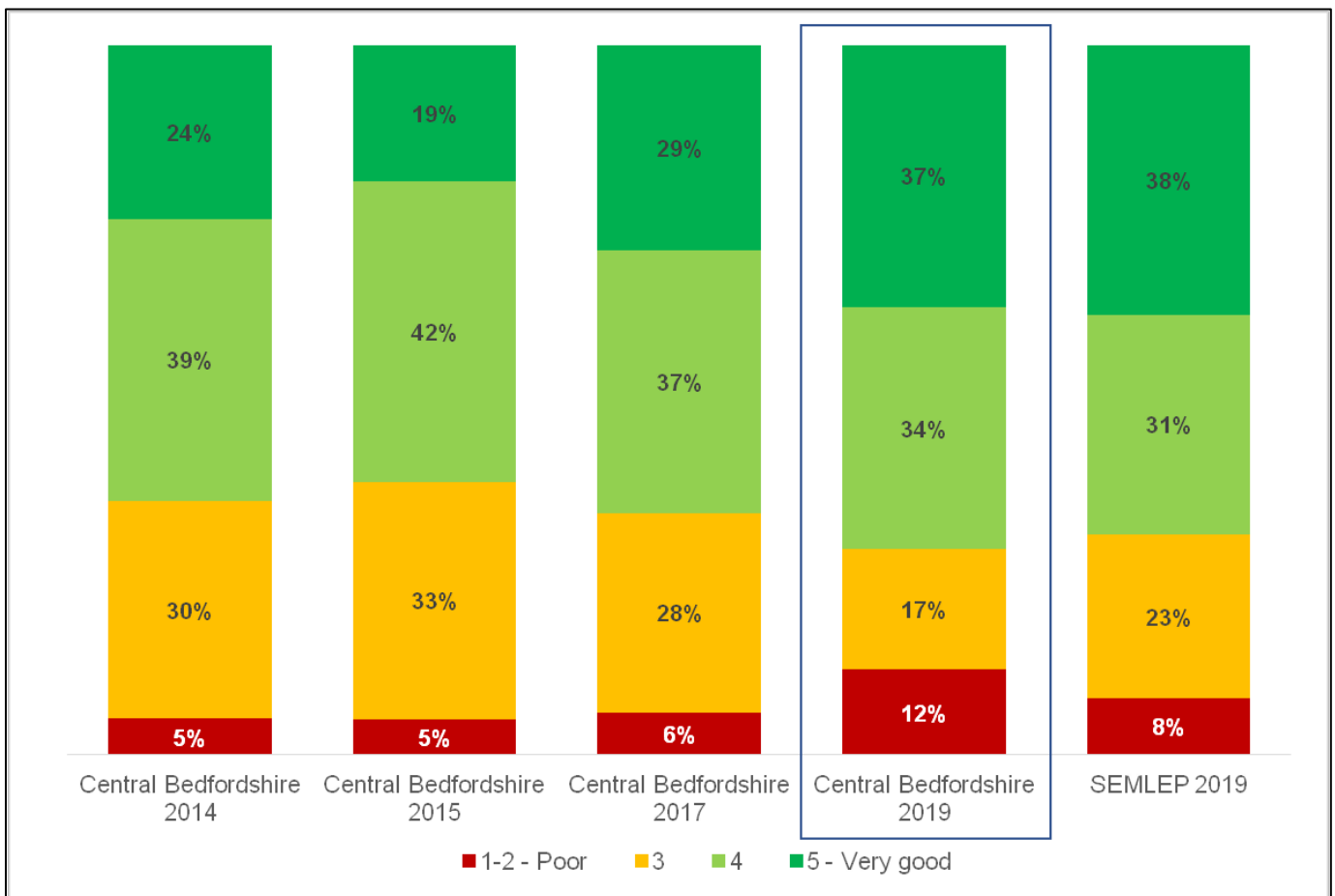
### **Introduction**

2.1. This section looks at businesses' perceptions of their local area as a place to do business, both at an overall level and in terms of specific aspects such as local business conditions, the attractiveness of the area as a place to live and work and the local infrastructure.

### **The area as a place to do business**

2.2. The majority of businesses (71%) rated their local area as a good place to do business, giving a rating of 4 or 5 out of 5, where 1 was very poor and 5 was very good. This is in line with the 66% seen in 2017 and with SEMLEP overall (69%).

**Figure 2.1: Rating of the local area as a place to do business over time**

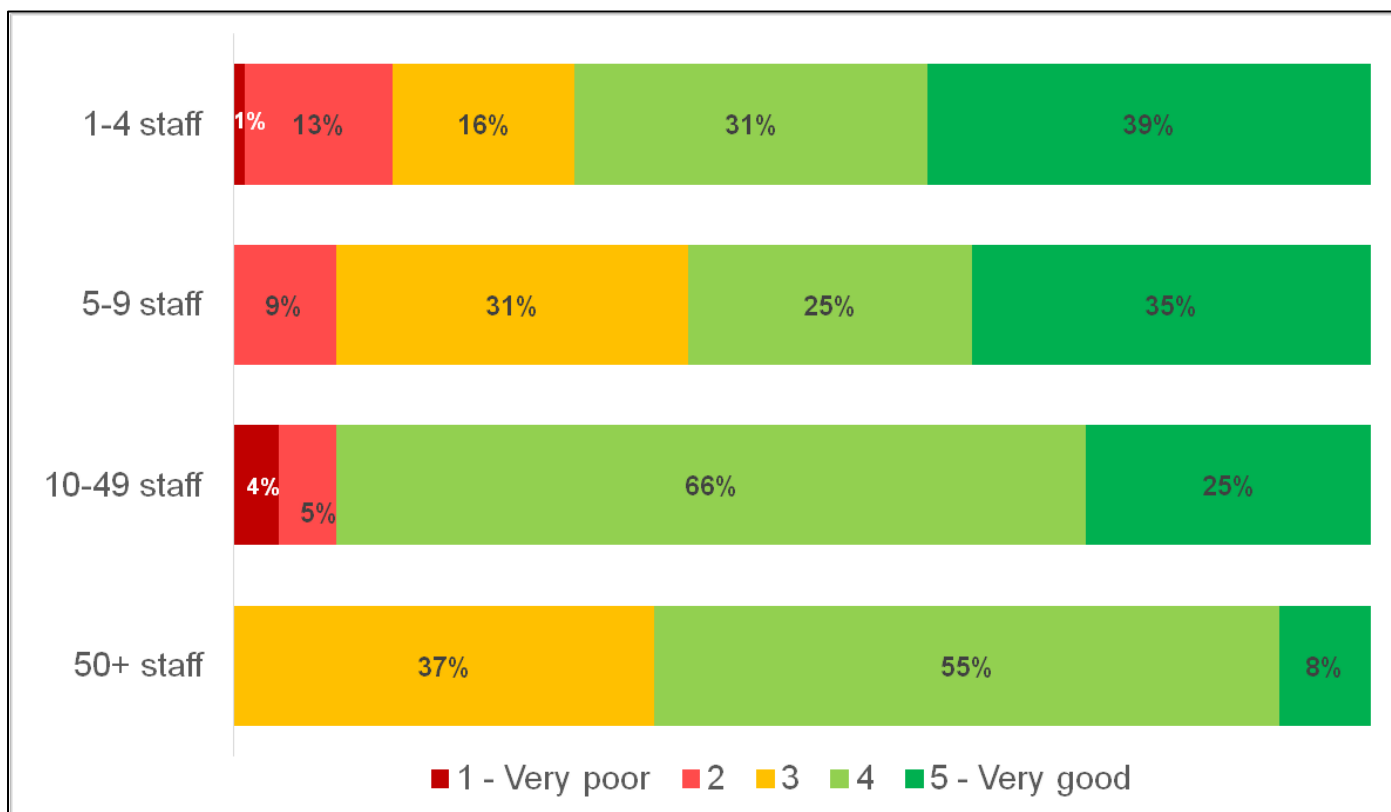


Number of respondents: SEMLEP 2019 1,647, CBC 2019 241, CBC 2017 227, CBC 2015 255, CBC 2014 261. Excludes 'don't know' responses.

Question asked: Overall, how do you rate your location as a place to do business?

2.3. Around nine-in-ten businesses with 10-49 staff gave a rating of 4 or 5 out of 5, compared to just 67% of those with fewer than 10 staff. That said, it was businesses with 1-4 staff which were most likely to give the top rating of five out of five, with 39% doing so (see Figure 2.2).

**Figure 2.2: Rating of the local area as a place to do business by size**



Number of respondents: 1-4 116, 5-9 57, 10-49 59, 50+ 9. Excludes 'don't know' responses.

Question asked: Overall, how do you rate your location as a place to do business?

### Ratings of key features of the local area

2.4. Businesses gave ratings for their location, from a business perspective, on the availability of or quality of 19 different aspects. These can be grouped into three broad topics as follows:

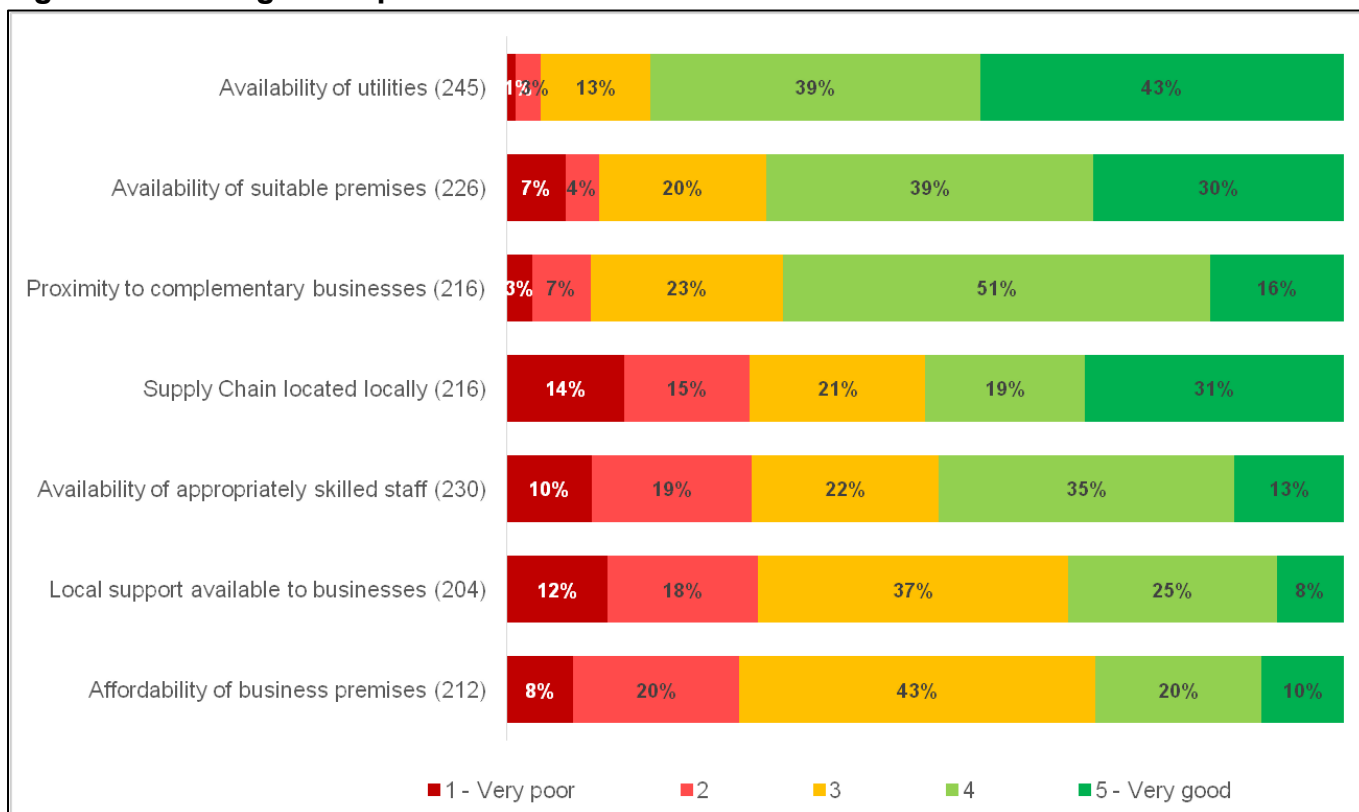
Business conditions	As a place to live and work	Infrastructure
<ul style="list-style-type: none"> <li>Supply chain located locally</li> <li>Availability of appropriately skilled staff</li> <li>Availability of utilities (such as energy and water)</li> <li>Local support available to businesses</li> <li>Availability of suitable premises</li> <li>Affordability of business premises</li> <li>Proximity to complementary businesses</li> </ul>	<ul style="list-style-type: none"> <li>Affordable housing</li> <li>Good quality schools/colleges</li> <li>Proximity to universities</li> <li>Attractive surroundings</li> <li>Availability of local services (such as retail and leisure)</li> <li>The local town centre</li> </ul>	<ul style="list-style-type: none"> <li>Road network</li> <li>Rail network</li> <li>Airport access</li> <li>Public transport</li> <li>Walking/cycling routes</li> <li>Ease of transportation of freight</li> </ul>

2.5. Throughout this section, a rating of 4 or 5 out of 5 is described as rating the aspect as “good”, and a rating of 1 or 2 out of 5 is described as rating it as “poor”.

## Ratings of business and labour market conditions

- 2.6. Businesses were, on the whole, positive about the availability of utilities (82% rated this as good) and the availability of suitable premises for their business (69% good). However, they were less positive about the affordability of the premises, with just 30% giving a good rating and 28% rating this as poor. Larger businesses were more likely than those with fewer staff to rate the affordability of business premises as good (24% of those with 1-4 staff, compared to 42% with 5-9 staff and 58% of those with 10 or more).
- 2.7. There were also more positive than negative responses around the mix of businesses in the area, with around seven in ten (67%) rating their proximity to complementary businesses as good and a smaller proportion (50%) giving a good rating with regards to their supply chain being located locally. Businesses with 1-4 staff were particularly likely to rate their proximity to complementary businesses as good (73%).
- 2.8. Whilst approaching half (48%) felt the availability of appropriately skilled staff was good, around three in ten (29%) said it was poor. Skills challenges are covered in more detail in Section 5 of this report.
- 2.9. Views on the quality of local support available to businesses were very mixed, with a third rating them as good (33%), around a third rating them as poor (30%) and a little over a third giving a middle rating of 3 out of 5 (37%). See Figure 2.3 for the ratings of each aspect broken down by the 5-point scale.
- 2.10. Rural businesses provided lesser ratings than urban businesses for three of these aspects. 51% of rural businesses rated access to skilled staff at 4 or 5, compared with 63% of urban businesses. Similarly, 44% of rural businesses rated the locally available workforce at 4 or 5, compared with 55% of urban businesses. Finally, 40% of rural businesses rated availability of suitable premises at 4 or 5, compared with 60% of urban businesses.

**Figure 2.3: Ratings of aspects of business and labour market conditions in local area**



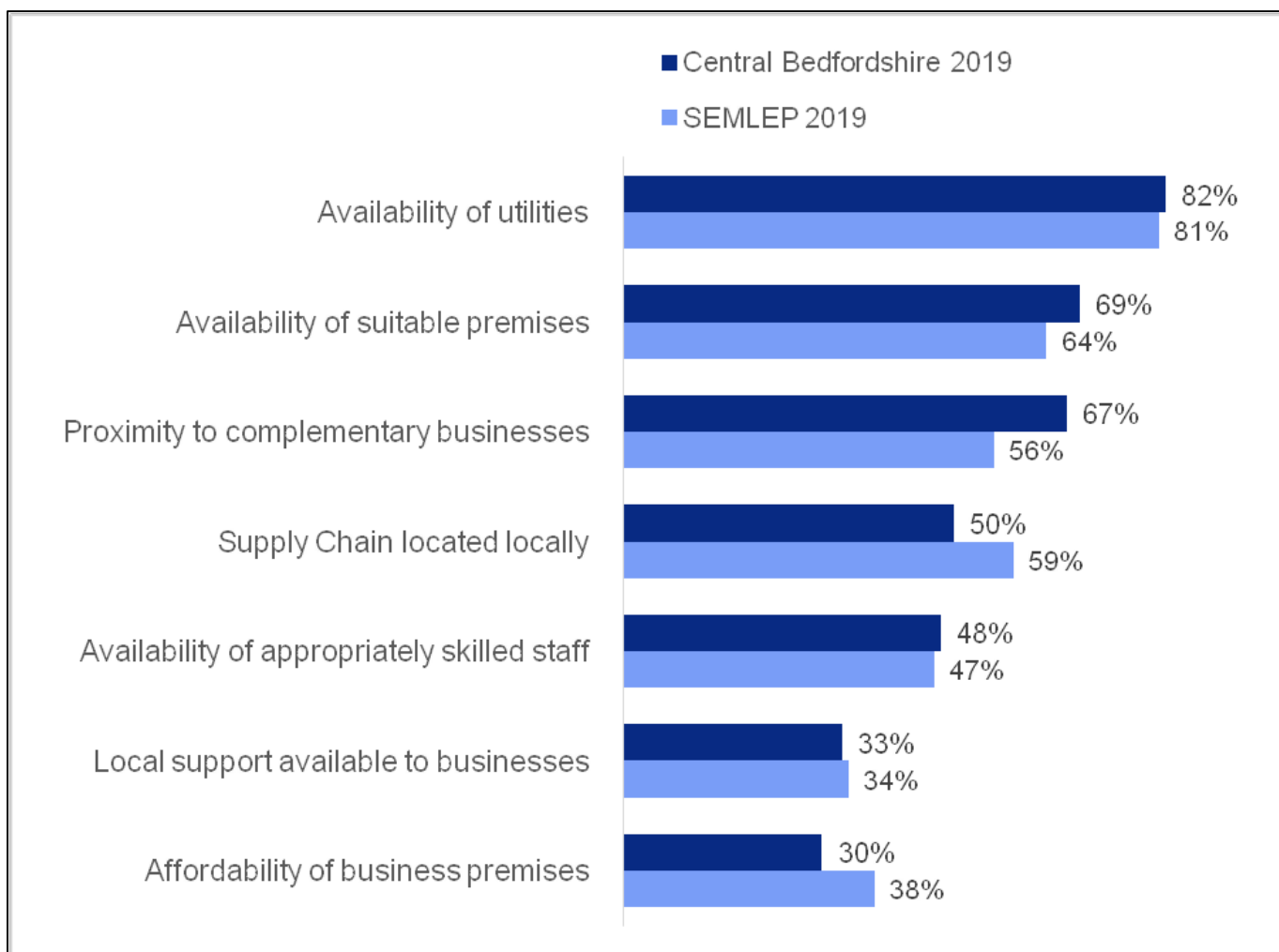
Numbers in brackets are the number of responses to each question. Excludes 'don't know' responses.

Question asked: How do you rate the availability of, or quality of, the following aspects of your location from a business perspective?

2.11. Ratings for aspects of business and labour market conditions in the local area were in line with ratings given by businesses across SEMLEP as a whole, although the rating for proximity to complementary businesses was higher than the SEMLEP rating, and ratings for the two aspects, supply chain located locally and affordability of business premises were lower than those across SEMLEP.



**Figure 2.4: Proportion of businesses giving a rating of 4 or 5 out of 5 for aspects of business and labour market conditions in local area vs. SEMLEP**



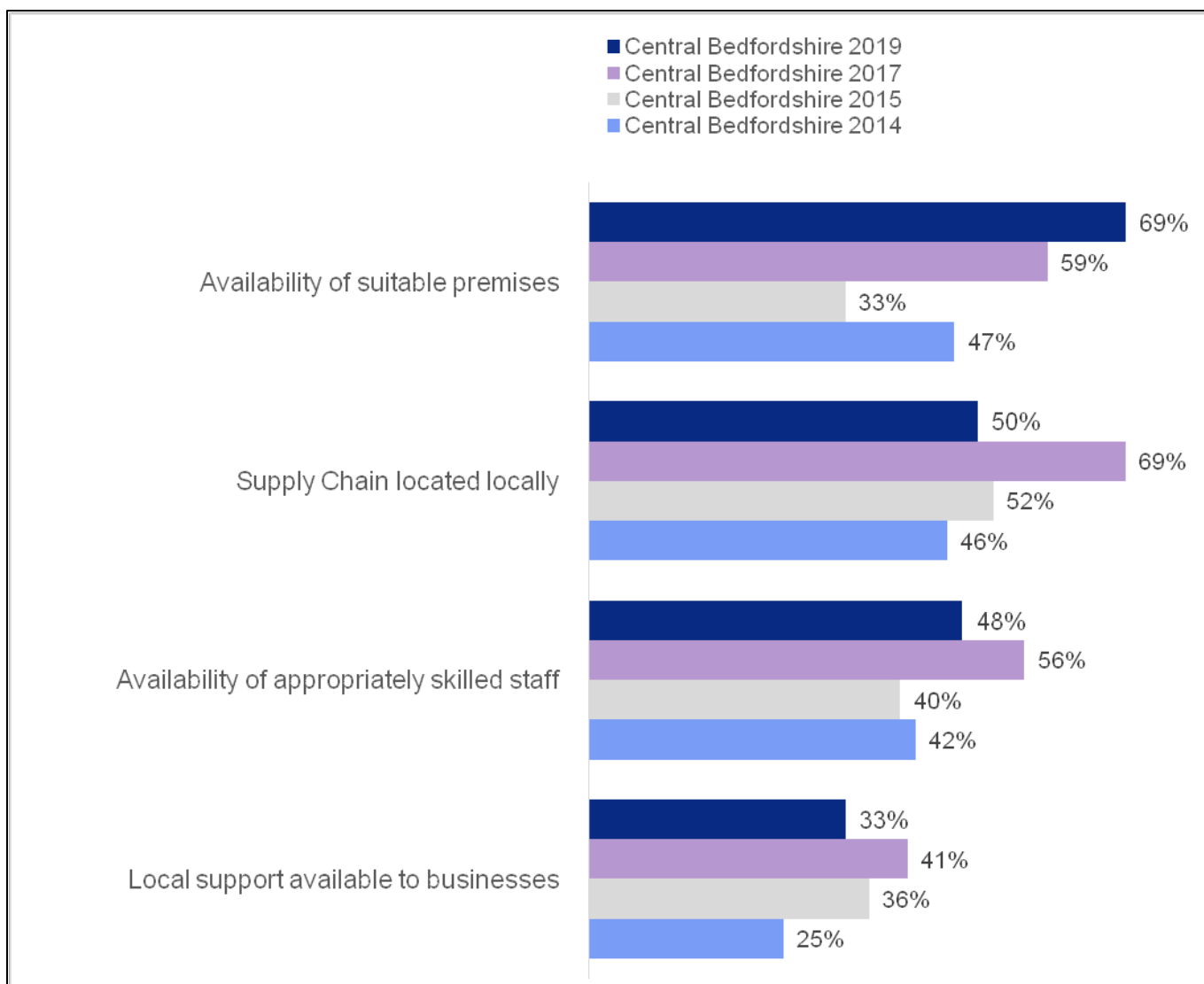
Number of respondents: SEMLEP 1,675, CBC 257. Excludes 'don't know' responses.

Question asked: How do you rate the availability of, or quality of, the following aspects of your location from a business perspective?

- 2.12. Comparing the 2019 data with previous years<sup>7</sup> shows there has been an increase in the proportion of businesses which rate the availability of suitable premises for their business as "good" (69%, up from 59% in 2017 which was itself an improvement on the 33% seen in 2015).
- 2.13. However, the rating of the supply chain located locally has declined in 2019 after the improvement witnessed in 2017, reverting to a similar rating to that witnessed in 2015.
- 2.14. The other comparable measures (availability of appropriately skilled staff, local support available to business) have remained relatively static, with no significant differences seen since 2017 (see Figure 2.5).

