LEEDS CITY REGION
ENTERPRISE
PARTNERSHIP

LEEDS CITY REGION BUSINESS SURVEY 2015

LEEDS CITY REGION
ENTERPRISE PARTNERSHIP AND BMG RESEARCH

Background and method

The purpose of the survey was:

- To provide a snapshot view of business confidence, investment experiences and intentions
- To provide the LEP and the Local Authorities with a significant level of detail about the issues currently affecting businesses
- Support the LEP in monitoring and reporting progress to Government against is strategic priorities

3,003 CATI telephone interviews among:

- Private, public and voluntary/community sector
- Organisation with at least one employee

Targets were set by size, sector and district

Telephone interviews were undertaken between February and April 2015

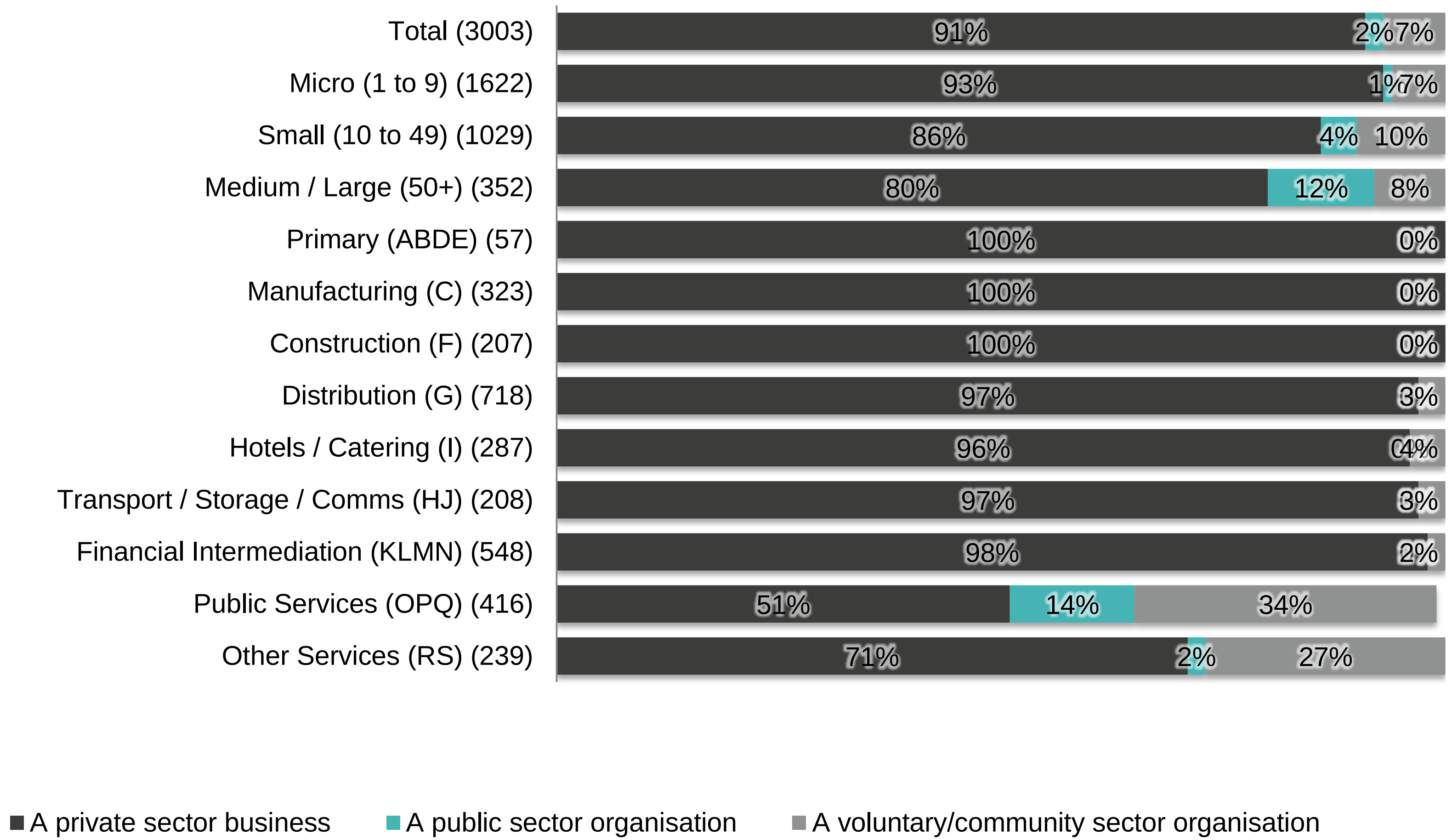
PROFILE OF ORGANISATIONS

Summary: profile of organisations

Key profile information among organisations includes:

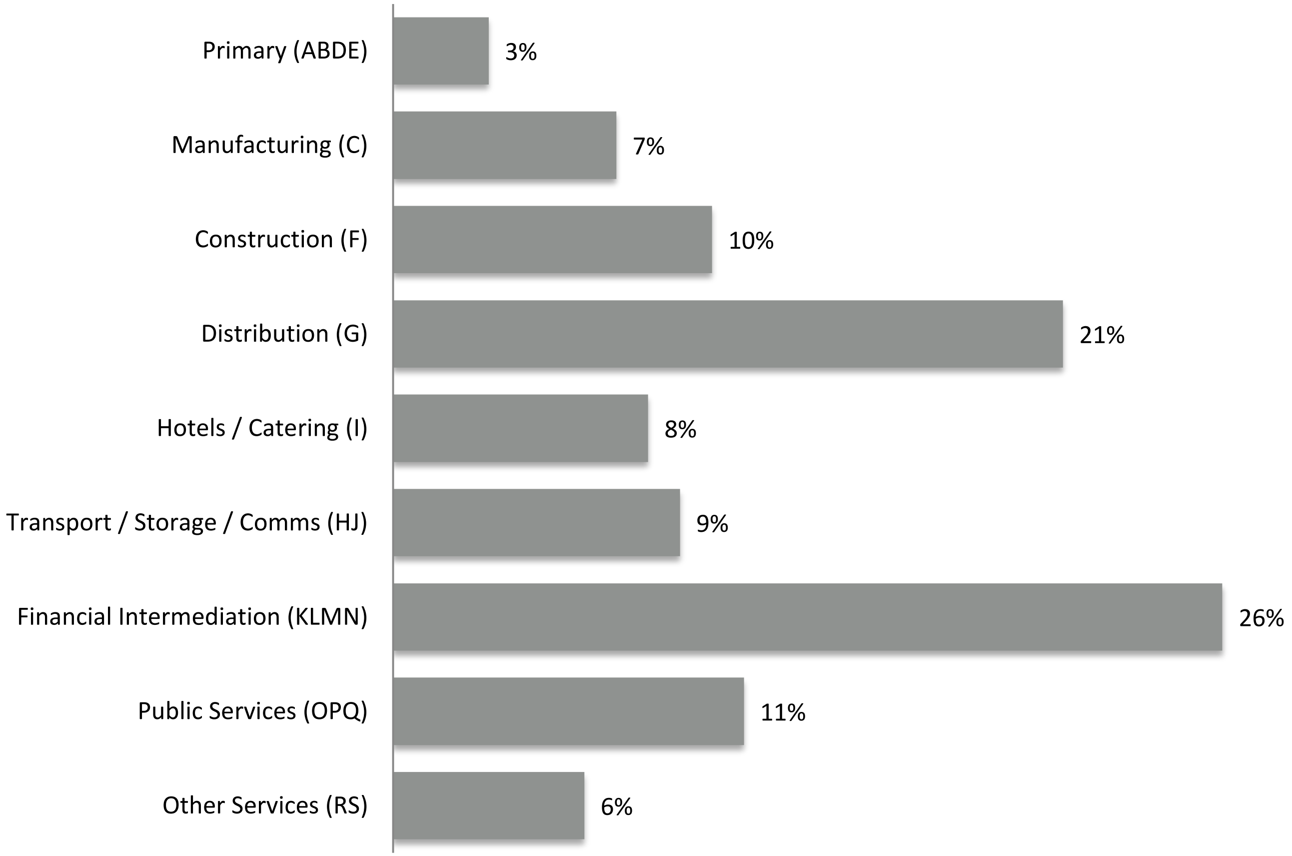
- 84% in the private sector
- 79% have 1-9 employees
- The main industry sectors are financial intermediation (26%), distribution (21%), public services (11%) and construction (10%)
- 20% classify themselves as social enterprises
- 75% are single site organisations
- 56% have been established for 10+ years