<sup>7</sup> NB some aspects were new for 2019 or the phrasing had changed, meaning the data are not now comparable with previous years.

**Figure 2.5: Proportion of businesses giving a rating of 4 or 5 out of 5 for aspects of business and labour market conditions in local area: time series**



Number of respondents: 2019 257, 2017 252, 2015 255, 2014 261. Excludes 'don't know' responses.

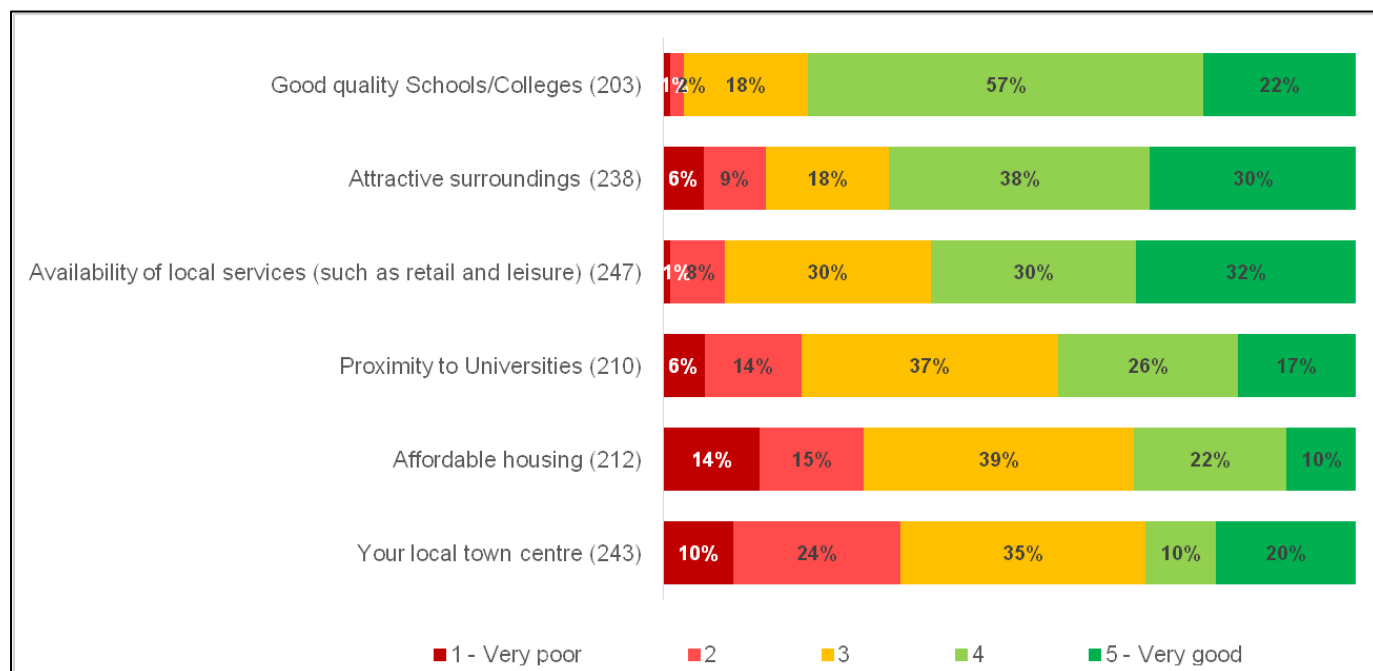
Question asked: How do you rate the availability of, or quality of, the following aspects of your location from a business perspective?

No comparative data available for "Availability of utilities", "Proximity to complementary businesses" or "Affordability of business premises".

### Ratings of the area as a place to live and work

- 2.15. Setting up business in an area that is an attractive place to live and work could help businesses attract the best staff; it may also be important for bringing customers to an area.
- 2.16. Businesses in Central Bedfordshire were positive about the quality of schools and colleges in the area, with 79% rating these as "good". However, businesses with 10-49 staff were less likely to give a positive rating here (46%).
- 2.17. Businesses also mainly rated the area as "good" for having attractive surroundings (68%).
- 2.18. Views were also, on balance, positive about the availability of local services such as retail and leisure facilities, with 62% rating these as "good" and the area's proximity to universities, with 43% rating this as "good".
- 2.19. Businesses were split in their ratings of the availability of affordable housing (32% "good", 29% "poor") and the local town centre (30% "good", 34% "poor").

**Figure 2.6: Ratings of aspects of the local area as a place to live and work**

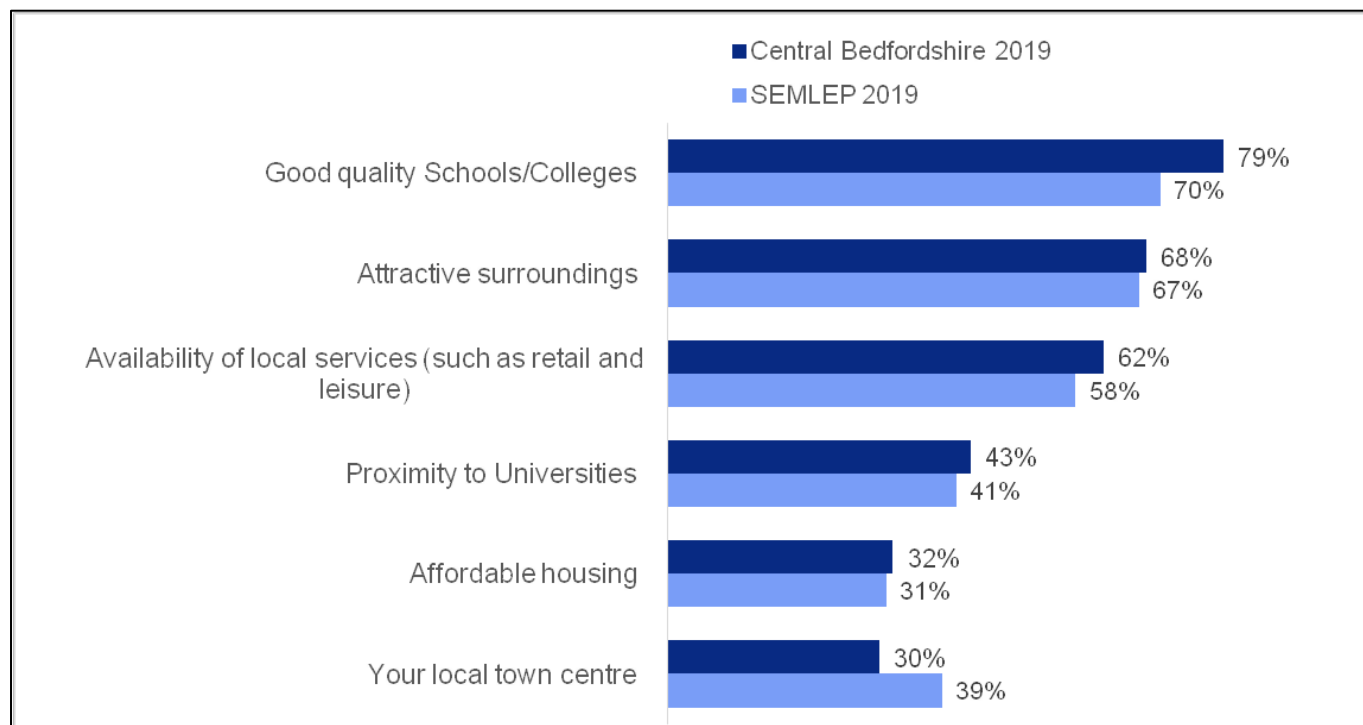


Numbers in brackets are the number of responses to each question. Excludes 'don't know' responses.

Question asked: How do you rate the availability of, or quality of, the following aspects of your location from a business perspective?

2.20. Businesses in Central Bedfordshire rated the quality of schools/colleges more positively than businesses across SEMLEP as a whole. However, they were less likely to be positive about the local town centre, this was also the lowest rated aspect of the area as a place to live and work.

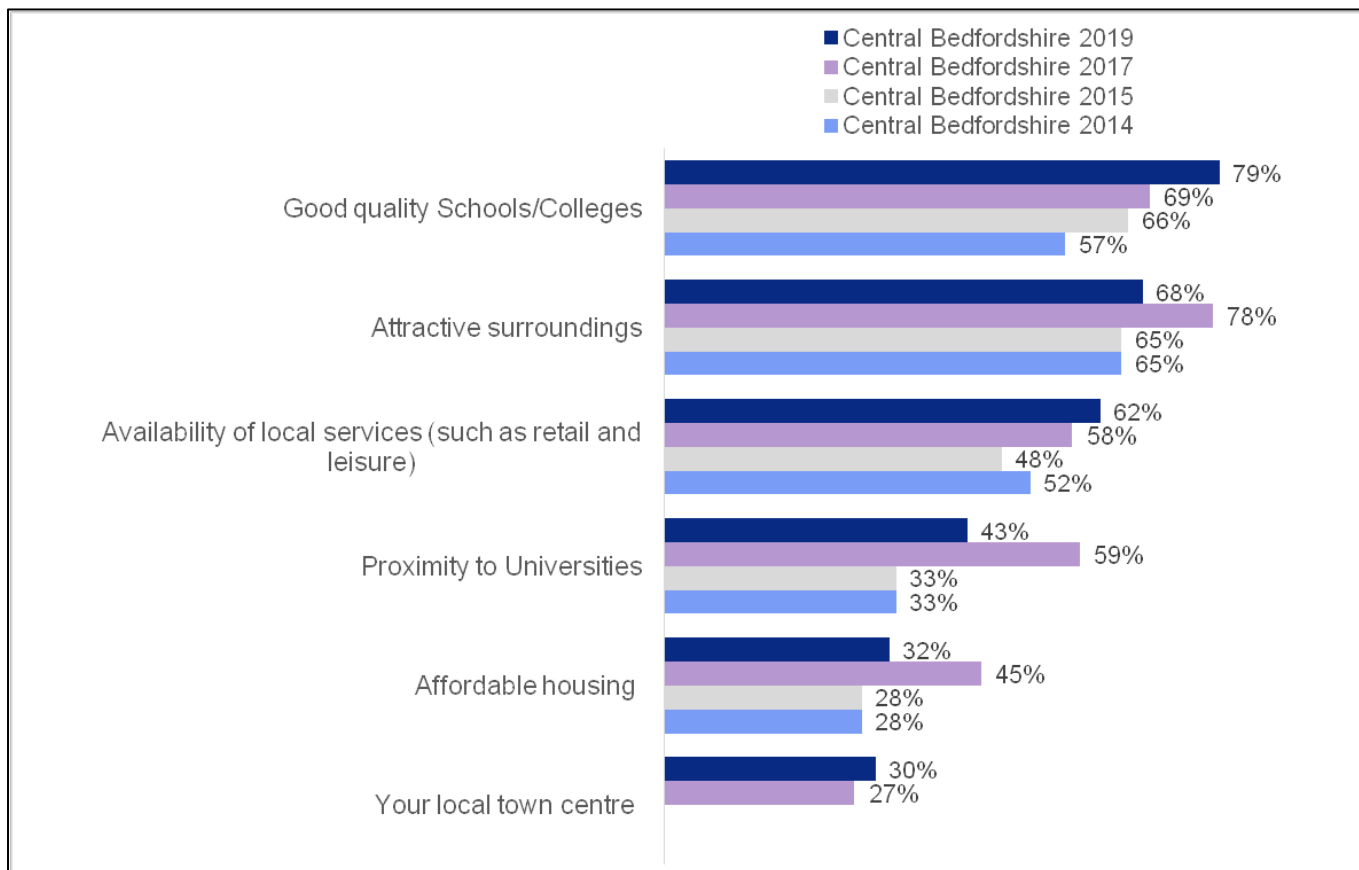
**Figure 2.7: Proportion of businesses giving a rating of 4 or 5 out of 5 for aspects of the local area as a place to live and work vs. SEMLEP**



Number of respondents: SEMLEP 1,675, CBC 257. Excludes 'don't know' responses. Question asked: How do you rate the availability of, or quality of, the following aspects of your location from a business perspective?

2.21. The ratings for aspects of the local area as a place to live and work have seen some declines in Central Bedfordshire as compared to 2017, in particular the ratings of proximity to universities, the availability of affordable housing and the area’s attractive surroundings. There has, however, been an increase in the proportion giving a positive rating for good quality schools/colleges, from 69% in 2017 to 79% in 2019, resulting in a fairly notable increase over time.

**Figure 2.8: Proportion of businesses giving a rating of 4 or 5 out of 5 for aspects of the local area as a place to live and work: time series**



Number of respondents: 2019 257, 2017 252, 2015 255, 2014 261. Excludes ‘don’t know’ responses.

Question asked: How do you rate the availability of, or quality of, the following aspects of your location from a business perspective?

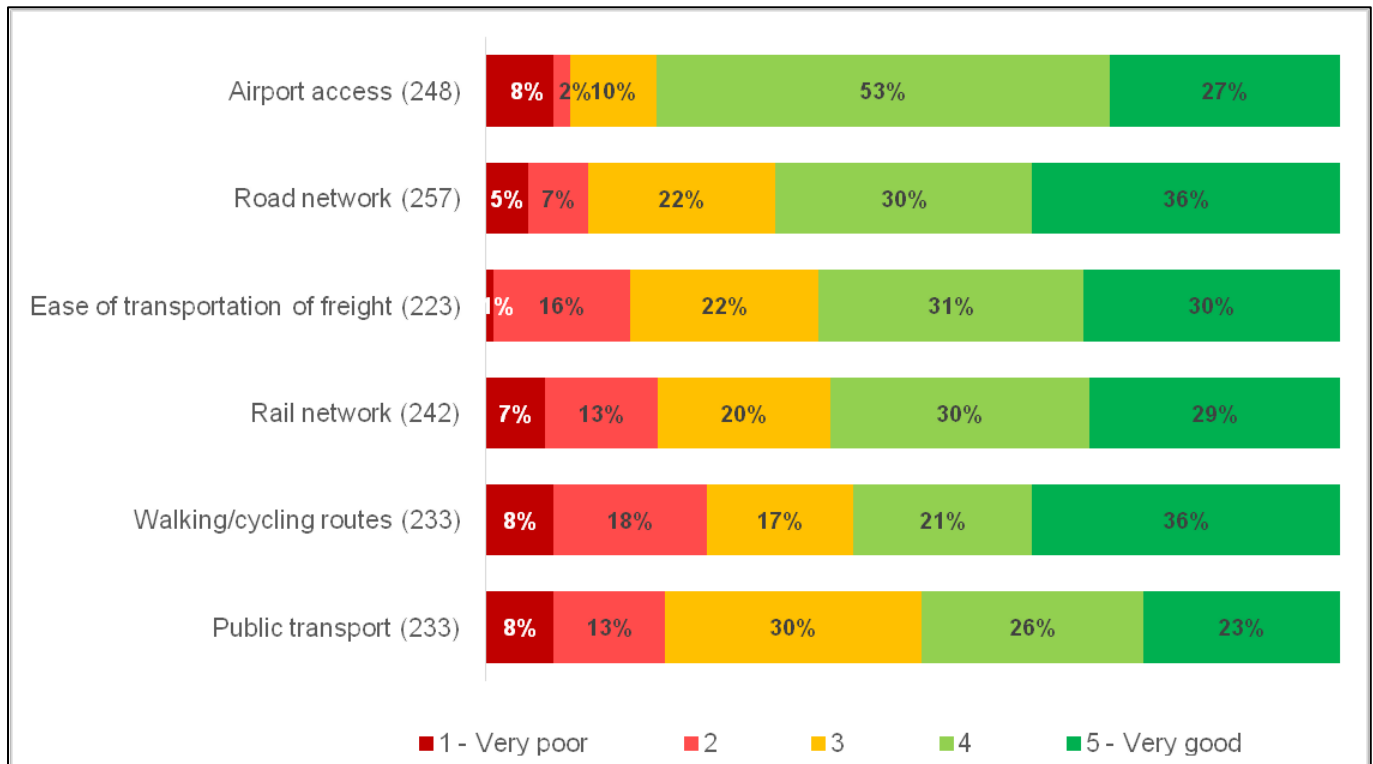
No comparative data available for “your local town centre” in 2014 and 2015.

### Ratings of the local infrastructure

- 2.22. Infrastructure is important to businesses in terms of staff travel and the movement of goods and products both in and out of the company.
- 2.23. Businesses gave a predominantly positive rating to the airport access with eight-in-ten businesses rating it “good” (80%).
- 2.24. Businesses were also positive about the road and rail network and the ease of transportation of freight (66%, 59% and 61% rating it “good” respectively).
- 2.25. Views on walking and cycling routes were also generally positive (57% “good”); although a quarter (26%) rated these as “poor”.
- 2.26. Ratings of public transport were generally positive as well. Around half (49%) felt the public transport in their location was “good”, but around one fifth (21%) felt it was “poor”.

2.27. Businesses in rural areas provided lower ratings for roads and public transport than businesses in urban areas. For example, 53% of rural businesses rated the roads at 4 or 5, compared with 69% of urban businesses. And 40% of rural businesses rated public transport at 4 or 5, compared with 69% of urban businesses.

**Figure 2.9: Ratings of aspects of the local infrastructure**

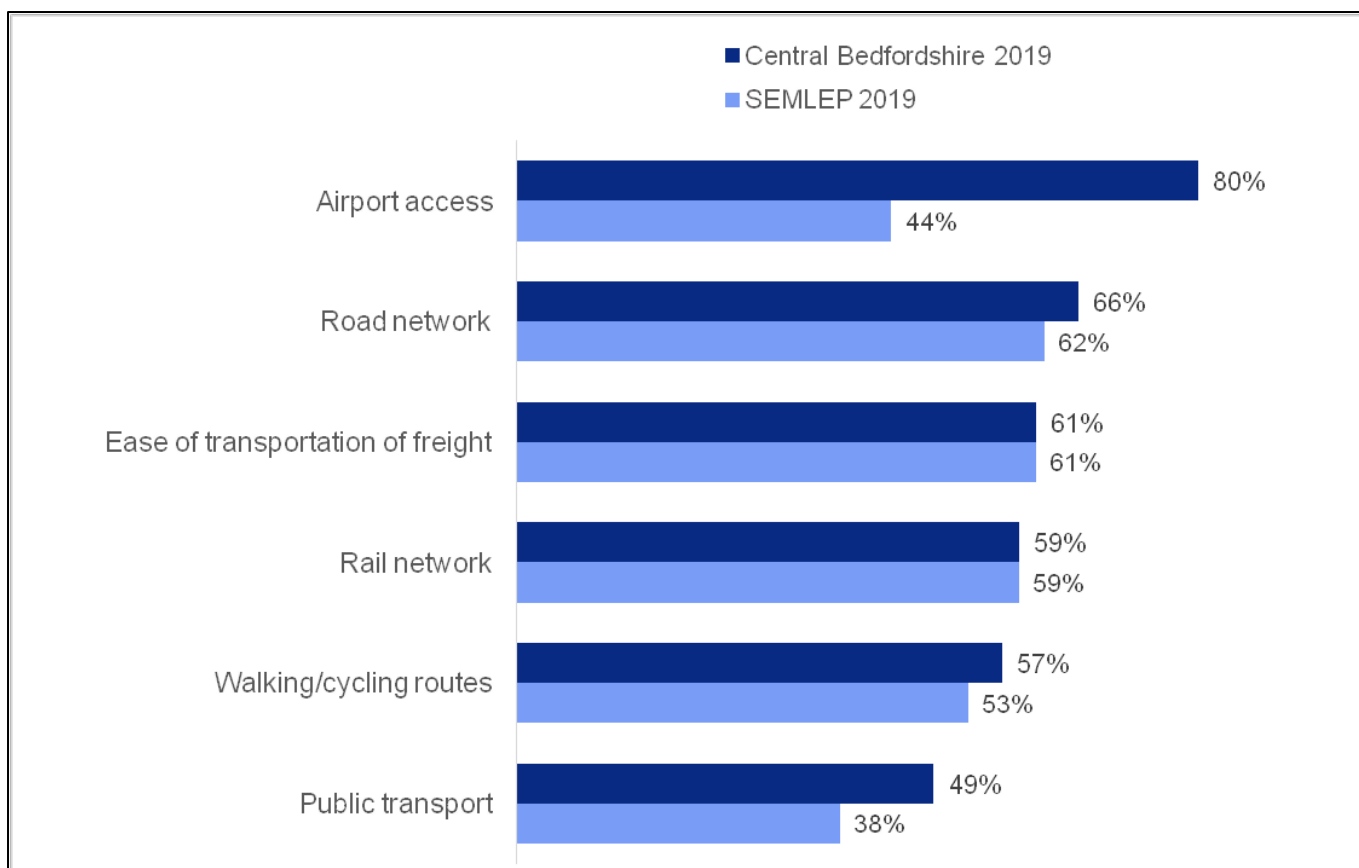


Numbers in brackets are the number of responses to each question. Excludes 'don't know' responses.

Question asked: How do you rate the availability of, or quality of, the following aspects of your location from a business perspective?

2.28. Businesses in Central Bedfordshire generally gave similar ratings for infrastructure of the area to businesses across SEMLEP as a whole. Access to airports and public transport were the two aspects for which businesses in Central Bedfordshire gave significantly higher ratings than businesses across SEMLEP (36 and 11 percentage points higher, respectively).

**Figure 2.10: Proportion of businesses giving a rating of 4 or 5 out of 5 for aspects of the local infrastructure vs. SEMLEP**

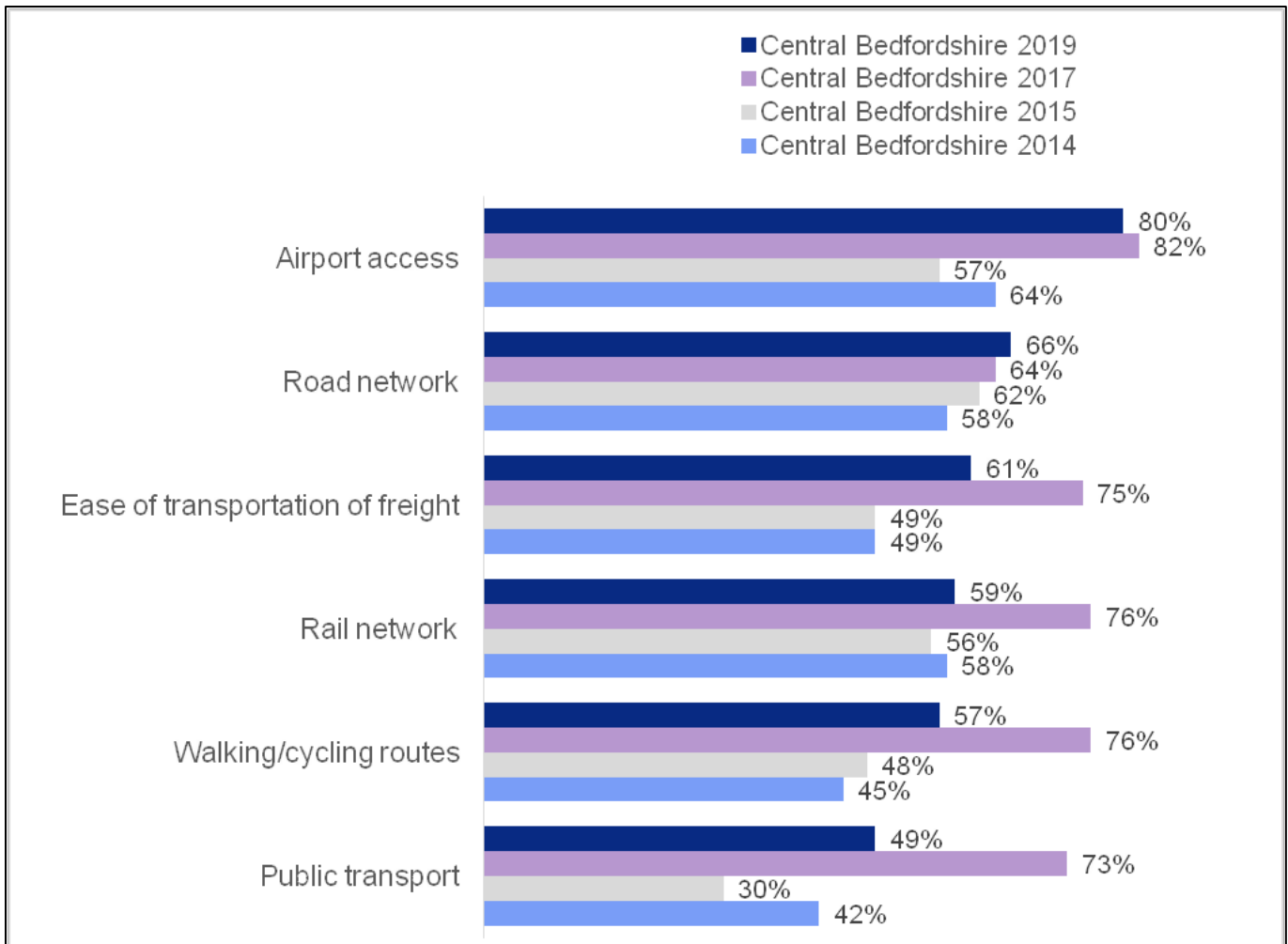


Number of respondents: SEMLEP 1,675, CBC 257. Excludes 'don't know' responses.

Question asked: How do you rate the availability of, or quality of, the following aspects of your location from a business perspective?

- 2.29. As seen in SEMLEP overall, the 2017 survey had seen significant improvements in the ratings given to infrastructure in the area, however these improvements have not been maintained in 2019 and the proportion of positive ratings has decreased. On a more positive note, despite these declines, 2019 figures are still generally higher than 2015 levels (see Figure 2.11). Positive ratings for the road and rail network (66% and 59%, respectively), are in line with the 62% and 56% levels seen in 2015.
- 2.30. The largest decrease in the proportion giving a positive rating was for public transport, down 24 percentage points. The walking and cycling routes were down 19 percentage points and the rail network down 17 percentage points.
- 2.31. The ease of transportation of freight has seen a 14 percentage point decrease from the 2017 score.
- 2.32. Airport access and the road network were the only aspects not to have seen a significant decline in positive ratings since 2015; they are also the highest rated of the infrastructure aspects in Central Bedfordshire.

**Figure 2.11: Proportion of businesses giving a rating of 4 or 5 out of 5 for aspects of the local infrastructure: time series**



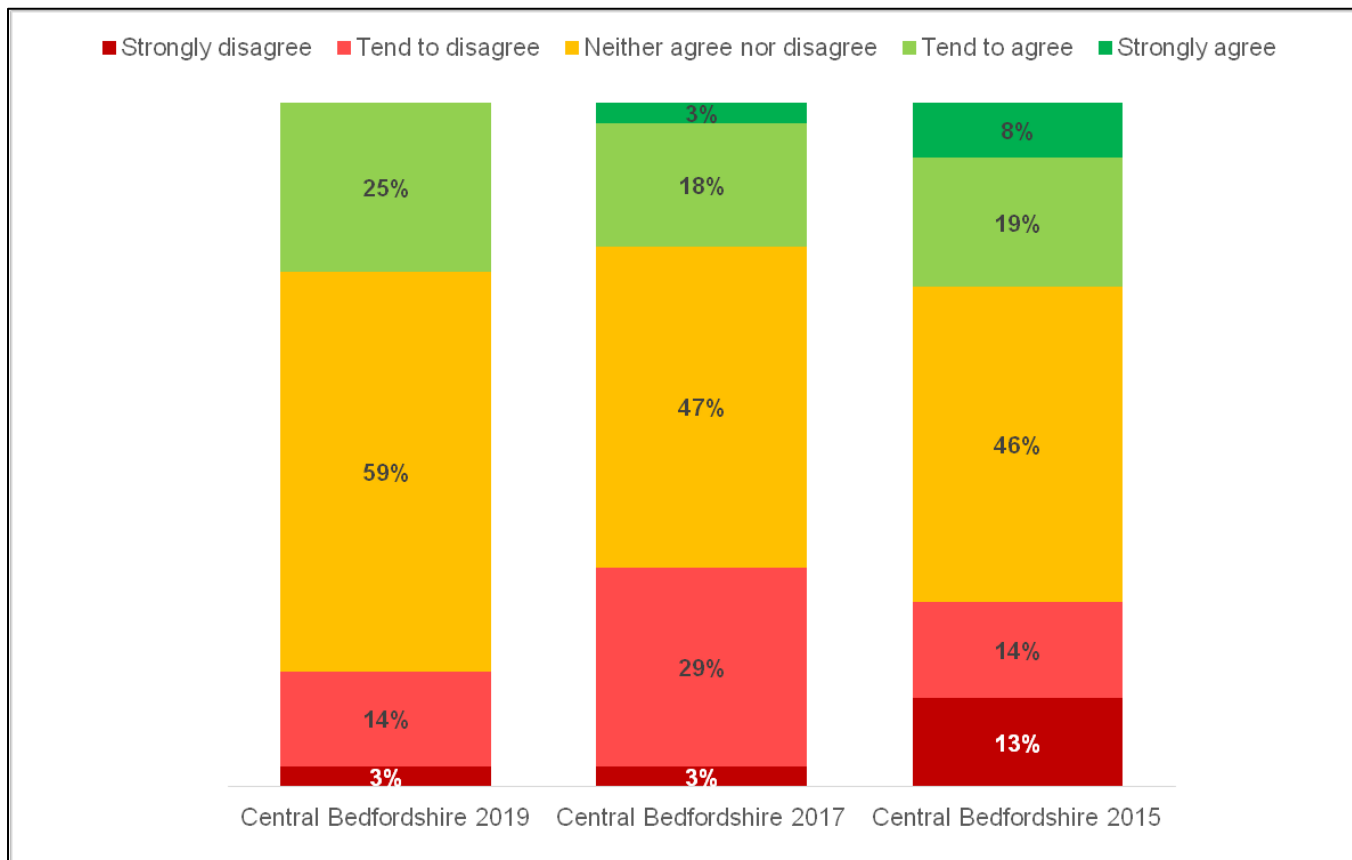
Number of respondents: 2019 257, 2017 252, 2015 255, 2014 261.

Question asked: How do you rate the availability of, or quality of, the following aspects of your location from a business perspective?

## Value for money provided by the Council

2.33. 59% of businesses neither agreed nor disagreed that the Council provides value for money. 25% agreed and 17% disagreed. This was more positive than the figures seen in 2017.

**Figure 2.12: Agreement that the Council provides value for money**



Number of respondents: 2019 230, 2017 231, 2015 246. Excludes 'don't know' responses. Question asked: To what extent do you agree or disagree that the Council provides value for money?

## Potential for business relocation

- 2.34. Overall, 14% of businesses were thinking of relocating. 6% were looking to relocate within Central Bedfordshire, however 3% said they were looking to relocate elsewhere within the SEMLEP area and 5% were looking to relocate outside of the SEMLEP area.
- 2.35. This was in line with the figures seen in 2017, when 10% were considering relocating.
- 2.36. The most common reason among those considering relocation, mentioned by almost a third of businesses, was lower cost (32%). Around two in ten (22%) were looking to move to larger premises and 20% wanted to move to smaller premises.
- 2.37. For comparison, a similar proportion (14%) of businesses across SEMLEP as a whole were looking to relocate.



## **Section 3: Business Engagement**

### **Key Findings:**

- Most businesses (93%) had sought or received business support and advice in the previous 12 months, lower than in 2017 (99%).
- For businesses with 1-4 staff this was most commonly from a private sector professional such as an accountant or solicitor. Larger businesses with 10 or more staff were most likely to have received support from recruitment agencies.
- Overall, 11% of businesses were aware of the new SEMLEP Growth Hub, and 1% had used it. Of those aware of SEMLEP, Velocity or Northamptonshire Growth Hubs, a third (30%) were aware that SEMLEP Growth Hub was born from a merger of Velocity and Northamptonshire Growth Hubs.

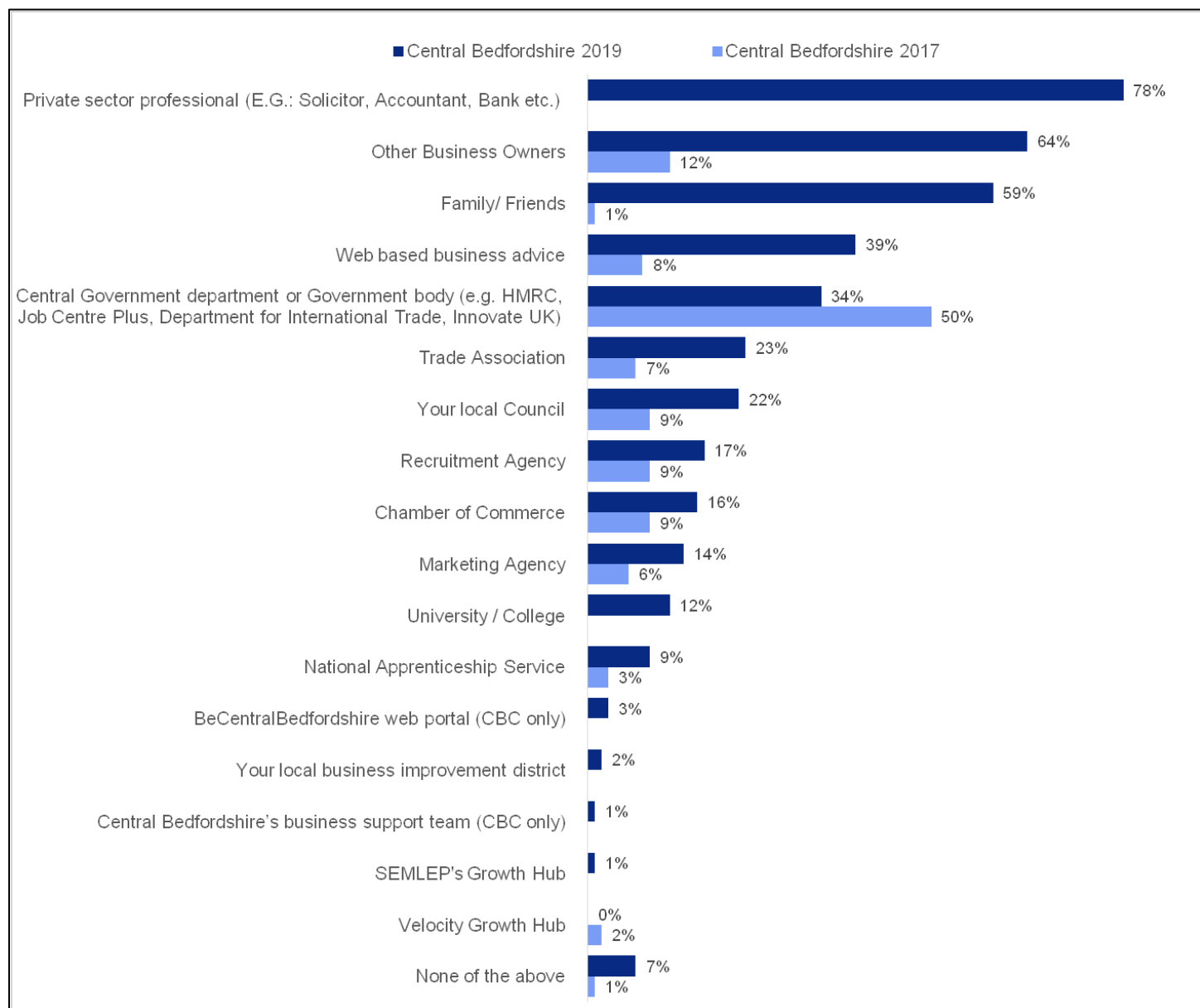
### **Introduction**

- 3.1. This section looks at sources of business advice and support in the Central Bedfordshire area. It gives a first look at awareness and use of the new SEMLEP Growth Hub, launched in January 2019 and merging the Velocity and Northamptonshire Growth Hubs into a single channel for business support in the SEMLEP region.

### **Sources of business advice for all businesses**

- 3.2. The majority of businesses (93%) had sought or received business support or advice in the previous 12 months. This was lower than 2017 when 99% had done so.
- 3.3. Businesses had most commonly used private sector professionals such as accountants, solicitors and banks (78%) and other business owners (64%) as sources of advice. This latter figure was a huge increase on 2017 (12%), suggesting networking and mutual support is on the increase in the area.
- 3.4. Use of private sector professionals was more likely among businesses with 1-4 staff. Around eight-in-ten businesses with 1-4 staff had used private sector professionals (82%) compared to half of businesses with 5-9 staff (51%) and 64% of businesses with 10 or more staff.
- 3.5. Family and friends were also a common source of advice, with around six-in-ten businesses (59%) reporting having used these in the previous 12 months. Businesses with 1-4 staff were particularly likely to use these sources; 65% of those with 1-4 staff had done so compared to just 26% of those with 5-9 staff and 49% of those with 10 or more.
- 3.6. Two fifths (39%) had used web-based business advice, up from 8% in 2017.
- 3.7. A similar proportion had used Central Government departments and bodies such as HMRC or Jobcentre (34%).
- 3.8. One in a hundred (1%) had used the new SEMLEP Growth Hub – this is explored in further depth below.
- 3.9. Figure 3.1 shows the proportion using each of the different sources of support compared to 2017.

**Figure 3.1: Sources of business advice and support**



Number of respondents: 2019 257, 2017 244. Excludes 'don't know' responses.

Question asked: Have you used any of the following for business advice or support in the past 12 months?

Note: Options without a 2017 comparator were not asked in a comparable way in the 2017 survey.

## Growth Hubs

- 3.10. In January 2019, SEMLEP launched the SEMLEP Growth Hub. This effectively merged the Velocity Growth Hub and Northamptonshire Growth Hub into one source of business support for the whole of the SEMLEP region.
- 3.11. Just over one-in-nine businesses (11%) had heard of the SEMLEP Growth Hub. This is encouraging for such a new service. As seen above, one in a hundred (1%) had used the service for support and/or advice.
- 3.12. One in twelve (8%) had heard of Velocity Growth Hub and none (0%) had heard of Northamptonshire Growth Hub – most of these businesses had also heard of SEMLEP Growth Hub. Of those which had heard of any of the Growth Hubs (past and present), just under a third (30%) were aware that Velocity Growth Hub and Northamptonshire Growth Hub had rebranded or merged into SEMLEP Growth Hub.

## **Section 4: Business Performance**

### **Key Findings:**

- Three-in-ten businesses (28%) reported they had experienced an improvement in business performance over the last year, compared to three in ten (30%) which had seen business performance deteriorate. This was less positive than in 2017, which was in turn less positive than 2015. This is also a less positive picture than is seen across SEMLEP as a whole.
- Levels of optimism for the coming year were also lower than they were in 2017, with 40% of businesses expecting an improvement in business performance compared to 44% in 2017. 17% were expecting a business downturn, which is higher than the 3% that expected this in 2017. Optimism for the coming year is also lower than the 48% seen across SEMLEP as a whole.
- Uncertainty around the UK's exit from the EU was by far the most commonly cited constraint on business growth, mentioned by two fifths of all businesses (38%). Businesses with 10 or more staff were also concerned about a lack of skilled labour.
- Businesses were more likely to say the overall impact of leaving the EU will be negative for them than positive (37% vs. 8%). There was a sizable number of businesses, however, who believed there would be no notable impact (36%). Almost a fifth (18%) still did not know what the impact on their business will be.
- The main concerns for businesses about leaving the EU were loss of business or increased cost of business, mentioned by 14% and 13% respectively, problems exporting to the EU and problems importing from the EU, both mentioned by 12%. The latter was a particular concern for larger businesses (10 or more staff).
- Overall, a half of businesses (53%) said they believe the impact of leaving the EU without a deal will be greater on their business than if the UK left with a deal. Around a third of businesses felt they were well-prepared for such a scenario. This is different than the picture witnessed across SEMLEP, where 35% said they believe the impact of leaving the EU without a deal will be greater on their business than if it left with a deal, and only 16% were "not prepared at all" as compared to 40% in Central Bedfordshire.
- In terms of the sort of support businesses expect to receive from their council and other support organisations, lowering business rates was the most commonly mentioned area followed by improving transport infrastructure.

### **Introduction**

- 4.1. This section looks at businesses' performance over the past year and projections for the following year, including constraints on growth and support to assist growth.
- 4.2. It also covers businesses' experiences of the effect the UK's departure from the European Union is having on their business and how they anticipate this will affect them in future, including levels of preparedness for a "no-deal" scenario.

### **Past business performance**

- 4.3. The overall picture shows businesses are split on business performance and confidence in Central Bedfordshire, with 28% of businesses reporting that their performance had

improved over the past year compared to 30% that had deteriorated. This is a less positive picture than is seen across SEMLEP as a whole, where more (40%) said performance had improved. It is also a less positive picture than in 2017 which was in turn less positive than 2015, suggesting a continued slowdown of the pace of growth in the area.

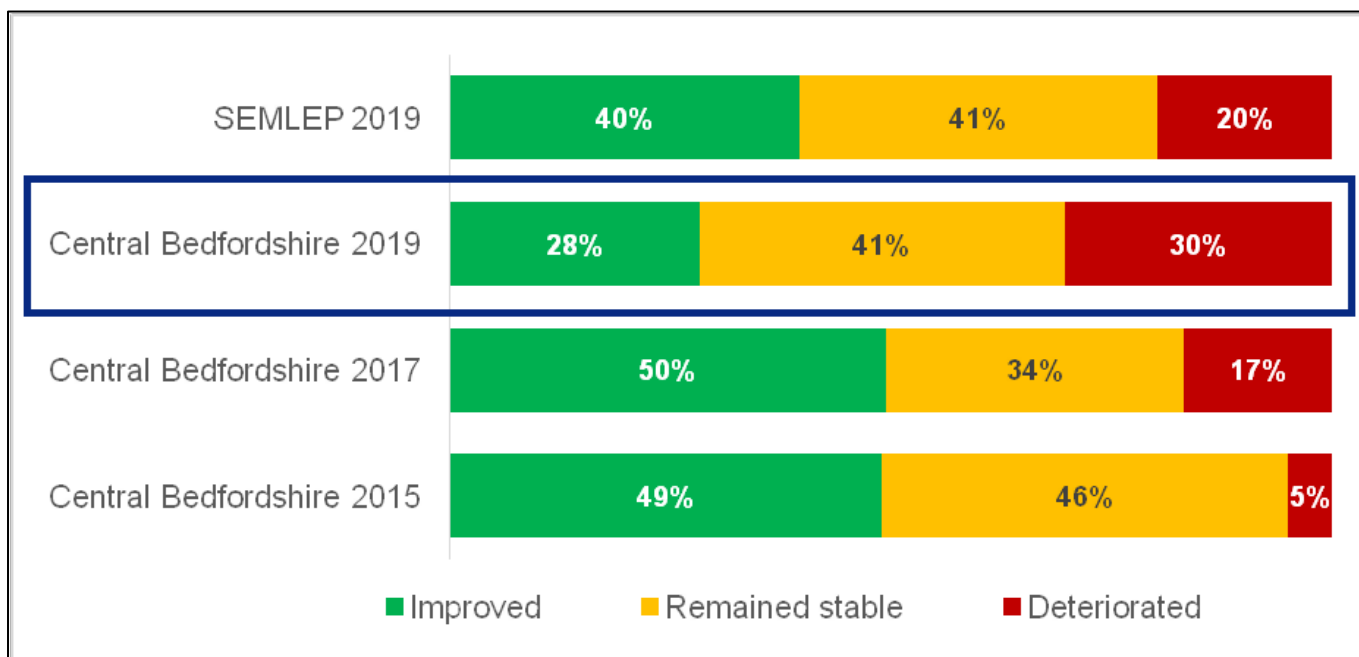
- 4.4. Central Bedfordshire has seen more decline in positive performance than SEMLEP as a whole, where the proportion of businesses reporting growth had declined from 43% to 40%. In Central Bedfordshire, almost half the proportion reported growth over the previous 12 months in 2019 (28%) as compared to 2017 (50%). In turn, there has been a two-fold increase in the proportion which said their business performance had deteriorated, from 17% to 30%.
- 4.5. This slowdown in growth is not confined to Central Bedfordshire or the South East Midlands; national figures<sup>8</sup> show economic growth slowed at the end of 2018 and was expected to remain “sluggish” throughout 2019. Furthermore, the Organisation for Economic Co-operation and Development (OECD) predicts the UK economy will continue to grow below trend for the next few years<sup>9</sup>.
- 4.6. There were considerable differences in how positive business performance had been over the previous 12 months by size. Micro-businesses, with fewer than 5 members of staff, were least positive with just 23% saying performance had improved over the previous year. This group were most likely to say performance was static. Medium-sized businesses, with 10-49 staff, were most positive with 64% reporting improved performance. Just 12% reported that performance had deteriorated.

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<sup>8</sup> Office for National Statistics and Office for Budget Responsibility; Sourced from the Financial Times “UK Economy at a Glance” <https://ig.ft.com/sites/numbers/economies/uk/> (accessed 21/11/19)

<sup>9</sup> <http://www.oecd.org/economy/united-kingdom-economic-snapshot/> (accessed 21/11/19)

**Figure 4.1: Business performance over the previous 12 months**



Number of respondents: SEMLEP 2019 1,651, CBC 2019 257, CBC 2017 252, CBC 2015 255. Excludes 'don't know' responses.

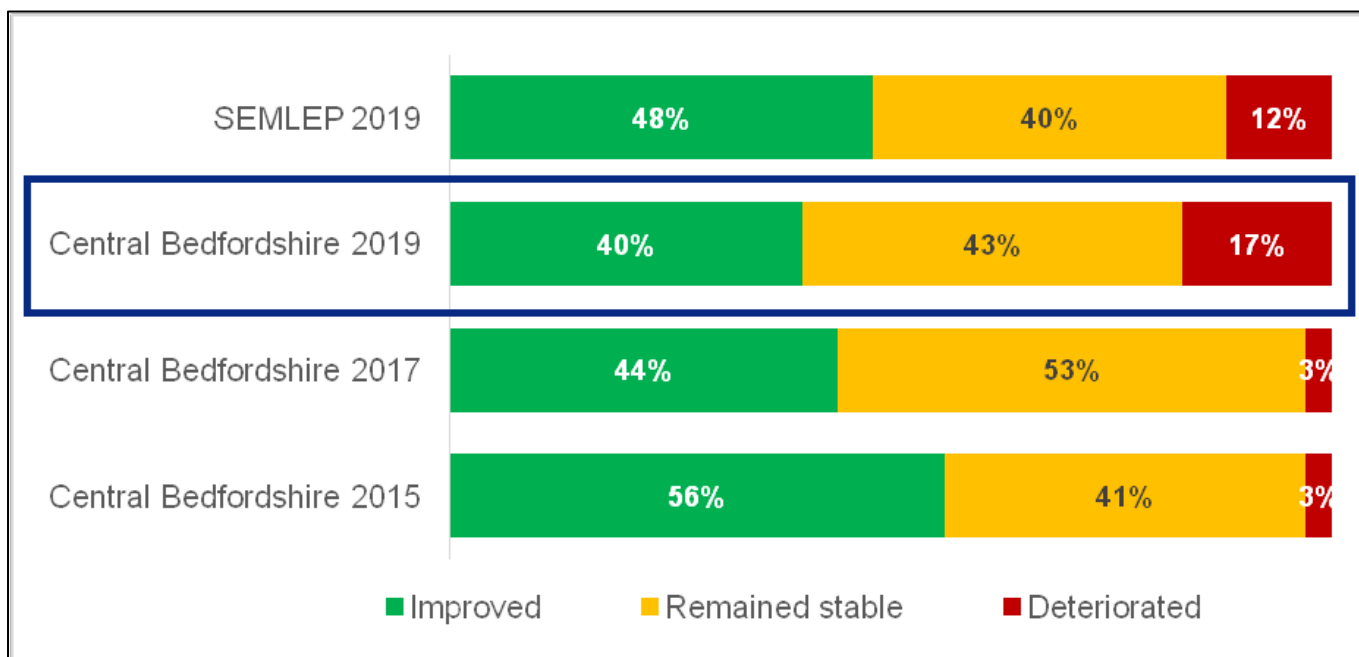
Question asked: Would you say that, overall, your business performance in the past 12 months has improved, remained stable or deteriorated?

### **Future business performance**

- 4.7. Businesses were more likely to expect improvements in business performance in the coming year than a deterioration; two fifths (40%) expected to see an improvement whereas just 17% were expecting performance to deteriorate. This is a less positive picture than in the 2017 survey, which was in turn less positive than the 2015 survey when more than half of businesses expected performance to improve. This is also lower than the 48% across SEMLEP as a whole which expected their performance to improve.
- 4.8. A similar proportion expected to see a deterioration in performance (17%) as across SEMLEP as a whole (12%).
- 4.9. As with past performance there were significant differences by size of business. Those with 1-4 staff were most cautious, with just 33% expecting performance to improve and 19% expecting to see a slowdown. Optimism however rose with business size and over three quarters (78%) of businesses with 5-9 staff expect to see business improve in the coming year (64% of businesses with 10-49 staff) and just 4% anticipate a slowdown.
- 4.10. Comparing this to nationally available figures suggests this wavering confidence is not limited to Central Bedfordshire or the South East Midlands. The Institute of Chartered Accountants in England and Wales (ICAEW) report<sup>10</sup> that business confidence is at a "decade-low", reaching the lowest level since the start of 2009.

<sup>10</sup> ICAEW Business Confidence Monitor, Q4 2019. <https://www.icaew.com/technical/economy/economic-insight/business-confidence-monitor-national> (accessed 21/11/2019)

**Figure 4.2: Predictions of future business performance by time series**



Number of respondents: SEMLEP 2019 1,547, CBC 2019 236, CBC 2017 252, CBC 2015 255.

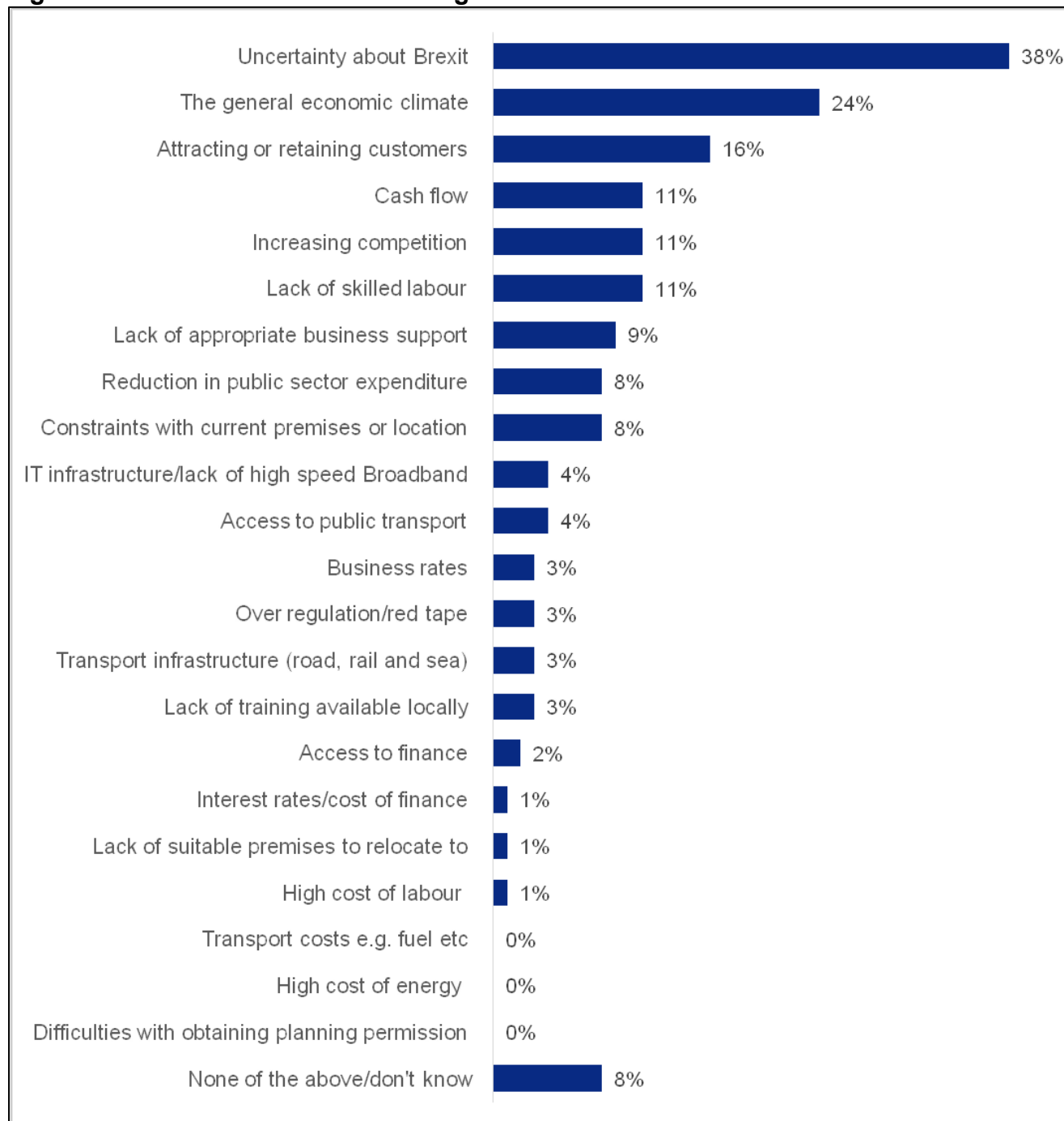
Question asked: Over the next 12 months, do you expect your business performance to improve, remain stable or deteriorate?

### Constraints on business growth

- 4.11. Nine tenths (92%) of businesses were able to name at least one external factor that was proving a constraint on business growth.
- 4.12. By some distance the most commonly reported restraint on growth was uncertainty about Brexit, mentioned by two fifths (38%) of all businesses. This factor did not even make the list in 2017, demonstrating the increasing impact of the uncertainty businesses face. Uncertainty over Brexit is most dominantly affecting businesses with 5-9 staff.
- 4.13. The general economic climate was the second most common constraint (24%), followed by attracting and retaining customers (16%). As in 2017<sup>11</sup>, lack of skilled labour remains the most common issue for those with 10 or more staff (28% of businesses mentioned it).
- 4.14. Uncertainty about Brexit was also the most commonly reported restraint across SEMLEP as a whole, although the proportion was lower in SEMLEP (26%), followed by attracting and retaining customers (12%), the general economic climate (11%) and lack of skilled labour (11%).

<sup>11</sup> Direct comparison of figures with 2017 survey are not possible due to a change in the way the question was asked. In 2017, businesses were read a list of possible constraints whereas in 2019 the answers were given unprompted.

**Figure 4.3: Constraints on business growth**



Number of respondents: 254. Excludes 'don't know' responses.

Question asked: What do you consider to be constraints on your business growth?

## Leaving the European Union

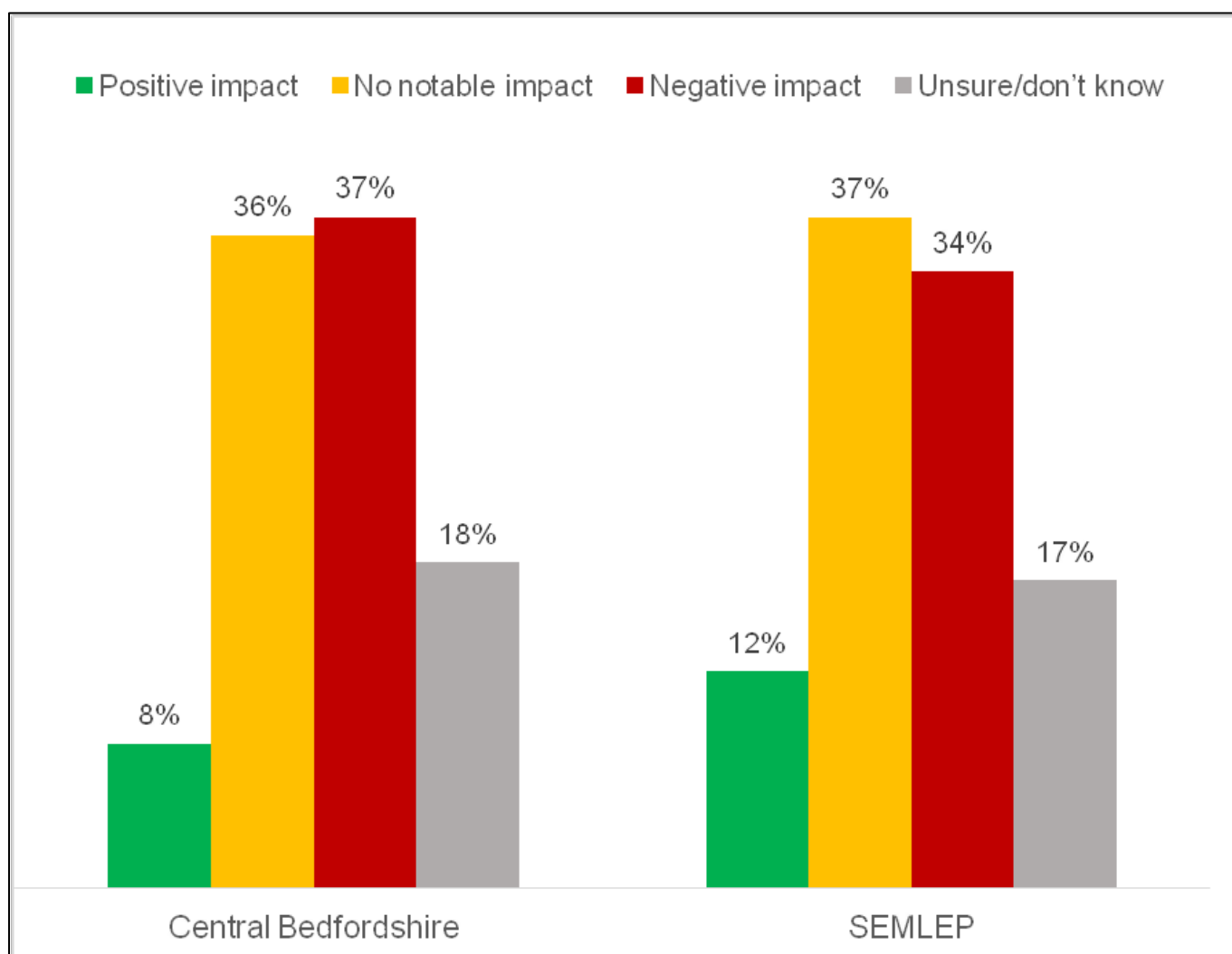
4.15. The survey was carried out in October to November 2019. During this period a lot happened with regards to the political situation around leaving the EU. First the Conservative Government brokered an amended deal with the EU; parliament backed this in principle but refused to pass it in a timetable that would have met the 31<sup>st</sup> October deadline. An extension to the process was granted by the EU and a UK general election was called.

4.16. Amid all this uncertainty, businesses were more likely to be negative than positive about the impact that the UK leaving the EU will have on their business. Around a third (37%) were

expecting to see a negative impact, whereas just 8% expected the impact to be positive. 36% expected no notable impact. This is a less positive picture than the figures seen in 2017, when 15% expected a positive impact, 38% negative and 30% no notable impact.

- 4.17. This picture is less positive than across SEMLEP as a whole, with a smaller proportion expecting to see a positive impact.
- 4.18. Businesses with 1-4 staff and more than 10 staff were more likely to expect a negative impact than those with 5-9 staff: around four-in-ten businesses with 1-4 staff and more than 10 staff expected a negative impact, compared with around a fifth of those with 5-9 staff.
- 4.19. Importantly, even as the details of the possible deal have become clearer and the impacts of no-deal fill the press, still almost a fifth (18%) of businesses say they do not know what the impact of the UK leaving the EU will be on their business. Such uncertainty makes planning for the future very difficult and, as seen above, uncertainty around Brexit comes through as a key constraint on business growth in the region.

**Figure 4.4: Expected impact of the UK’s exit from the European Union**



Number of respondents: SEMLEP 1,675, CBC 257.

Question asked: Overall, what do you think will be the impact on your business, if any, of leaving the European Union?

- 4.20. The top concerns for businesses about leaving the EU were loss of business and increased cost of business, mentioned by 14% and 13% respectively, followed by problems importing from the EU and problems exporting to the EU, both mentioned by 12%. Problems

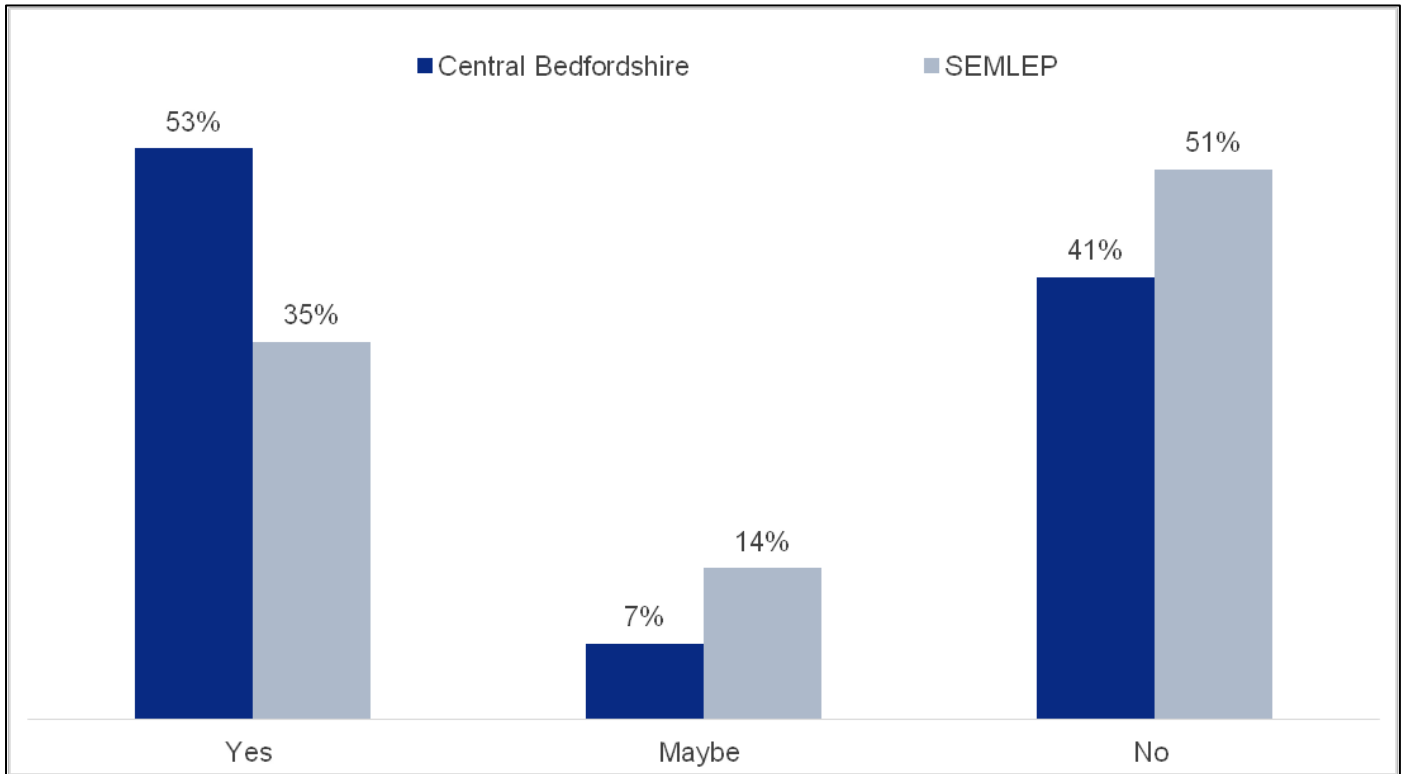


importing was a particular concern of larger businesses, with 30% of businesses with 10 or more staff raising it as an issue, compared to just 10% of businesses with 1-4 staff and 9% with 5-9. Loss of business was also a priority for businesses across SEMLEP as a whole, in addition to problems importing from the EU, both mentioned by 14%.

- 4.21. A third of all businesses (31%) did not mention any concerns about the impact of leaving the EU on their business.
- 4.22. Businesses that raised concerns were asked how they are mitigating, or at least plan to mitigate, against these issues.
  - Most that responded said they have no specific plans, and just hope to adapt or that Brexit won't happen or be as bad as some predict. This was especially the case amongst smaller businesses.
  - As the survey went on, there was also a general frustration coming across from respondents about uncertainty and delays, making it difficult to plan and prepare and leading to many respondents saying that they will see what happens and then adapt, rather than plan ahead/pre-empt matters.
  - Some respondents this week spoke about further delays being problematic, while others welcomed avoidance of a "no deal" or hoped that Brexit could be stopped altogether.
  - Following the missing of the October leaving deadline and announcement of an election, some respondents said that it now felt like Brexit was no longer on the immediate horizon and therefore less of an issue, although some highlighted frustration and concerns about continued uncertainty.
- 4.23. Businesses that raised concerns were asked what support they would like to help their business prepare for Brexit. Most that responded spoke in general terms, reflecting their uncertainty about Brexit and its impact. They said they would welcome information about how Brexit would affect them and where to go for help and advice to prepare or mitigate against the effects of Brexit. Larger businesses were less likely to ask for help, stating that they had sourced support already.

4.24. Overall, half of businesses (53%) believe the impact of leaving the EU without a deal will be greater on their business than leaving with a deal. Two fifths (41%) do not believe this to be the case, and the remaining 7% said “maybe”. This is different than the picture across SEMLEP as a whole, where a smaller proportion of businesses believe the impact of leaving without a deal will be greater than leaving with a deal (35% of businesses believe the impact of leaving without a deal will be greater).

**Figure 4.5: Whether businesses believe the impact of “no-deal” EU exit on business will be greater than leaving with a deal**



Number of respondents: SEMLEP 954, CBC 150. Excludes ‘don’t know’ responses.

Question asked: Will the impact of the UK leaving the EU without a deal be greater on your business than if it left with a deal?

4.25. The main concerns businesses cited about leaving without a deal were:

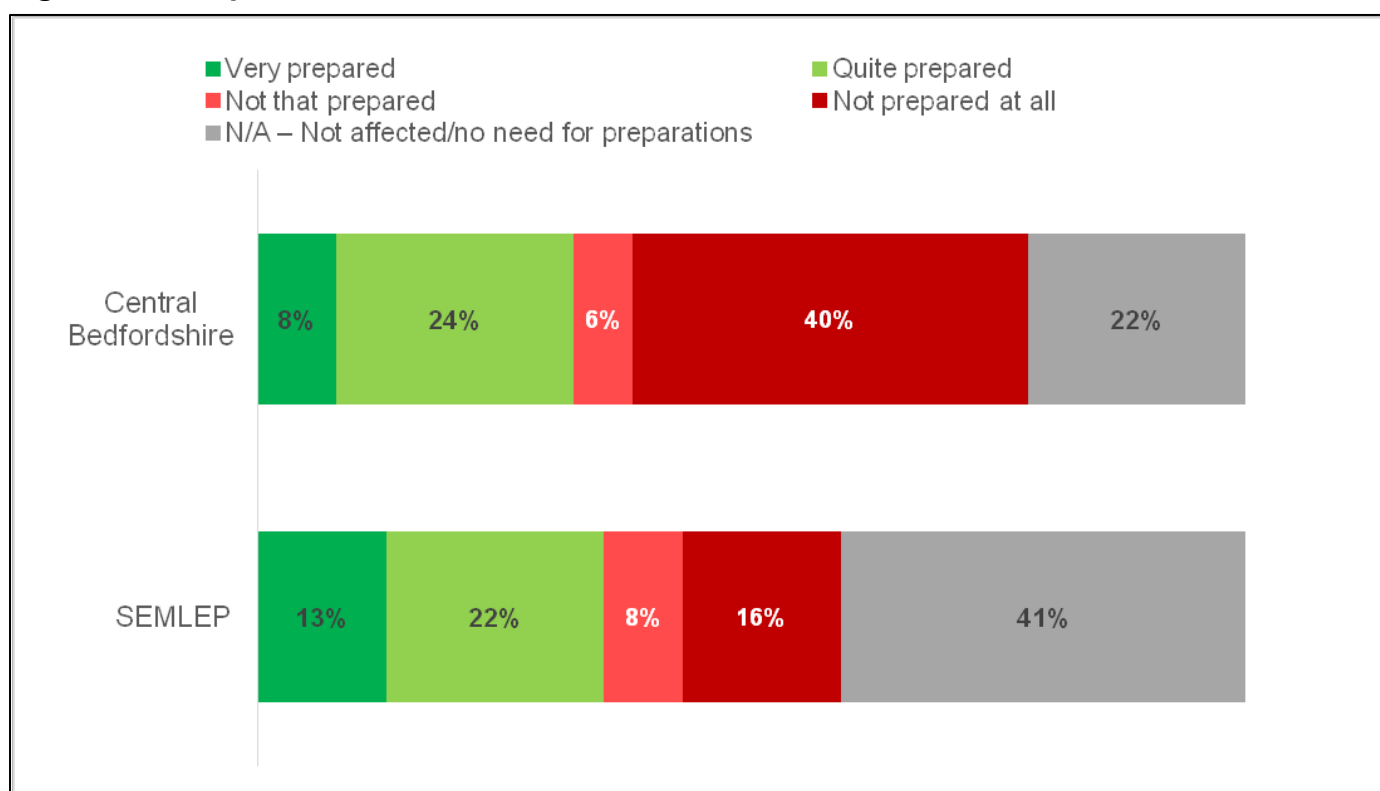
- Most said ‘not sure’ because they simply did not know what the impact would be but expected it to be worse or unknown, which was a problem in its own right. Some said they were concerned about tariffs, accessing staff/skills and difficulties accessing materials from the EU. Some said that they expected issues, but that they would be resolved within a few weeks or months.
- Some respondents re-expressed concerns about uncertainty and its damaging effect on business and the ability to plan, but in the same breath they said that they did not expect a “no-deal” scenario, at least not within the next few weeks or months.
- Some respondents said they were happy that “no deal” has been avoided for now, following the passing of the October deadline.
- Indeed, some businesses said they wanted a deal or possibly to avoid Brexit altogether. They said that they now had a better understanding of the nature of the Government’s deal following more time to review it and more media coverage of it, which they felt was

better than “no deal” (although some businesses said that they would rather have a better deal than the one on the table or to avoid Brexit altogether).

4.26. Businesses were asked how well prepared their business was for a “no-deal” EU exit. Overall, a third of businesses felt they were prepared – 8% said they were “very prepared” and 24% “quite prepared”. Conversely 6% said they were “not that prepared” and 40% “not prepared at all”. A minority (22%) felt their business would not be affected by leaving the EU so they did not need to make any preparations. This is different than the picture witnessed across SEMLEP, where only 16% were “not prepared at all” and a larger proportion of 41% felt their business would not be affected by leaving the EU.

4.27. Figure 4.6 shows levels of preparedness.

**Figure 4.6: Preparedness for a “no-deal” EU exit**



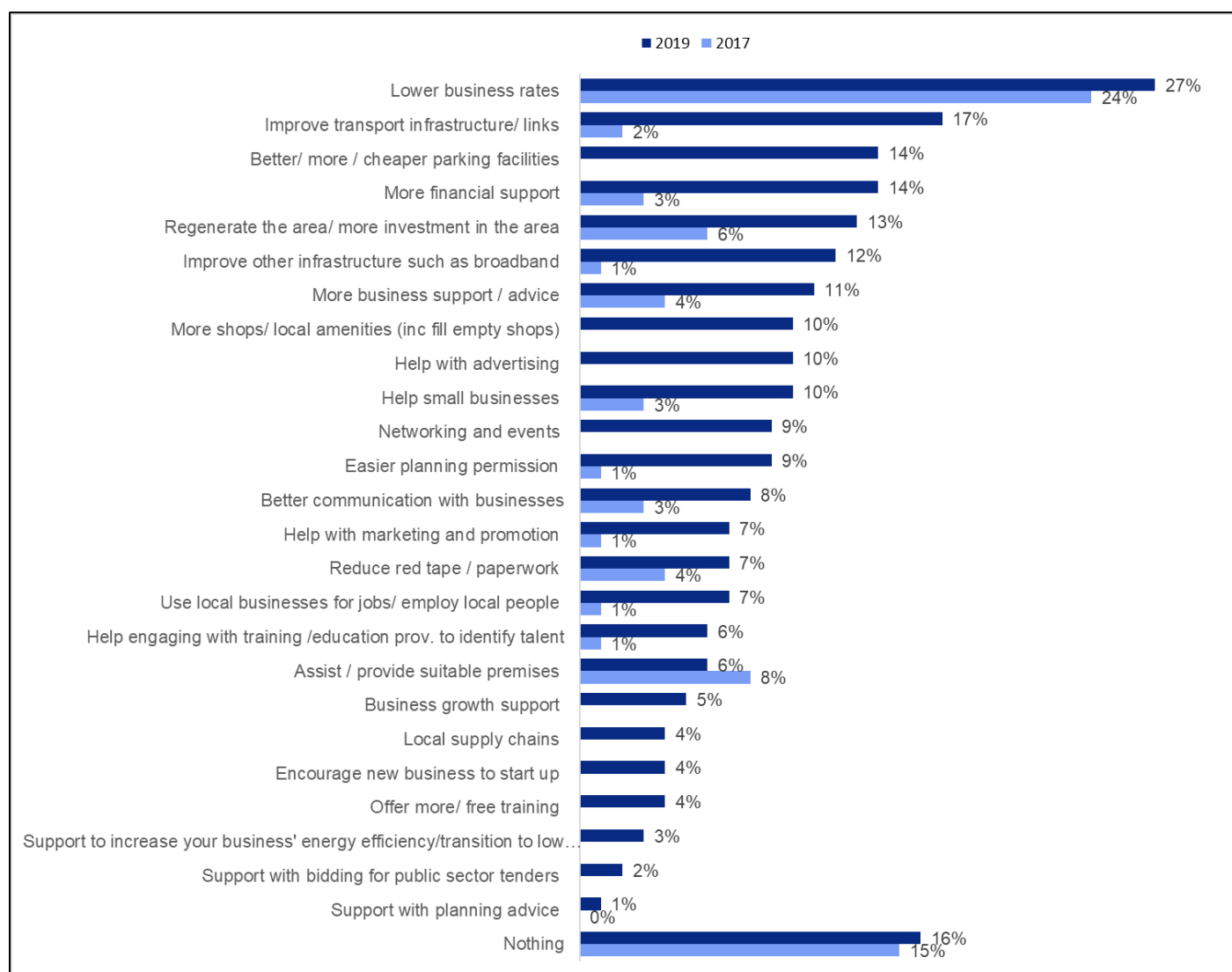
Number of respondents: SEMLEP 1,255, CBC 188. Excludes ‘don’t know’ responses.

Question asked: Specifically thinking about a “no-deal” EU exit, how prepared is your businesses for a “no-deal” EU exit?

## Support to assist growth

- 4.28. Businesses were asked to choose the three most important things councils and other support organisations could do to help them grow their business. This helps identify their priorities in terms of their support needs.
- 4.29. As in previous years, lowering business rates was the most commonly mentioned factor businesses feel would help them grow their business. The proportion giving this response (27%) is similar to that in 2017 (24%). Related to this, more financial support was the third most common response (mentioned by 14%). Lowering business rates was also the top mentioned factor across the SEMLEP region as a whole.
- 4.30. Improvements to transport infrastructure and links was the second most common response (17%); the proportion mentioning this as a priority had multiplied since 2017 (2%) when it was lower in ranking. This is consistent with the findings in Section 2 of this report that showed fewer businesses rating the aspects of transport infrastructure in their local area as “good” as did in 2017.

**Figure 4.7: Support businesses would like to see from Council and other support organisations to help business grow**



Number of respondents: 2019 254, 2017 211. Excludes 'don't know' responses.

Question asked: What are the 3 most important things your local Council and other support organisations should do to help you grow your business? No time series comparison available where 2017 figures are blank.

## Section 5: Employment, Skills and Training

### Key Findings:

- Around three-in-ten businesses had had at least one vacancy in the 12 months preceding the survey (33%). This was in line with previous years and with the SEMLEP average. Half of these businesses had found at least one of their vacancies hard to fill, equating to 17% of all businesses. This was in line with 2017 when 56% had experienced a hard-to-fill vacancy, equating to 20% of all businesses and comparable to SEMLEP as a whole (45%, equating to 18%).
- Large and small businesses used different channels to try to fill their vacancies. Smaller businesses relied heavily on word of mouth and recruitment agencies, whereas larger businesses were more likely to use free websites.
- The most common reason for finding vacancies hard to fill was location and poor public transport.
- Under half of employers with vacancies (47%) could list one or more skills they had had trouble recruiting for in the previous 12 months. Technical and practical skills and job-specific skills were the ones businesses had most trouble sourcing. Businesses blamed this on the quantity of applications they received; many also had problems with the quality of applicants.
- Skills gaps occur when current staff do not have the required skills to carry out their job role. Overall 18% of businesses were able to list at least one skill they felt their current staff were lacking. The skills staff lacked were often specific to the role they were doing. Reasons for skills gaps stemmed primarily from training issues, with 16% citing insufficient training budget, 16% saying they were not able to release staff during working hours to attend training, 15% said there had been a lack of appropriate training for staff and 8% said there was lack of investment for training.
- One tenth of businesses (9%) had taken actions to increase the skills of their workforce, most commonly including offering in-house or external training.
- At the time of the survey 6% of businesses had a current apprentice. This was in line with the proportion in 2017, but lower than the SEMLEP-wide figure of 12%. A further 35% said they would consider hiring an apprentice in future. Of the 59% who would not consider an apprentice the majority said this was because they had no business need.
- Two fifths of businesses (40%) reported offering at least one kind of work-experience placement, this was most commonly to school students aged 14-16. Figures were comparable to 2017 when 44% had done so.

### Introduction

- 5.1. This section of the report looks at businesses' experiences of issues surrounding their personnel, in terms of recruitment, skills shortages in the labour market and existing workforce and the actions taken by businesses to increase skills.
- 5.2. It also looks at the provision of apprenticeships and of work-experience placements.

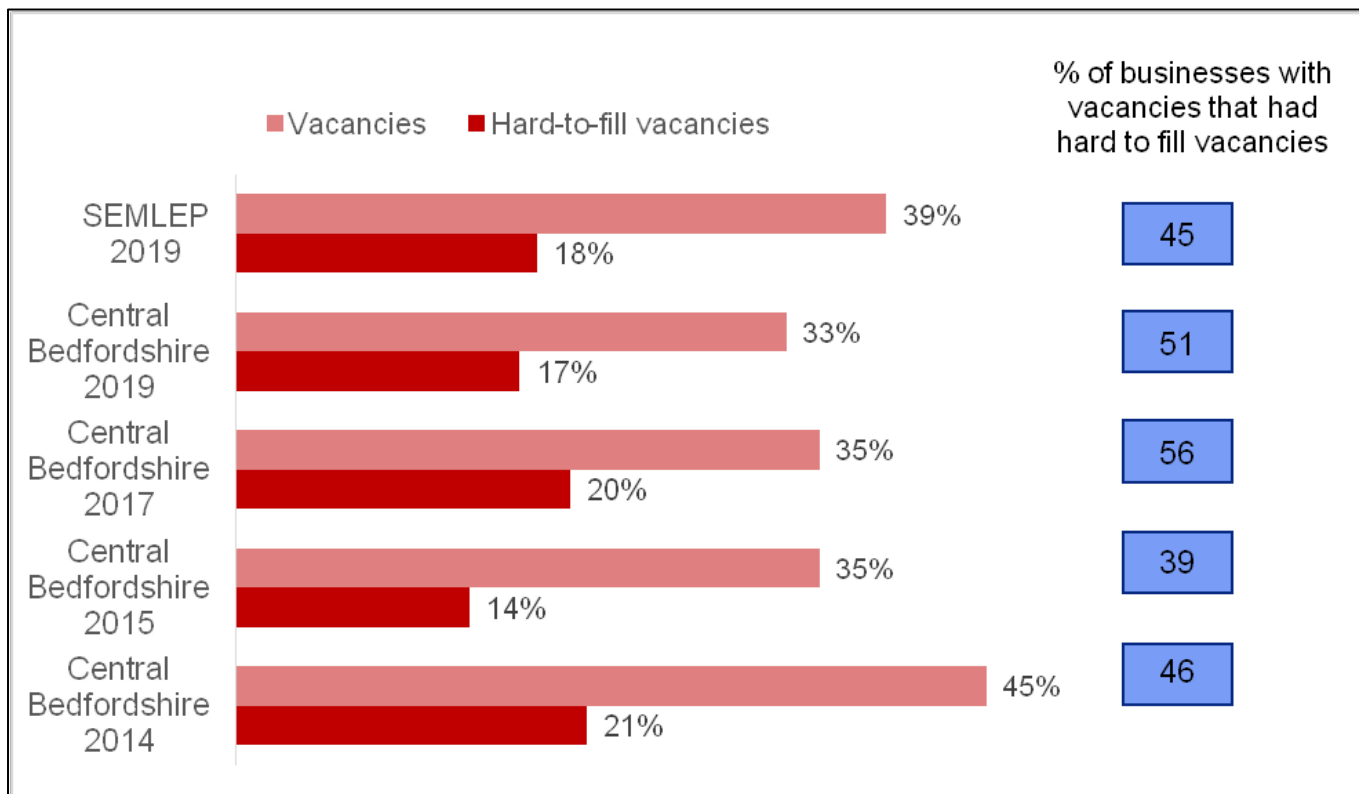
## Vacancies and recruitment difficulties

- 5.3. Around three-in-ten (33%) businesses reported having had at least one vacancy in the 12 months preceding the survey. This is in line with the 35% seen in 2017 and 2015. This is also comparable to SEMLEP area average (39%). The available national figures are not directly comparable but suggest the SEMLEP area and Central Bedfordshire are in line with the rest of the UK in this respect. The 2017 UK Employer Skills Survey (ESS) reports that 49% of private and third sector establishments had *recruited* (i.e. successfully filled a vacancy) in the previous 12 months. However, this figure will be slightly lower than the proportion that have had vacancies (as there will be some with vacancies that have not yet been filled). The ESS excludes sole traders and business sites with just one person working at them, which are included in the SEMLEP business survey and are less likely to have had vacancies. If we remove sole traders from the SEMLEP data the comparable figure is 45%, suggesting vacancy levels in SEMLEP are close to the national average.
- 5.4. Larger businesses were more likely to have had vacancies; 89% of the businesses with 5-9 staff covered by the survey and 93% of businesses with 10 or more staff had had a vacancy in the past 12 months, compared to just a fifth of those with 1-4 staff.
- 5.5. Half (51%) of businesses that had vacancies reported that they had found at least one of these vacancies hard to fill, equating to 17% of all businesses. This is in line with the proportion seen in 2017 (56%, equating to 20% of all businesses) and comparable to SEMLEP as a whole (45%, equating to 18%).
- 5.6. It is difficult to compare this figure with the nationwide figures, since the UK Employer Skills Survey (ESS) which collects such data focuses on vacancies that are *current* at the time of the survey. However, of the private and third sector businesses with vacancies at the time of the 2017 ESS<sup>12</sup> (the most recent iteration for which data is available at the time of writing), 41% had at least one vacancy that was proving hard to fill. This figure is not directly comparable but, as one would expect a figure taken over the course of a year to be higher than one representing a snapshot in time, it does not indicate any cause for concern in the Central Bedfordshire area.
- 5.7. Businesses with 1-4 and more than 10 staff were more likely to have had problems filling any of the vacancies (hard-to-fill vacancies were an issue for 66% and 55% respectively of businesses with 1-4 and 10+ staff that had had vacancies). Among businesses with 5-9 staff with vacancies, 14% had found it hard to fill a vacancy, despite being highly likely to have had vacancies.
- 5.8. Rural businesses with vacancies were more likely to have hard-to-fill vacancies – 71% compared with 43% of urban businesses with vacancies.

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<sup>12</sup> UKCES (2018) “UK Employer Skills Survey 2017: UK data tables”  
<https://www.gov.uk/government/publications/employer-skills-survey-2017-uk-report> (accessed 23/11/19)

**Figure 5.1: Businesses with vacancies and hard-to-fill vacancies in the past year**

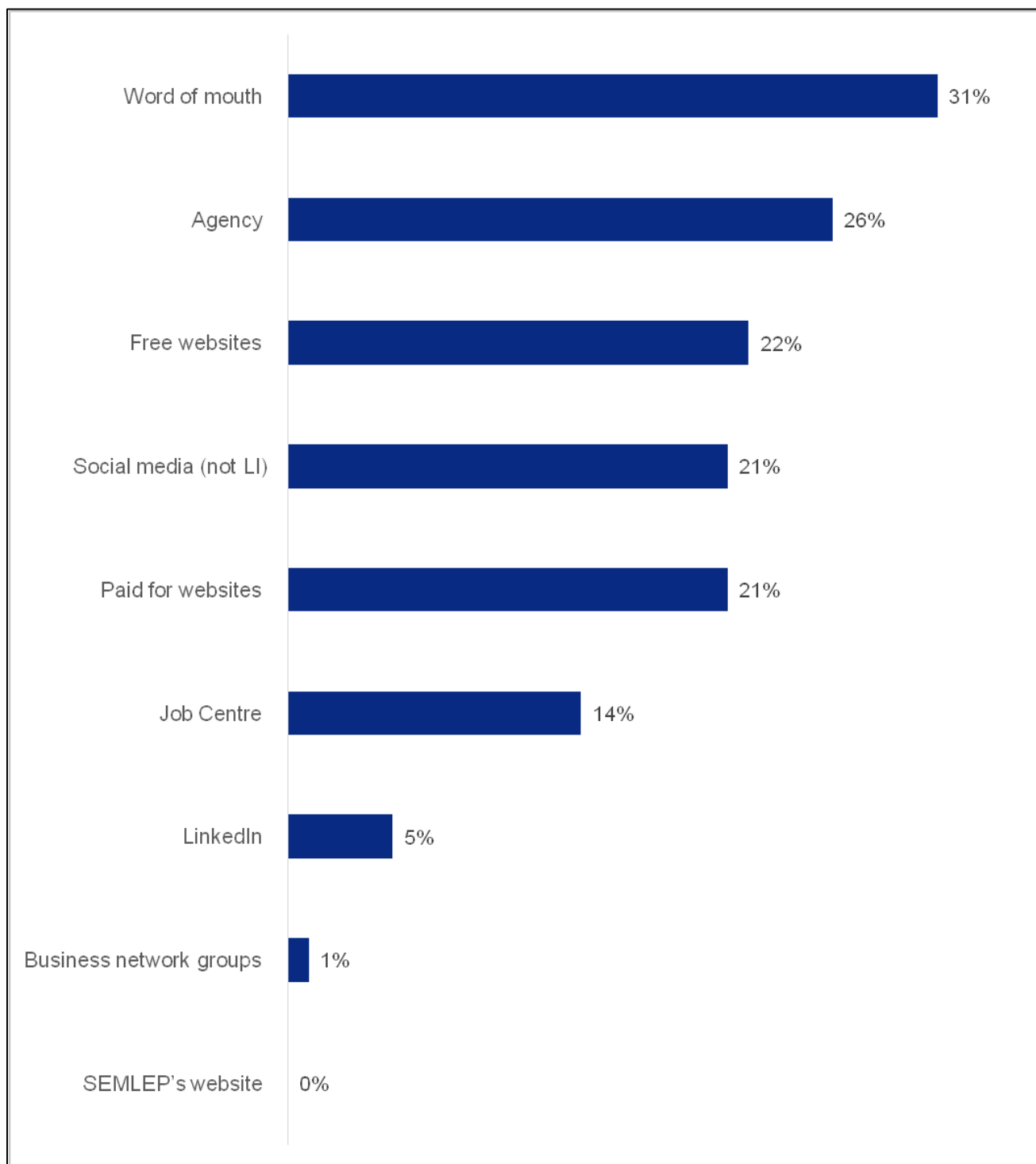


Number of respondents: SEMLEP 2019 1,675, CBC 2019 257, CBC 2017 252, CBC 2015 255, CBC 2014 261.

Questions asked: Have you had any vacancies in the last 12 months? Have you had any vacancies in the last 12 months that you have found hard to fill?

- 5.9. The channels businesses were using to try to fill vacancies varied considerably by business size. Smaller businesses were commonly making use of word of mouth (41%) and a recruitment agency (37%).
- 5.10. Larger businesses were more likely to be using free websites (31% among businesses with 5-9 staff and 41% among businesses with 10+ staff).

**Figure 5.2: Recruitment channels used**



Number of respondents: 149 (only asked to businesses with vacancies). Excludes 'don't know' responses.  
Questions asked: How do you advertise or promote your vacancies?

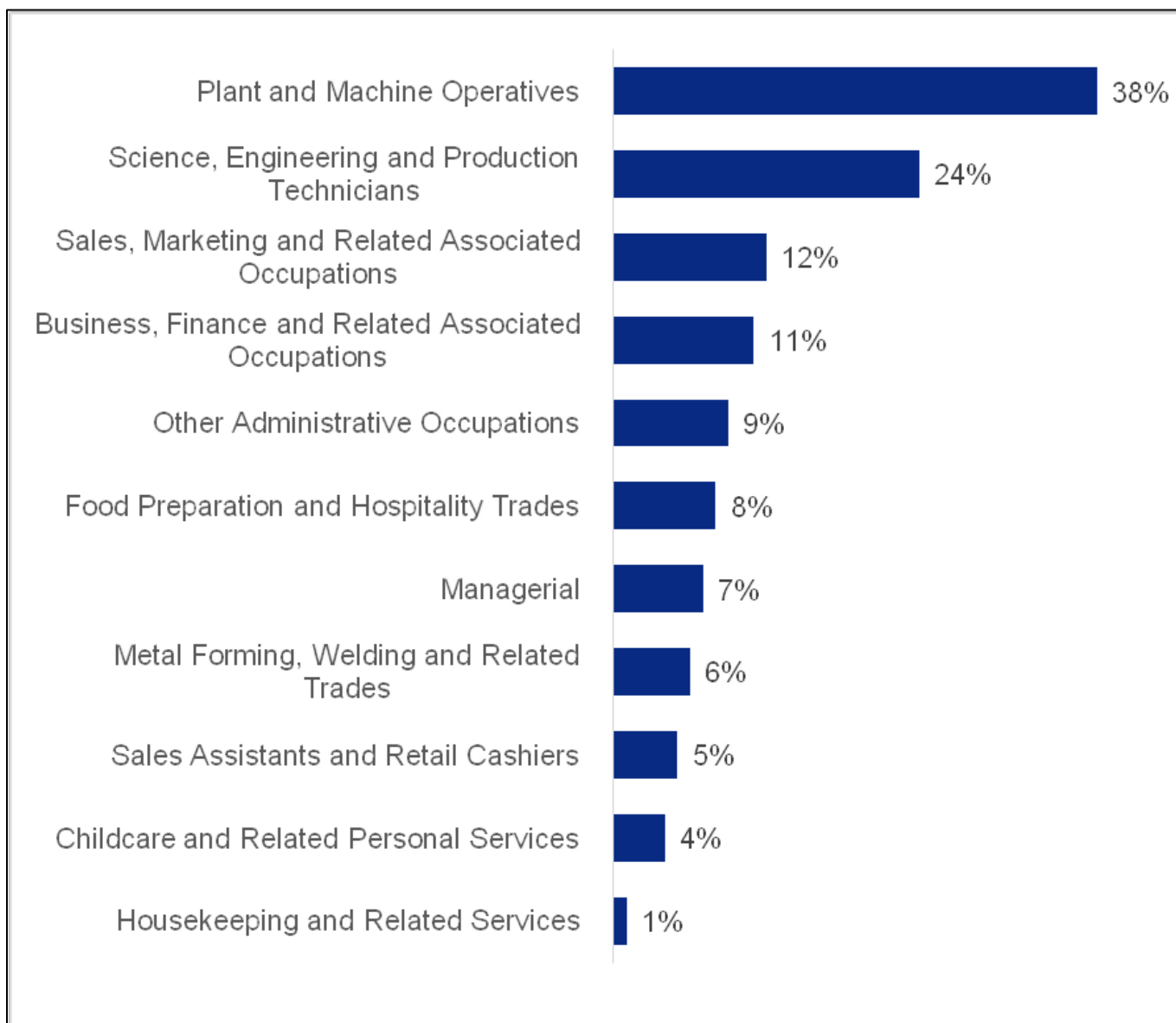
5.11. Businesses which had had hard-to-fill vacancies were asked which specific occupations they had had trouble recruiting for. The top three occupations businesses were finding it hard to fill vacancies for were plant and machine operatives (38%), science, engineering and production technicians (24%) and sales, marketing and related occupations (12%).

5.12. In 2017, electrical and electronic trades, and sales assistants and retail cashiers were most commonly mentioned, with construction and building trades, vehicle trades and business, research and administrative occupations close behind.



- 5.13. To an extent this list will reflect the demand for each occupation in the workforce. However, this data does tell us the occupations for which there is a higher demand from employers than there are suitable applicants in Central Bedfordshire, and reasons for this are explored below.
- 5.14. The list of occupations businesses had trouble filling vacancies for is shown in Figure 5.3.

**Figure 5.3: Occupations for which businesses have had trouble recruiting**



Number of respondents: 59 (only asked to businesses with hard-to-fill vacancies). Excludes 'don't know' responses. Please note that small sample size means that data should be treated with caution.

Question asked: Which specific occupations have you found hard to fill?

- 5.15. The most common reason for finding vacancies difficult to fill was location and poor public transport (50%). In 2017, the most common reason was a lack of applicants with the required skills (76%), which is the second most commonly mentioned reason in 2019 (36%).
- 5.16. The overall hierarchy of reasons was different from SEMLEP as a whole. The most common reason for finding vacancies difficult to fill in SEMLEP was a lack of applicants with the required skills (44%), followed by a low number of applicants generally (27%) and a low number of applicants with the required attitude, motivation or personality (26%).

### **Skills shortages**

- 5.17. A "skill-shortage vacancy" is defined as a vacancy that is hard to fill due to a lack of skills, qualifications or necessary experience among applicants. Just under half of employers with vacancies (47%) could list at least one skill they had trouble recruiting for in the previous

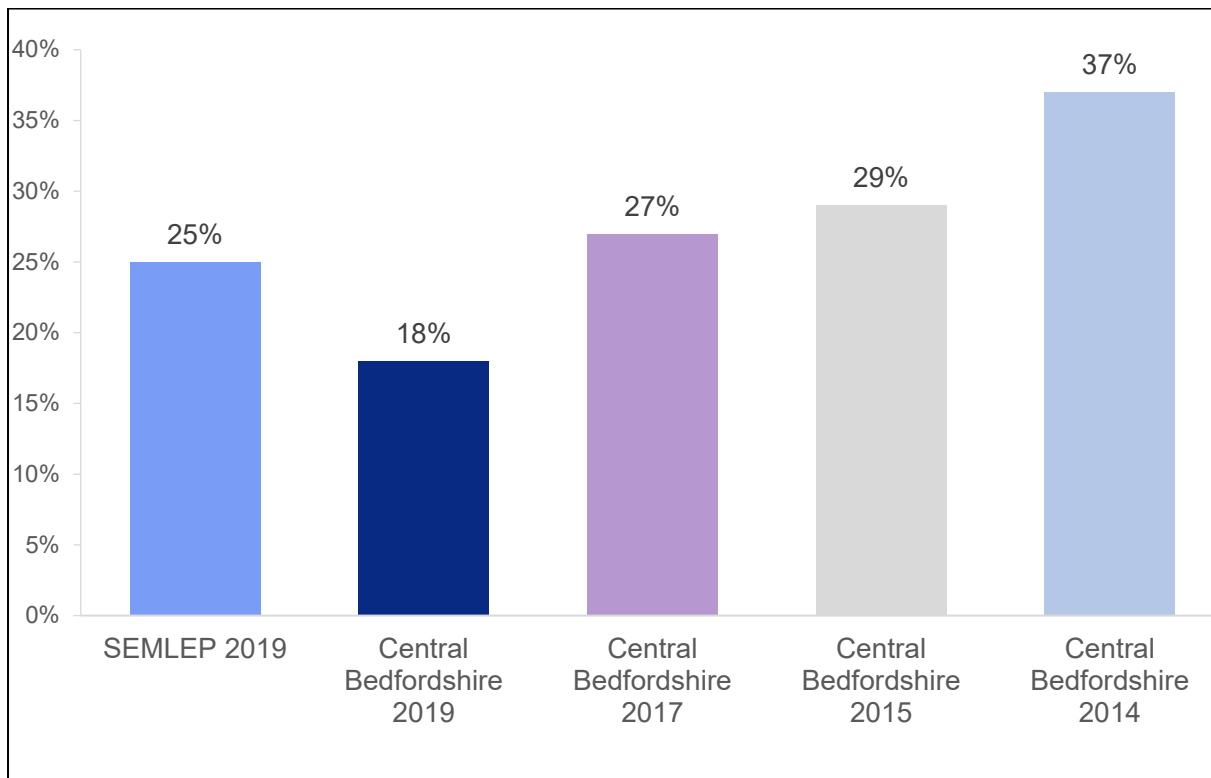
year (equating to 16% of all businesses). This is not significantly different to the 2017 figure (53%), or the SEMLEP-wide figure (52%).

- 5.18. As with hard-to-fill vacancies there is no direct comparison to UK figures due to the way the data is collected. The 2017 UK Employer Skills Survey reports that 30% of businesses with current vacancies had at least one current skill-shortage vacancy. Given we would expect data representing a whole year to produce a higher figure than that representing a snapshot in time, there does not appear to be any cause for concern in the Central Bedfordshire area.
- 5.19. As in 2017, employers most commonly reported technical and practical skills (25%) and job-specific skills (16%) as the ones they have most trouble sourcing in job candidates.
- 5.20. Over half of businesses which had had difficulties finding skills in applicants for jobs (62%) blamed this on a low quantity of applicants. This is higher than the proportion which cited this as a reason in 2017 (42%). Three in ten (29%) blamed poor quality of applicants.
- 5.21. A fifth (19%) blamed a lack of work-ready school leavers. This was an increase on 2017 (3%). This suggests work-experience programmes aimed at schools and students would be beneficial to employers and students alike – work experience is covered later in this chapter.
- 5.22. Around one in seven (14%) said there's a general lack of skills and a similar proportion said applicants had high and unaffordable salary demands.

### **Skills gaps in existing workforce**

- 5.23. Skills gaps occur where current staff do not have the skills to adequately carry out their job role. Employers were asked whether they had any skills gaps in their existing workforce, and in which areas.
- 5.24. Overall, 18% of business listed at least one skill they felt their staff lacked. This is an improvement on the figures seen in 2017 (27%), 2015 (29%) and 2014 (37%). This also gives a better picture than across SEMLEP as a whole (25%). Comparing this to the nationwide picture, the 2017 UK Employer Skills Survey reports that 13% of private and third sector businesses had skills gaps, although the questions are asked in a different way so are not directly comparable.
- 5.25. Micro businesses (1-4 staff) were less likely to be experiencing skills gaps than larger businesses.

**Figure 5.4: Incidence of skills gaps**



Number of respondents: SEMLEP 2019 1,672, CBC 2019 254, CBC 2017 252, CBC 2015 255, CBC 2014 261. Excludes 'don't know' responses

Question asked: Do you have skills gaps in your existing workforce in any of the following areas?

5.26. The skills businesses felt staff lacked were diverse, and most commonly quite specific to the role they were doing, with digital skills and technical and practical skills scoring highest (cited by 4% of all respondents) (25% of those that said they lack skills). Other skills mentioned by 2% or more were:

- Job-specific skills (3% of all respondents) (19% of those businesses that lack skills)

5.27. In 2017, job-specific skills and technical and practical skills scored highest (6% and 5%, respectively). The above were similar to those identified in previous years.

5.28. Businesses with skills gaps most commonly believed that these gaps arose from training issues in the workforce, as mentioned in previous years. 16% said there had been an insufficient budget for training, 16% said they were not able to release staff during working hours to attend training, 15% said there had been a lack of appropriate training for staff and 8% said there was lack of investment for training.

### Increasing skills

5.29. One tenth (9%) of businesses had taken actions to increase the skills of their workforce. This is lower than the 47% which had done so at the time of the 2017 survey and lower than the SEMLEP average (28%). Above eight tenths (85%) of businesses said this was not applicable to them as they had no skills gaps and 6% said they were just not doing anything.

5.30. Of businesses who had reported skills gaps earlier in the survey, 94% had taken some action.

- 5.31. The most common type of action taken was offering in-house training and development to staff (3%), followed by outsourced training and development (2%).
- 5.32. Also a handful of businesses were engaging with colleges (1%).
- 5.33. Small businesses were less likely to be taking any action to improve staff skills – just 7% of those with 1-4 staff and 6% of those with 5-9 staff had done so. Around a quarter of businesses with 10 or more staff had taken action.

## **Qualifications of staff**

- 5.34. Businesses reported the qualification levels of their staff.
- 5.35. One in ten had staff who had no qualifications at all, and 6% had staff who were only qualified to Level 1. Conversely, 2% had staff qualified to Level 7, equivalent to a master's degree.
- No qualifications: 11%
  - Level 1: 6%
  - Level 2 (GCSE A\*-C / 4-9): 25%
  - Level 3 (A-Level A-E): 17%
  - Level 4 (HNC): 11%
  - Level 5 (HND/Foundation Degree): 9%
  - Level 6 (Degree): 33%
  - Level 7 (Masters): 2%
  - Other: 34%

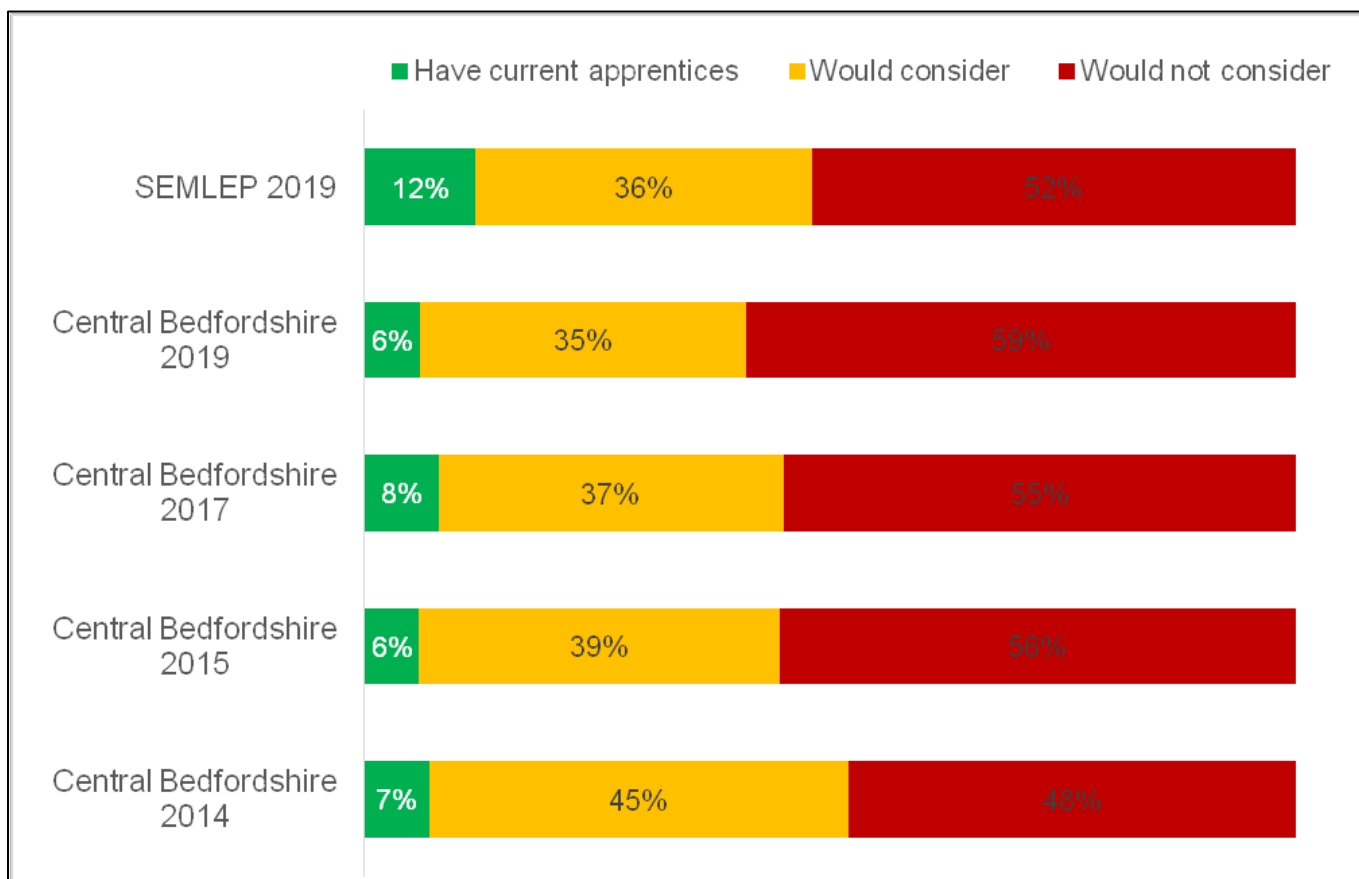
## **Apprenticeships**

- 5.36. At the time of the survey 6% of businesses had a current apprentice (on a recognised government apprenticeship scheme). This was in line with the 8% seen in 2017.
- 5.37. Larger employers were more likely to have current apprentices than smaller employers; whilst none of employers with 1-9 staff had an apprentice, this rose to 48% among businesses with 10 or more staff.
- 5.38. The UK Employer Perspectives Survey 2016<sup>13</sup> reported 11% of employers had current apprentices. The figures are a few years old now but suggest businesses in the Central Bedfordshire area are in line with the general business population.
- 5.39. A further 35% of Central Bedfordshire businesses said they would consider taking on an apprentice, leaving 59% who would not consider employing apprentices.
- 5.40. Larger businesses with 10 or more staff were more likely to have current apprentices (48%); half of the businesses of this size which didn't have current apprentices said they would consider it in future (26%), leaving 26% who would not consider it at all. Small businesses were less likely to have current apprentices, but those who did not were still likely to say they would consider it. This suggests that any initiatives aimed at increasing the number of apprentices would be effective for all sizes of business.

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<sup>13</sup> <https://www.gov.uk/government/publications/employer-perspectives-survey-2016> (accessed 23/11/19)

**Figure 5.5: Current and potential future apprenticeship offering**



Number of respondents: SEMLEP 2019 1,675, CBC 2019 257, CBC 2017 252, CBC 2015 255, CBC 2014 261.

Questions asked: Do you employ anyone on an apprenticeship programme currently? Do you or would you consider taking on an apprentice?

- 5.41. The reasons businesses would not consider hiring an apprentice were primarily related to business requirements. More than half of businesses who would not consider it (57%) said they simply had no business need. A third felt their business was too small to support an apprentice, and there is a perception among some that their business is not suited to any of the current apprenticeship schemes. One in ten (12%) said the process was over-complex.
- 5.42. Also one in ten (11%) cited issues with the cost, and a minority have had a poor experience in the past that puts them off for the future.
- 5.43. In 2017, the reasons for not considering employing an apprentice were similarly primarily related to business requirements, with 59% citing a lack of business need. However, 14% report having a poor previous experience of apprenticeships. 4% thought their business was too small for an apprentice, 3% blamed an overly complex process or the type of work they do being unsuitable for apprenticeships, and 2% blamed the cost or difficulties finding a suitable candidate.
- 5.44. Just above two-in-ten (22%) businesses in the survey reported they are eligible to pay the Apprenticeship Levy, introduced in 2017 as part of a restructure of the way apprenticeships are funded.

### **Work experience placements**

- 5.45. Overall, two fifths (40%) of businesses reported that they offer at least one type of work-experience placement or engagement activity. This is comparable to 2017, when 44% did

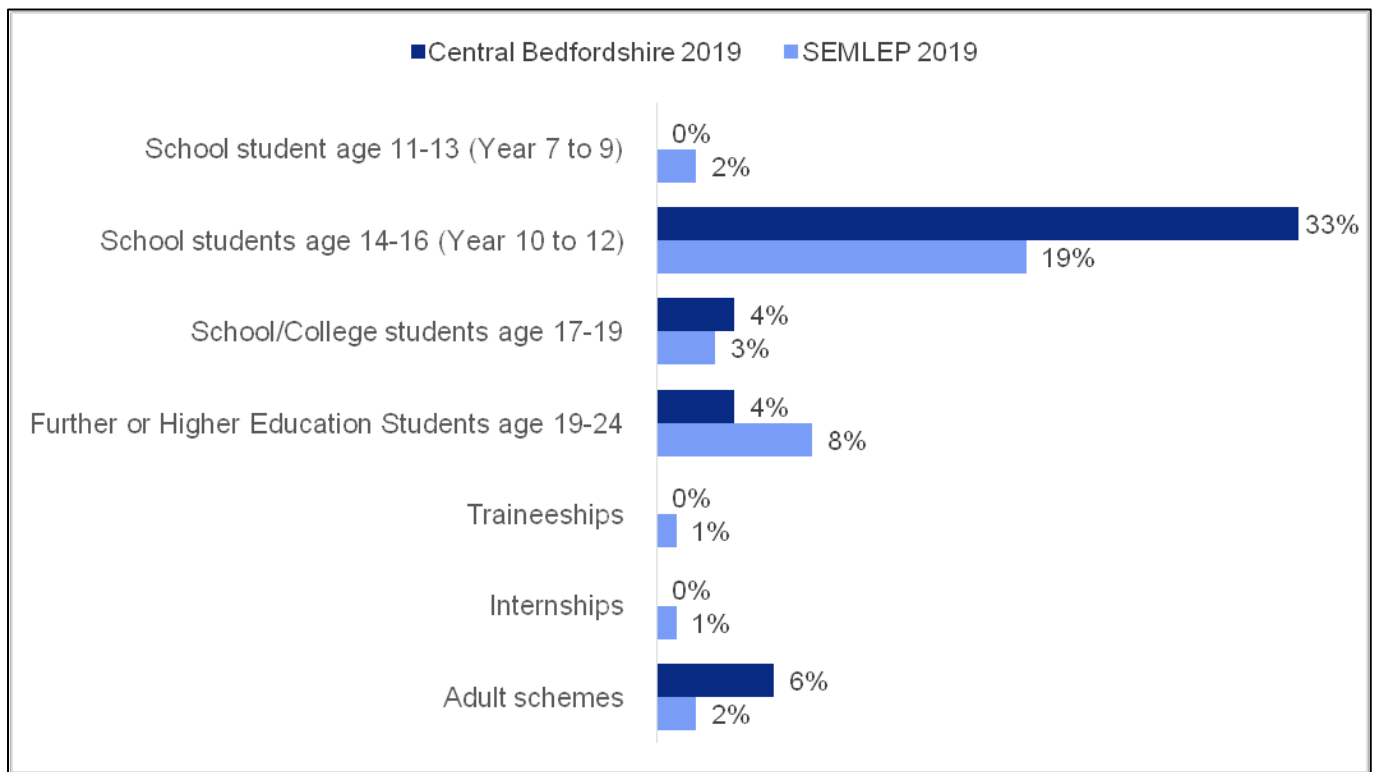
so (note this question has changed wording slightly and so is not directly comparable). This is higher than the SEMLEP area average (26%).

- 5.46. The most common type of placement offered was to school students aged 14-16; a third (33%) offered these. This rose to 43% of those with 10 or more. 4% had offered placements to students aged 17-19 and 4% had offered placements to further or higher education students.
- 5.47. Figure 5.6 shows the figures for each type of placement in full.
- 5.48. The incidences of placements to 17-19-year-old students and to further or higher education students have fallen since 2017. This was down from 19% to just 4% and from 11% to 4%, respectively.
- 5.49. The figures are in line with the most recently available national figures, in which 18% of businesses offered placements to school students, 10% to further-education or sixth-form students and 8% to those in higher education<sup>14</sup>. However it should be noted that these national figures are based on the last 12 months whereas the current survey does not specify a time period for the placements to have taken place.

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<sup>14</sup> UK Employer Perspectives Survey 2016.

**Figure 5.6: Work experience placements offered**



Number of respondents: SEMLEP 1,495, CBC 241.

Question asked: Which groups, or in what ways, do you offer work experience and/or employer engagement?

- 5.50. Businesses with 10 or more staff were much more likely to offer work experience. This suggests that this is still the group to target if there is a desire to increase work-experience opportunities as a way to improve the work-readiness of education leavers and adults looking to enter the workplace.
- 5.51. Addressing the reasons for not engaging in this manner will be key to achieving this. Lack of time (18%) and opportunities (13%) were the most commonly mentioned barriers. In addition, 8% mentioned red tape and 7% didn't know how to arrange.



## **Section 6: Innovation**

### **Key Findings:**

- Around a tenth of businesses (12%) reported that they had introduced new products, services, patents or processes in the previous 12 months, lower than the 20% seen in 2017 and the 29% seen in 2015, and lower than the SEMLEP average.
- Innovation was much more common among larger businesses with 5 or more staff.
- The main constraints to innovation were market demand for new products or services, cost of finance and the general economic climate.
- Around one-in-ten businesses had links with colleges or universities for research and development purposes, in line with the 10% seen in 2017 and across SEMLEP as a whole. This was most common in businesses with 10 or more staff (25%).

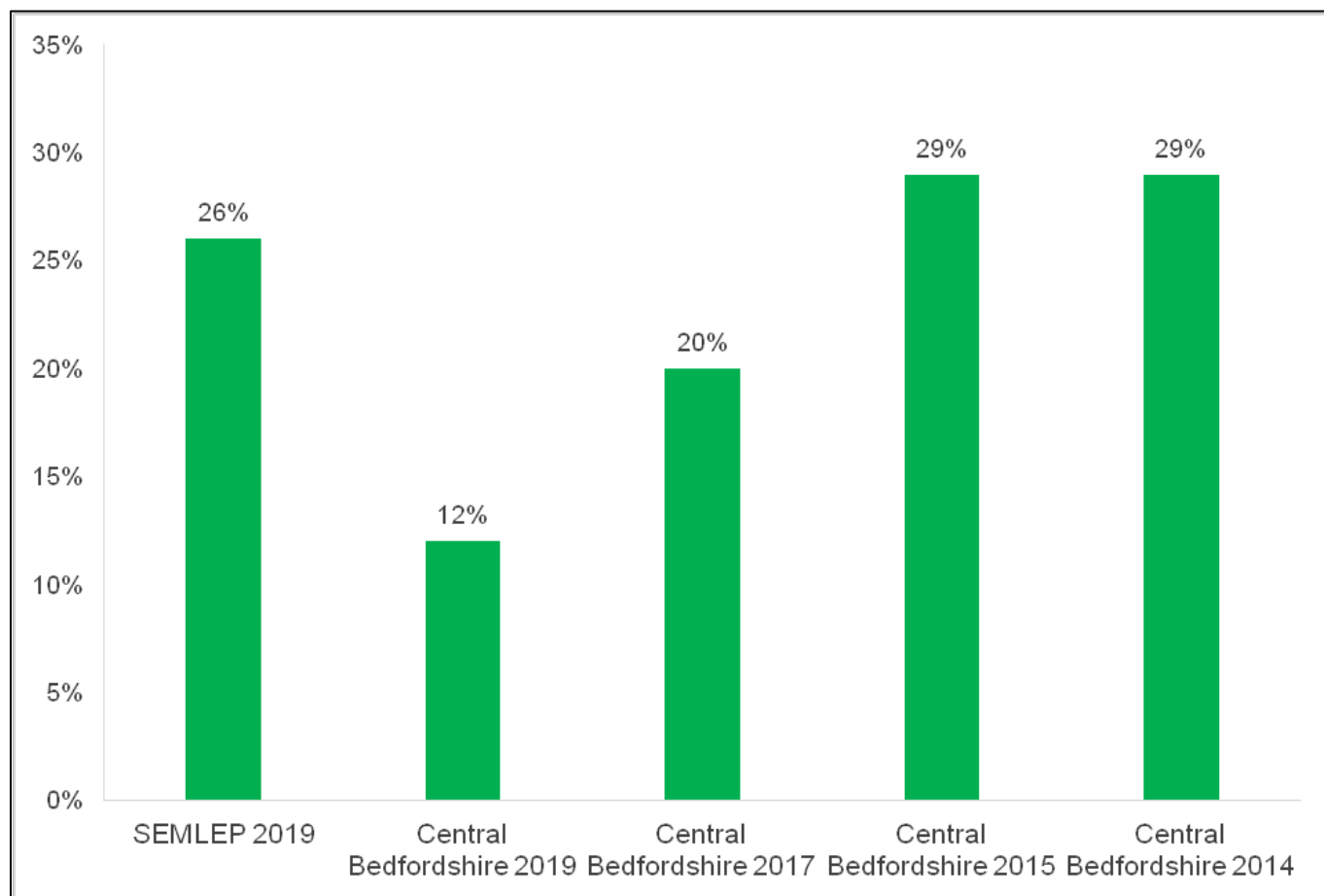
### **Introduction**

- 6.1. This chapter looks at the level of innovation among Central Bedfordshire businesses in the past 12 months, and expected innovation over the next 12 months. It also looks at links businesses have with universities and colleges for innovation purposes.

### **Innovation**

- 6.2. Around a tenth (12%) had introduced at least one new product (6%), service (3%), patent (1%) or process (3%) in the 12 months preceding the survey. This was a decrease on the 20% seen in 2017 and the 29% seen in 2015 (although the way the question was asked in 2019 has changed slightly, meaning caution should be taken when making this comparison). This is also lower than the SEMLEP average of 26%.
- 6.3. Innovation was more common in larger businesses (5 or more staff) than smaller (under 5 staff).

**Figure 6.1: Innovation in the past 12 months**



Number of respondents: SEMLEP 2019 1,607, CBC 2019 254, CBC 2017 252, 2015 255, 2014 261. Excludes ‘don’t know’ responses.

Question asked: Has your business introduced any new products, services, patents or processes in the past 12 months?

- 6.4. The UK Innovation Survey 2017<sup>15</sup> looks at innovation among businesses with 10 or more employees over a 2-3 year period. This survey classes 52% of East Midlands businesses as “active innovators”<sup>16</sup>, in line with the UK-wide figure of 50%. This figure is slightly higher than the one obtained for comparable businesses (i.e. with 10 or more staff) in our present survey as it covers a longer time period and includes activities not yet completed.
- 6.5. The UK Innovation Survey 2017 shows that the slowdown in innovation seen in the SEMLEP 2017 survey (from which the 2019 survey shows some recovery across SEMLEP, yet continues to decline in Central Bedfordshire) was not isolated to the region. In fact, all regions save for the South West saw a decrease in the proportion of businesses classed as “active innovators” between 2015 and 2017. In the East Midlands the figure was down from 56% in 2015 to 52% in 2017. Nationally the figure has fallen from 53% to 49% in the same time period.
- 6.6. Businesses were asked the extent to which a list of factors had restricted them from

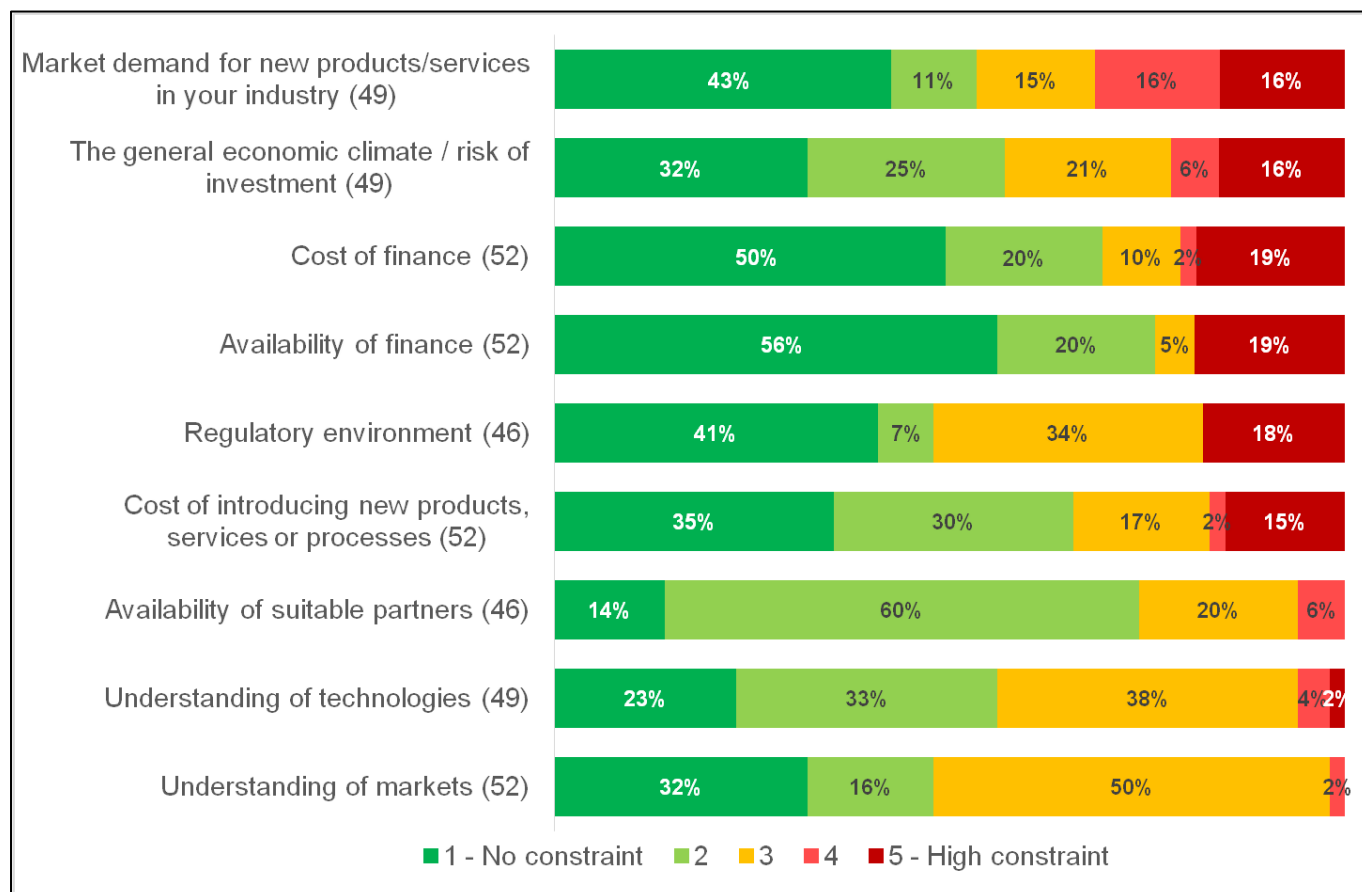
<sup>15</sup> BIS (2016) “UK Innovation Survey 2015: main report” <https://www.gov.uk/government/statistics/uk-innovation-survey-2017-main-report> (accessed 23/11/19)

<sup>16</sup> Businesses were considered to be innovative if they: Introduced a new or significantly improved product (goods or service) or process; Engaged in innovation projects not yet complete or abandoned; Acquired new and significantly improved forms of organisation, business structures or practices and marketing concepts or strategies.

innovating more (or at all). They rated factors on a scale of one to five, where one equalled “not a restriction” and 5 was a “major restriction”. Figure 6.2 shows the ratings given in full.

- 6.7. Market demand for new products or services was rated as the most restricting to innovation in business, with a third (32%) rating it 4 or 5 out of 5 (“high constraint”). The general economic climate and subsequent risk of investment was rated a restricting factor by 22% and the cost of finance by 21%. The availability of finance was a constraint for 19%.
- 6.8. Just under a fifth (18%) felt the regulatory environment was not conducive to innovation, and 17% felt the cost of innovation in itself was a constraint.
- 6.9. 6% said the availability of suitable partners to innovate with had restricted the amount of innovation they had been able to consider and 6% felt constrained by their understanding of new technologies.
- 6.10. A smaller number (2%) felt their understanding of the markets was not sufficient.
- 6.11. These findings were in line with the UK Innovation Survey 2017, which found financial factors and perceived economic risk to be the largest barriers to innovation.

**Figure 6.2: Constraints to innovation**



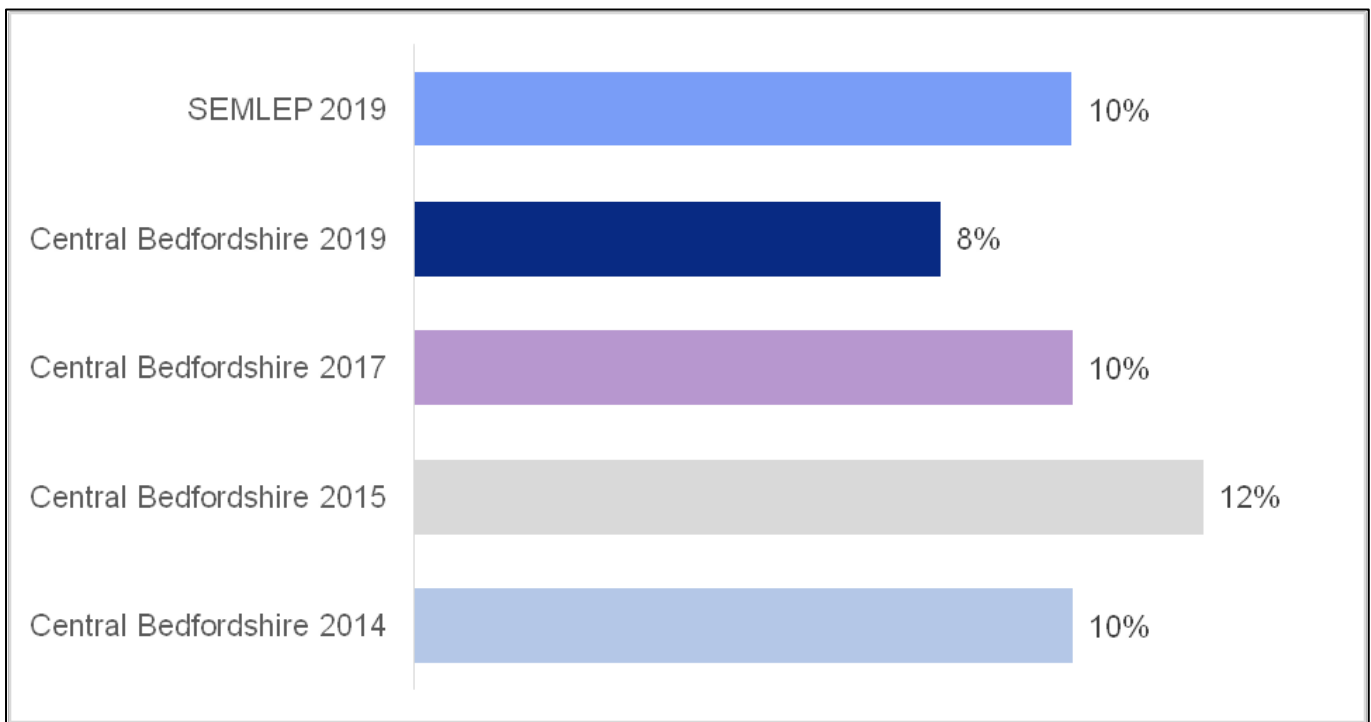
Number of respondents: in brackets after each statement. Excludes 'don't know' responses.

Question asked: To what extent have each of the following restricted your business from introducing new products, services or internal processes?

### Links with universities and colleges

- 6.12. Partnerships or other links with universities and colleges can facilitate the research and development needed to introduce new products and services.
- 6.13. Around one-in-ten businesses (8%) had links with universities or colleges for research and development purposes. This is in line with 2017 (10%), the 12% seen in 2015 and the 10% seen in 2014. This is also similar to the SEMLEP region as a whole (10%).
- 6.14. Businesses with 10 or more staff were more likely than average to be collaborating with universities and colleges for research and development purposes (25%).

**Figure 6.3: Links with universities and colleges for research and development purposes**



Number of respondents: SEMLEP 2019 1,607, CBC 2019 257, CBC 2017 250, CBC 2015 255, CBC 2014 261. Excludes 'don't know' responses.

Question asked: Does your business have any links with universities or colleges for research and development purposes?

## **Section 7: SEMLEP**

### **Key Findings:**

- Overall, a quarter of all businesses in Central Bedfordshire had heard of SEMLEP or one of its associated services – same proportion seen across SEMLEP as a whole.
- Awareness of SEMLEP itself has slightly decreased since 2017, from 20% to 15%, although this difference is not statistically significant. Though, awareness across SEMLEP as a whole has increased.
- Encouragingly for such a new service, 8% had heard of SEMLEP’s Growth Hub.
- The most common way businesses had heard of SEMLEP or any of its associated services was through direct communications from SEMLEP. Communications from the local authority was also a common source of information.
- Businesses feel the main strategic focus of SEMLEP should be in offering business support.

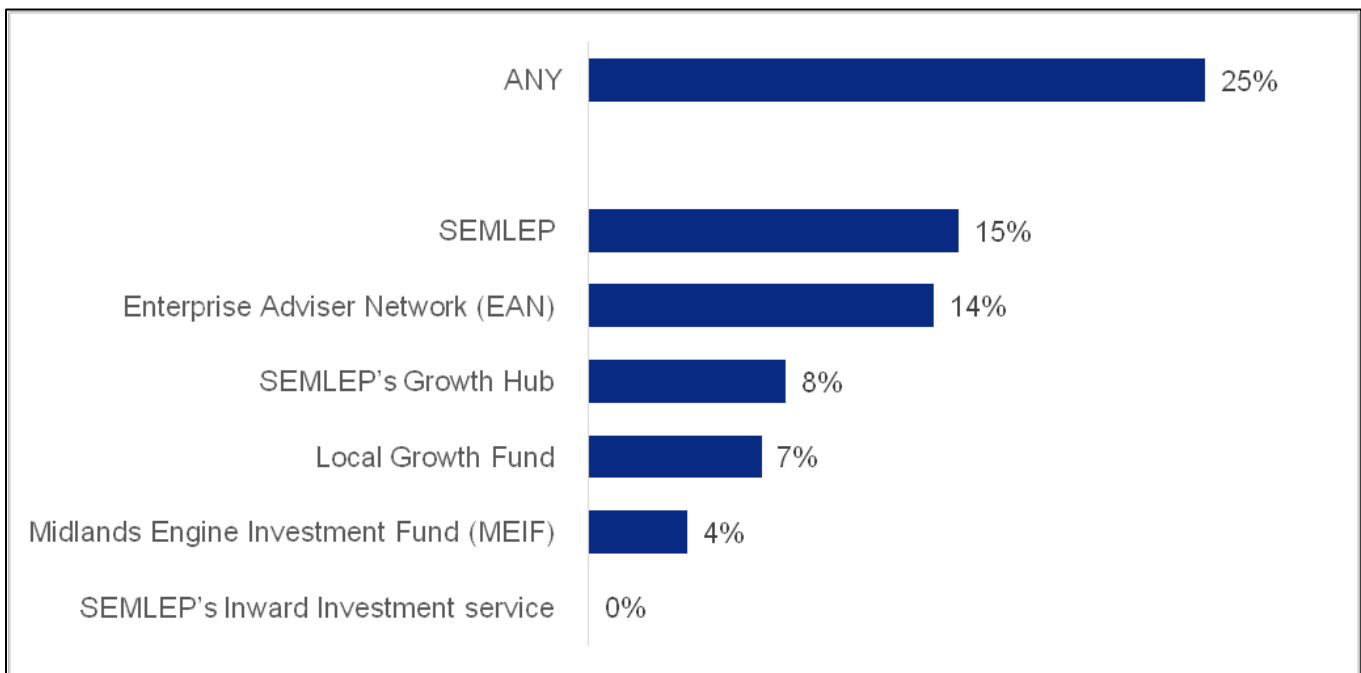
### **Introduction**

7.1. This section presents analysis of businesses’ awareness of SEMLEP and their views on how SEMLEP can help the local economy grow.

### **Awareness of SEMLEP**

- 7.2. Businesses were asked their awareness of SEMLEP and associated services. Overall, a quarter (25%) had heard of at least one. This is the same proportion witnessed across the SEMLEP region.
- 7.3. As Figure 7.1 shows, one-in-seven businesses (15%) had heard of SEMLEP itself.
- 7.4. Encouragingly, considering it was only launched in January 2019, 8% were aware of SEMLEP’s Growth Hub. This was lower than the 12% witnessed across SEMLEP as a whole.

**Figure 7.1: Awareness of SEMLEP and associated services**

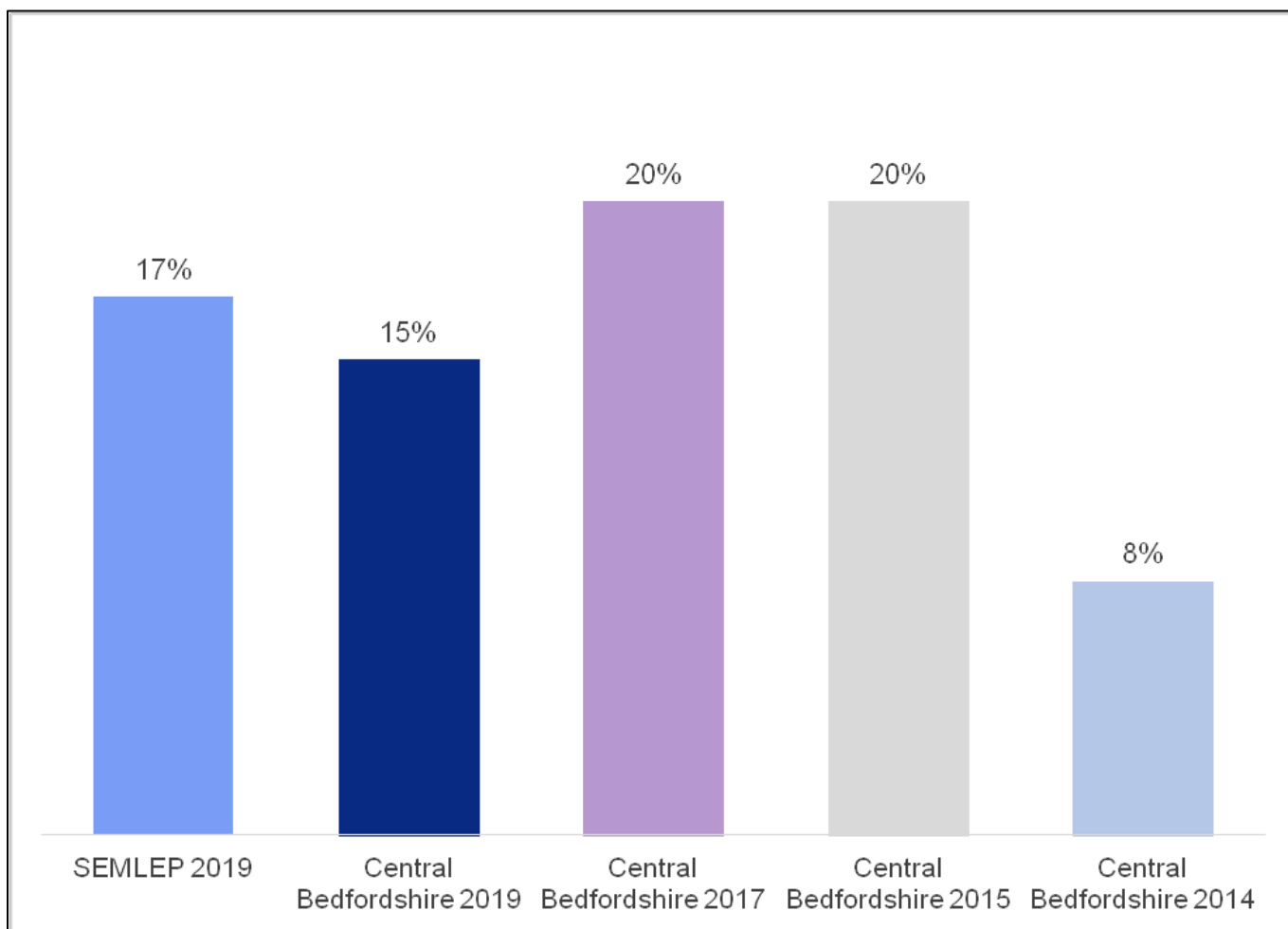


Number of respondents: 251. Excludes 'don't know' responses.

Question asked: Before today, had you heard of any of the following?

7.5. The 15% overall who had heard of SEMLEP was a slight decrease on the 20% seen in 2017 and 2015, although this is not statistically significant.

**Figure 7.2: Awareness of SEMLEP over time**



Number of respondents: SEMLEP 2019 1,669, CBC 2019 251, CBC 2017 225, CBC 2015 255, CBC 2014 261.  
 Question asked: Before today, had you heard of SEMLEP (South East Midlands Local Enterprise Partnership)?

- 7.6. Businesses aware of SEMLEP had most commonly heard of it through direct communications from SEMLEP (20%). This was similar for SEMLEP overall (24%). However, the most common source of awareness across SEMLEP was networking with other businesses (40%).
- 7.7. Communications from the local authority were also a common information source, mentioned by one eighth (13%).
- 7.8. Networking with other businesses was mentioned by 3%. Information in the press was mentioned by 2%.

### **Strategic focus of SEMLEP**

- 7.9. Businesses most commonly suggested that the strategic focus of SEMLEP should primarily be on business support (46%). This was also the most common focus area in 2017 (35%).
- 7.10. Ensuring an appropriate supply of skilled labour was the second most commonly mentioned focus area, by almost half (38%) of businesses.
- 7.11. Businesses also mentioned the importance of funding to support new investment (34%), delivering infrastructure improvements (33%) and attracting new businesses into the area (32%).
- 7.12. Around one seventh of businesses (14%) said they did not know what SEMLEP's priorities



should be, which is likely to be because they were either unaware of SEMLEP and/or did not understand its role. This was far lower than in 2017 (40%). This was also far lower than across SEMLEP as a whole.

## **Section 8: Showcase Sectors**

### **Key Findings:**

#### **Creative and Cultural sector:**

- Creative and Cultural businesses are optimistic about the future, with above two fifths expecting growth.
- Brexit is a concern for this sector: a high proportion (seven in ten) are expecting the UK's exit from the EU to have a negative impact on business. Businesses in the Creative and Cultural sector were most likely to be concerned about loss of business, with a third citing this as a concern.

#### **Manufacturing and Advanced Technology sector:**

- Businesses in the Manufacturing and Advanced Technology sector were more likely than average to be looking to relocate.
- Manufacturing and Advanced Technology businesses were more likely to say their business has remained stable in the last 12 months.

#### **High Performance Technology sector:**

- Businesses in this sector were more likely to have sought advice from a Central Government department or Government body and less likely to have sought advice from private sector professionals and other business owners.
- Optimism for the future is low in this sector, with only 12% expecting to see an improvement in business performance in the coming year.

#### **Logistics sector:**

- Businesses in this sector were less likely than average to have sought advice from private sector professionals and other business owners.
- Business performance in this sector has been below average; with more businesses seeing a deterioration in business performance (48%) than an improvement (16%).
- Two fifths of businesses in the Logistics sector still say they do not know what the impact of the UK leaving the EU will be on their business. More than half do not have any concerns about it.

## Introduction

8.1. Part of SEMLEP’s role is developing strategy and support to help the economy in the region thrive. As part of this, SEMLEP has identified four “showcase” sectors where the area is performing particularly strongly and there is potential for growth, both of existing businesses and in attracting new business to the area. The sectors are:

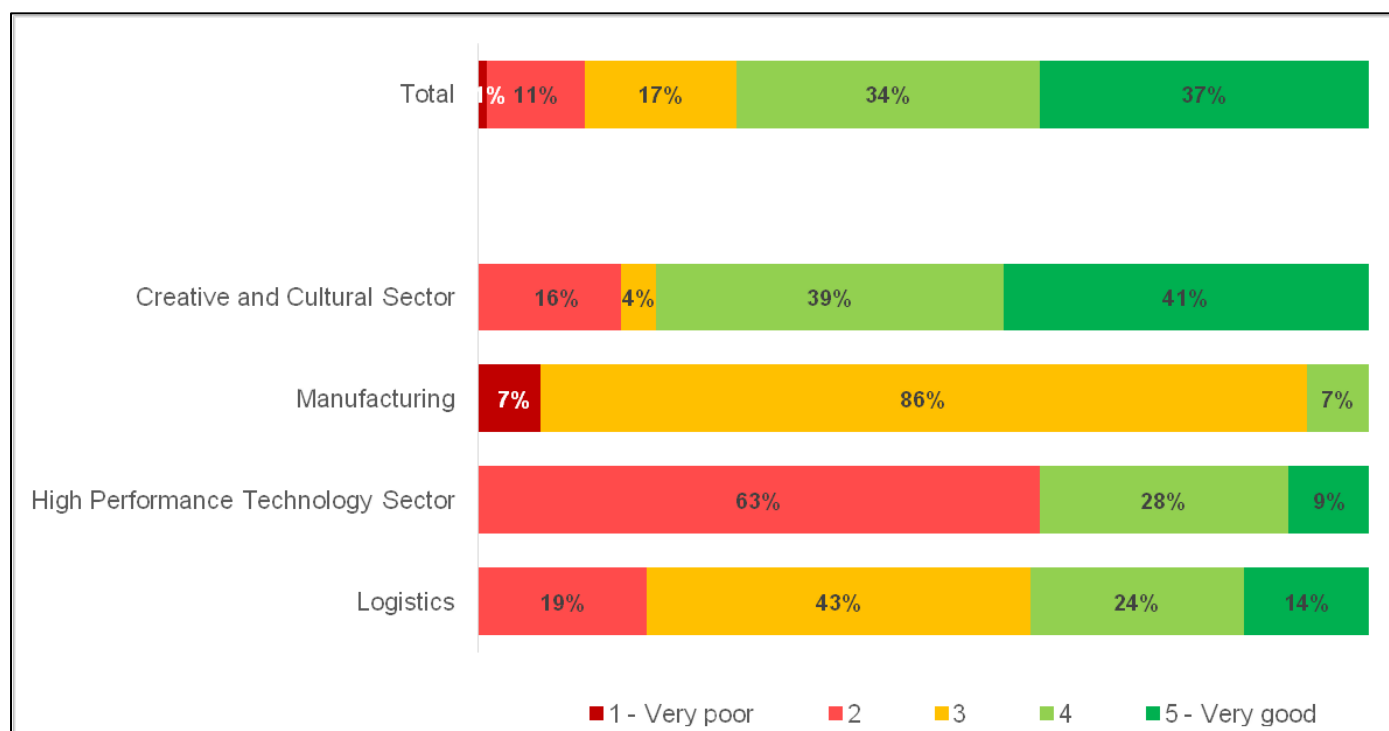
- Creative and Cultural
- Manufacturing and Advanced Technology
- High Performance Technology
- Logistics

8.2. Understanding the experiences and priorities of businesses in these sectors will help Central Bedfordshire develop targeted measures to support the growth of these sectors. This section analyses the findings of the survey by these four showcase sectors. Please note, that due to low sample sizes, the differences between sectors and over time should be treated indicatively rather than conclusively.

## Quality of local area

8.3. Ratings of the local area as a place to do business varied across the showcase sectors. Businesses in the Creative and Cultural sector were more likely to rate the area as “good”, giving it 4 or 5 out of 5.

**Figure 8.1: Businesses’ rating of their local area as a place to do business, by showcase sector**

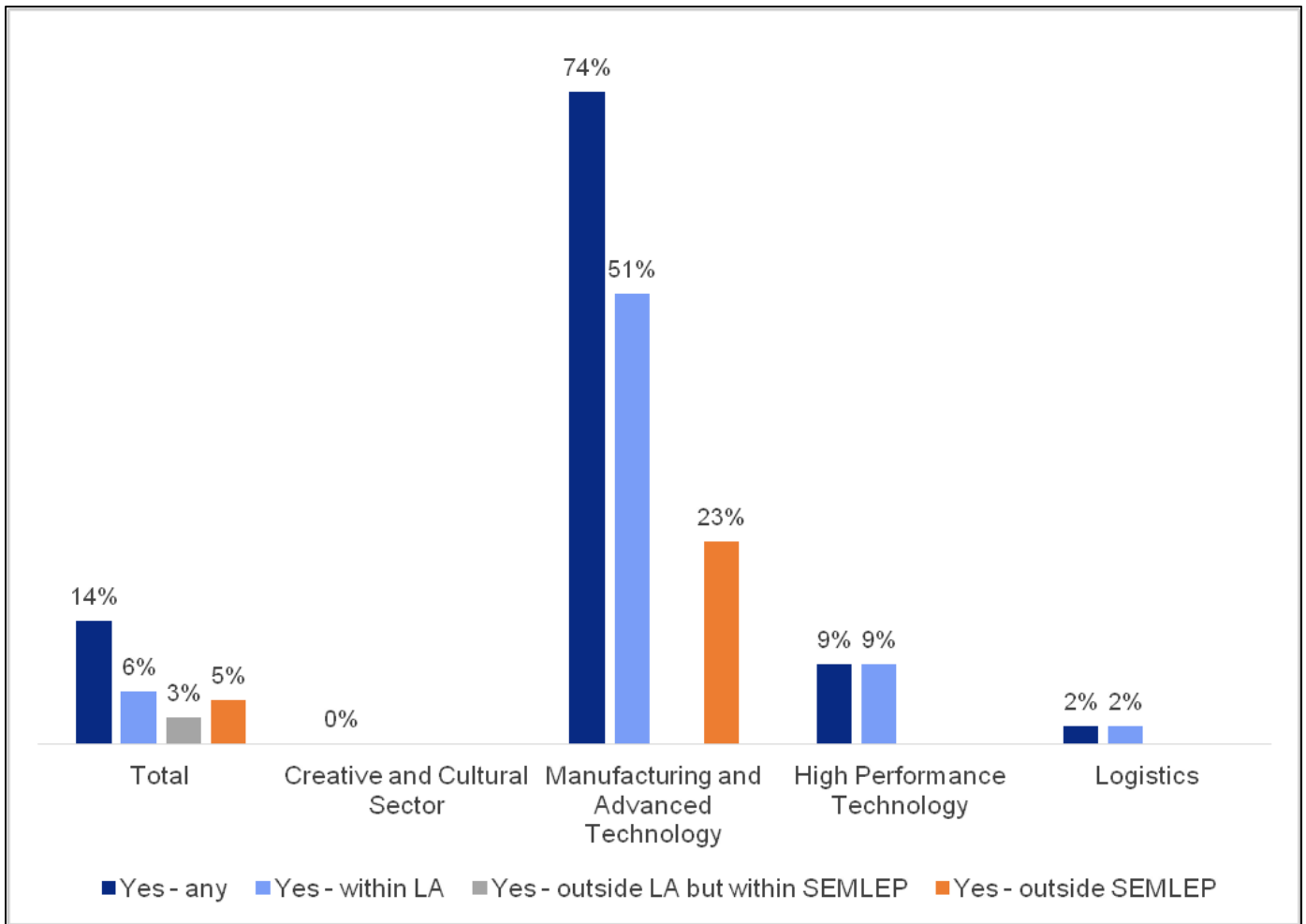


Number of respondents: Total 241; Creative and Cultural 42, Manufacturing and Advanced Technology 15, High Performance Technology 9, Logistics 30.

Question asked: Overall, how do you rate your location as a place to do business?

8.4. Businesses in Manufacturing and Advanced Technology were more likely than average to be looking to relocate.

**Figure 8.2: Whether businesses are considering relocating and if so where to, by showcase sector**



Number of respondents: Total 254; Creative and Cultural 45, Manufacturing and Advanced Technology 15, High Performance Technology 9, Logistics 33. Excludes 'don't know' responses.

Question asked: Are you thinking of relocating your business?

## **Business support**

- 8.5. Businesses in the Creative and Cultural sector had sought advice most commonly through private sector professionals (such as accountants, solicitors, etc.), other business owners and family and friends. They were less likely than average to have used Central Government sources.
- 8.6. Businesses in the Logistics and High Performance Technology sectors were less likely than average to have sought advice from private sector professionals and other business owners.

**Figure 8.3: Sources of business support used by showcase sectors**

	Total	Creative and Cultural	Manufacturing and Advanced Technology	High Performance Technology	Logistics
Number of interviews (unweighted)	257	45	15	9	33
	%	%	%	%	%
Private sector professional (e.g. Solicitor, Accountant, Bank, etc.)	78	99	93	37	56
Other Business Owners	64	69	70	-	38
Family/Friends	59	69	58	63	64
Web-based business advice	39	49	51	-	36
Central Government department or Government body (e.g. HMRC, Jobcentre Plus, Department for International Trade, Innovate UK)	34	9	20	72	54
Trade Association	23	16	42	28	4
Your local Council	22	30	30	28	2
Recruitment Agency	17	18	42	37	22
Chamber of Commerce	16	16	42	9	4
Marketing Agency	14	14	30	-	16
University/College	12	21	30	-	-
National Apprenticeship Service	9	-	23	28	16
BeCentralBedfordshire web portal (CBC only)	3	-	-	-	-
Your local business improvement district	2	4	-	-	-
Central Bedfordshire's business support team (CBC only)	1	-	-	-	-
SEMLEP's Growth Hub	1	-	7	-	-
Velocity Growth Hub	0	-	-	-	-
None of the above	7	1	-	-	4

Question asked: Have you used any of the following for business advice or support in the past 12 months?

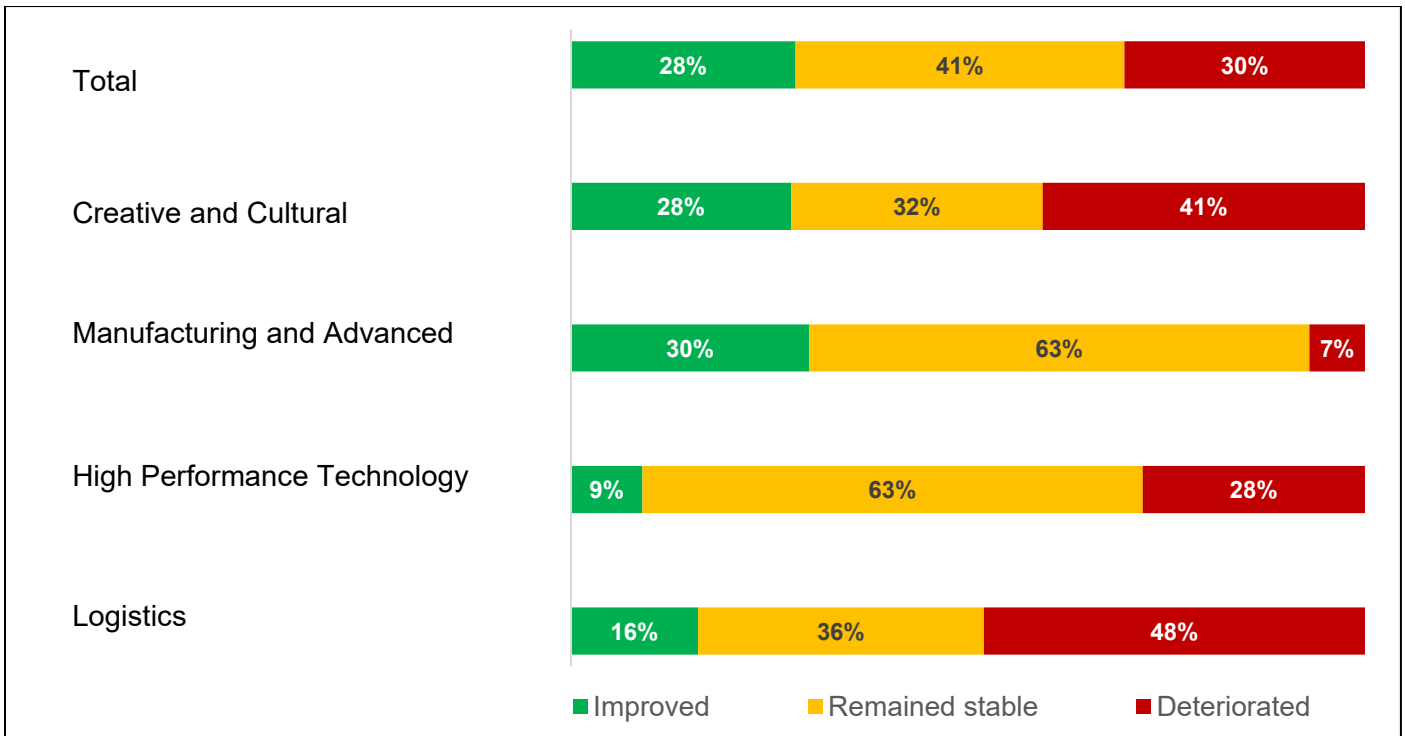
"-" denotes a figure of zero.

- 8.7. Almost none of the businesses from the showcase sectors had used any of the growth hubs as a source of advice.
- 8.8. This is linked to low awareness of the service: a quarter of businesses in the showcase sectors were aware of at least one of: SEMLEP's Growth Hub, Velocity Growth Hub or Northamptonshire Growth Hub (24%).

## Business performance

8.9. Performance figures for the Logistics sector are lower than the average, at just 16% seeing an improvement in business performance and 48% a deterioration, meaning that in the past year performance got worse for more businesses in this sector than it improved for.

**Figure 8.4: Business performance over the past 12 months, by showcase sector**

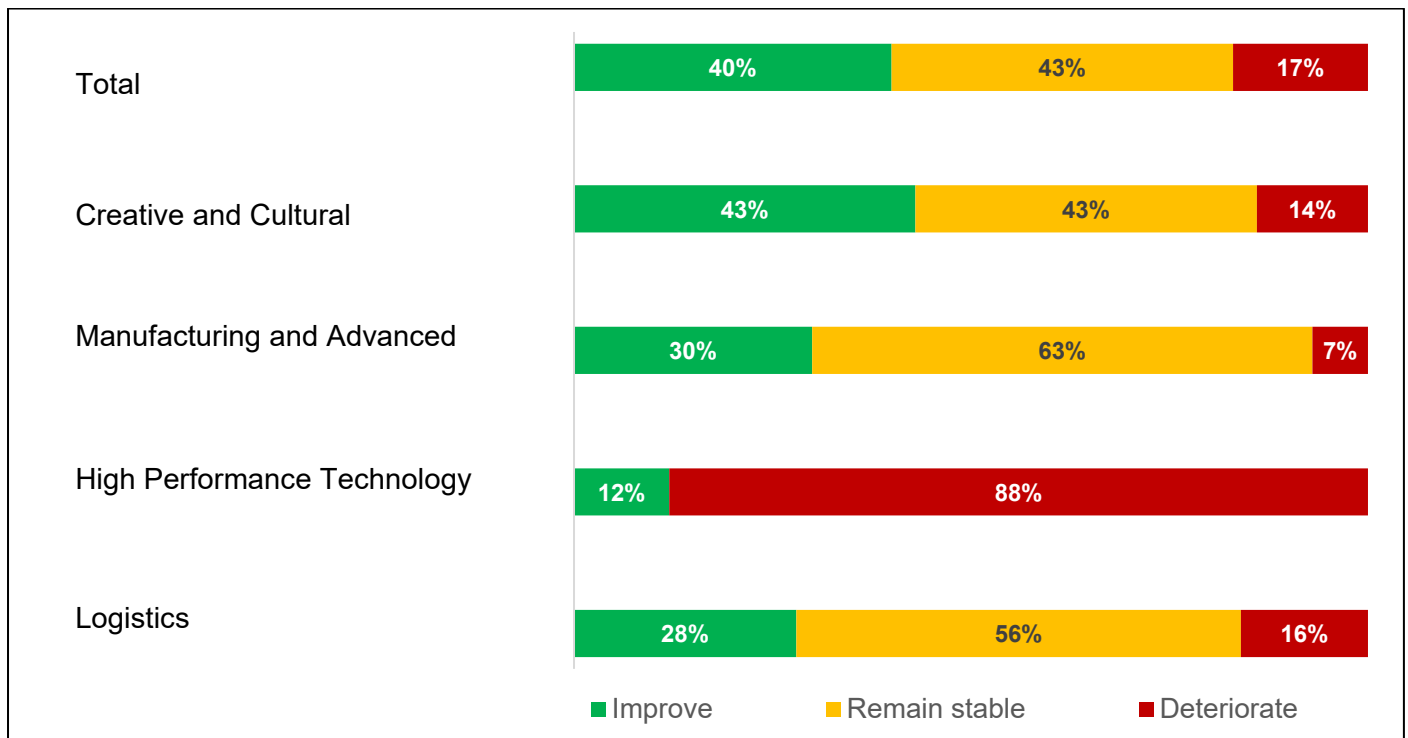


Number of respondents: Total 257, Creative and Cultural 45, Manufacturing and Advanced Technology 15, High Performance Technology 9, Logistics 33.

Question asked: Would you say that, overall, your business performance in the past 12 months has improved, remained stable or deteriorated?

8.10. Optimism on future business performance varies by showcase sector. Creative and Cultural sector businesses are optimistic about the future.

**Figure 8.5: Expected future business performance by showcase sector**

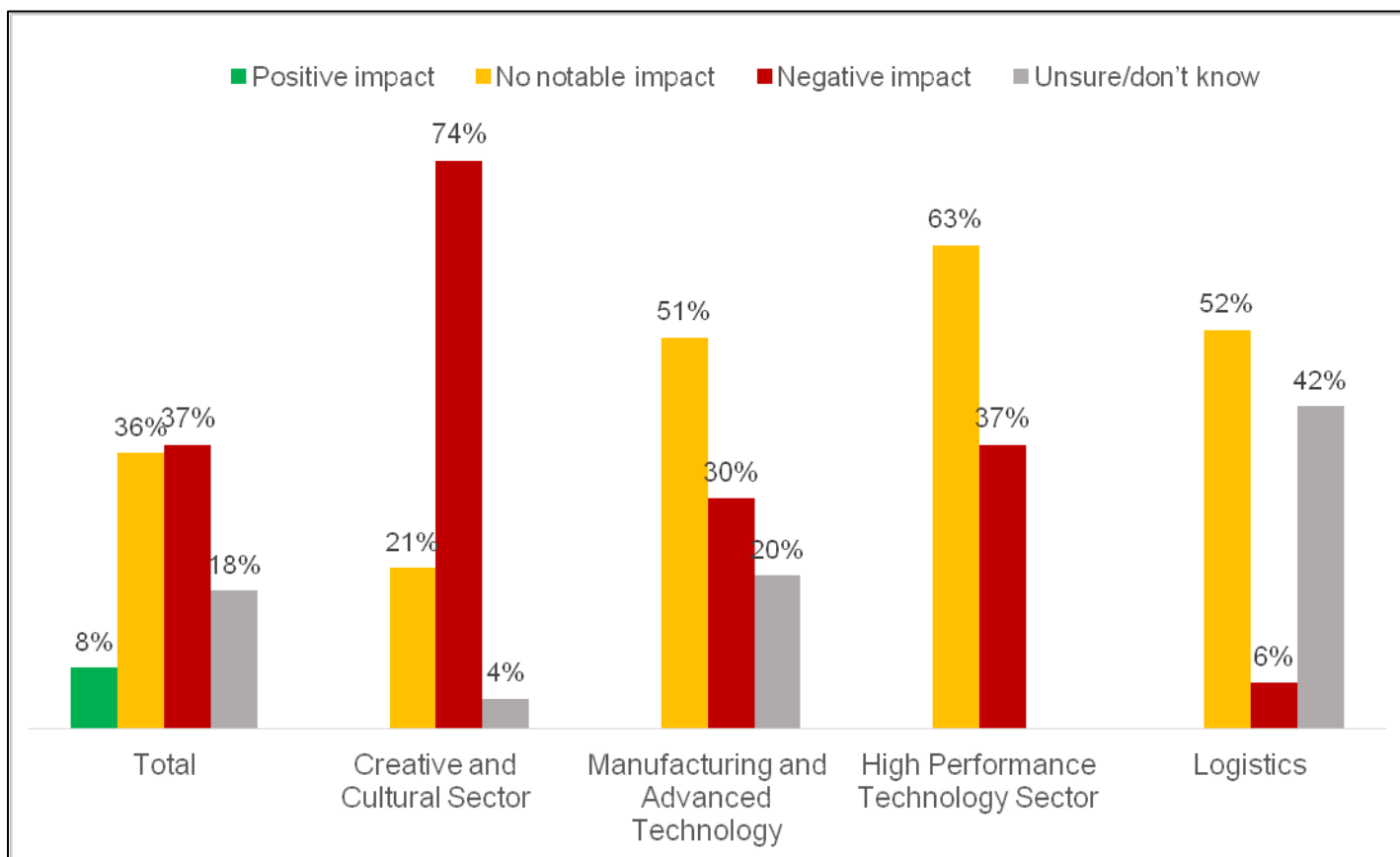


Number of respondents: Total 236, Creative and Cultural 42, Manufacturing and Advanced Technology 15, High Performance Technology 6, Logistics 33.

Question asked: Over the next 12 months, do you expect your business performance to improve, remain stable or deteriorate?

- 8.11. Businesses in the showcase sectors were not positive about the predicted impact of leaving the EU.
- 8.12. Three quarters of businesses in the Creative and Cultural sector expect the impact to be negative and none are expecting a positive impact. This is perhaps related to their pessimistic outlook on the coming year; the UK's exit from the EU was the most commonly cited constraint on business growth for this sector.
- 8.13. Two fifths of businesses in the Logistics sector are saying they still don't know what the impact will be on their business, which will be making planning for the coming year very difficult in this sector.

**Figure 8.6: Expected impact of leaving the EU by showcase sector**



Number of respondents: Total 257, Creative and Cultural 45, Manufacturing and Advanced Technology 15, High Performance Technology 9, Logistics 33.

Question asked: Overall, what do you think will be the impact on your business, if any, of leaving the European Union?

- 8.14. When asked about their main concerns about the UK's exit from the EU and its impact on their business, priorities differed by sector.
- 8.15. Businesses in the Creative and Cultural sector were most likely to be concerned about loss of business, with a third citing this as a concern.
- 8.16. More than half of the businesses in the Logistics sector had no concerns (56%) (compared to about a third of the Central Bedfordshire population as a whole); of those that did, exporting and importing were the main issues.



**Figure 8.7: Main concerns about leaving the EU**

	Total	Creative and Cultural	Manufacturing and Advanced Technology	High Performance Technology	Logistics
Number of interviews (unweighted)	257	45	15	9	33
	%	%	%	%	%
Loss of business	14	36	7	-	-
Increased cost of business	13	17	7	-	6
Problems exporting to the EU (e.g. loss of business/increased costs of doing business)	12	17	7	-	16
Problems importing from the EU (e.g. sourcing materials and goods/increased costs of doing business)	12	1	87	9	8
Labour availability	5	-	23	-	-
Trade tariffs	2	-	14	-	-
Skills availability	1	-	23	-	-
EU funding availability	-	-	-	-	-
None of the above	31	21	-	-	56

Question asked: What are your main concerns, if any, about the UK leaving the EU and its impact on your business?  
 “-” denotes a figure of zero.

Public Perspectives Ltd  
20 Camp View Road  
St. Albans, AL1 5LL

Tel: 01727 750175

E-mail: [mark@publicperspectives.co.uk](mailto:mark@publicperspectives.co.uk)

Website: [www.publicperspectives.co.uk](http://www.publicperspectives.co.uk)

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