TYPES OF ORGANISATION



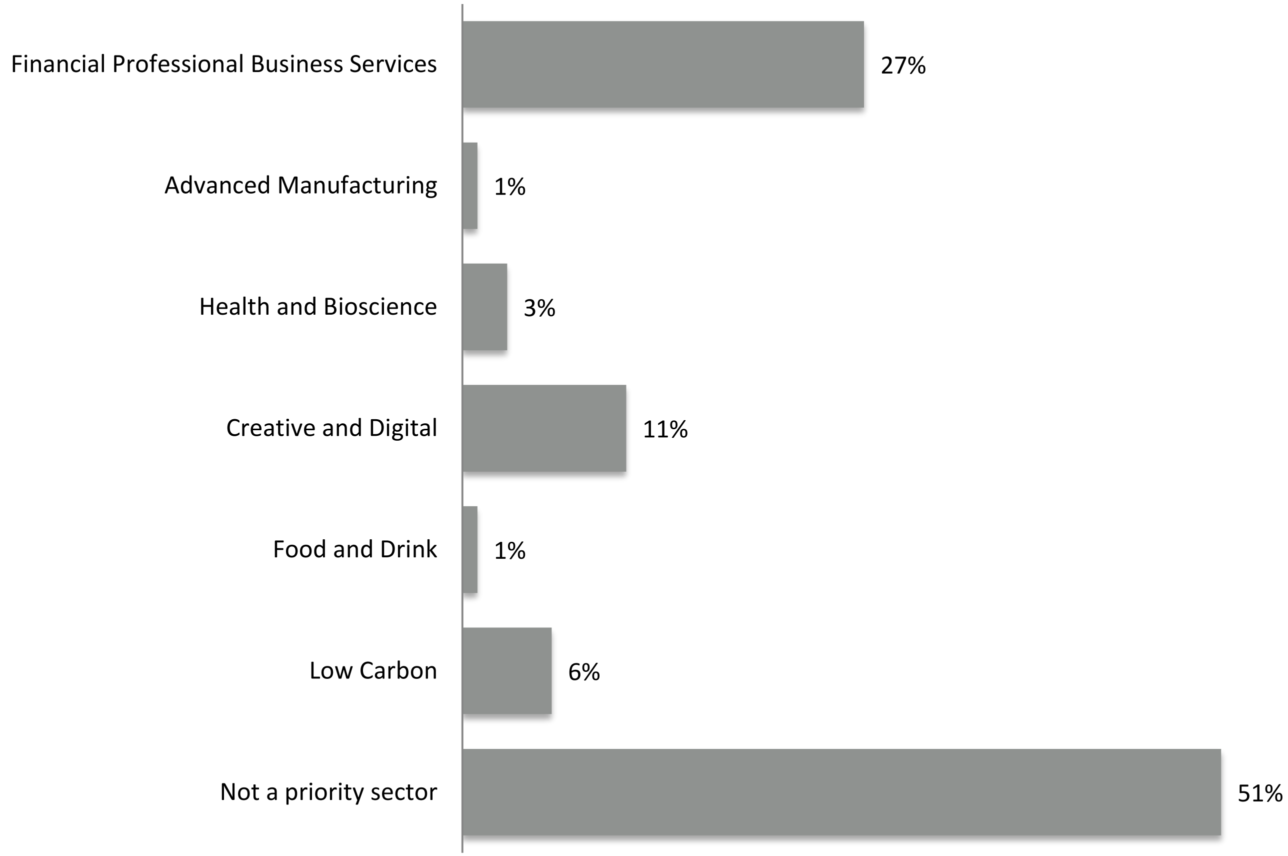
Q1. All Respondents, unweighted bases shown in brackets

INDUSTRY SECTORS



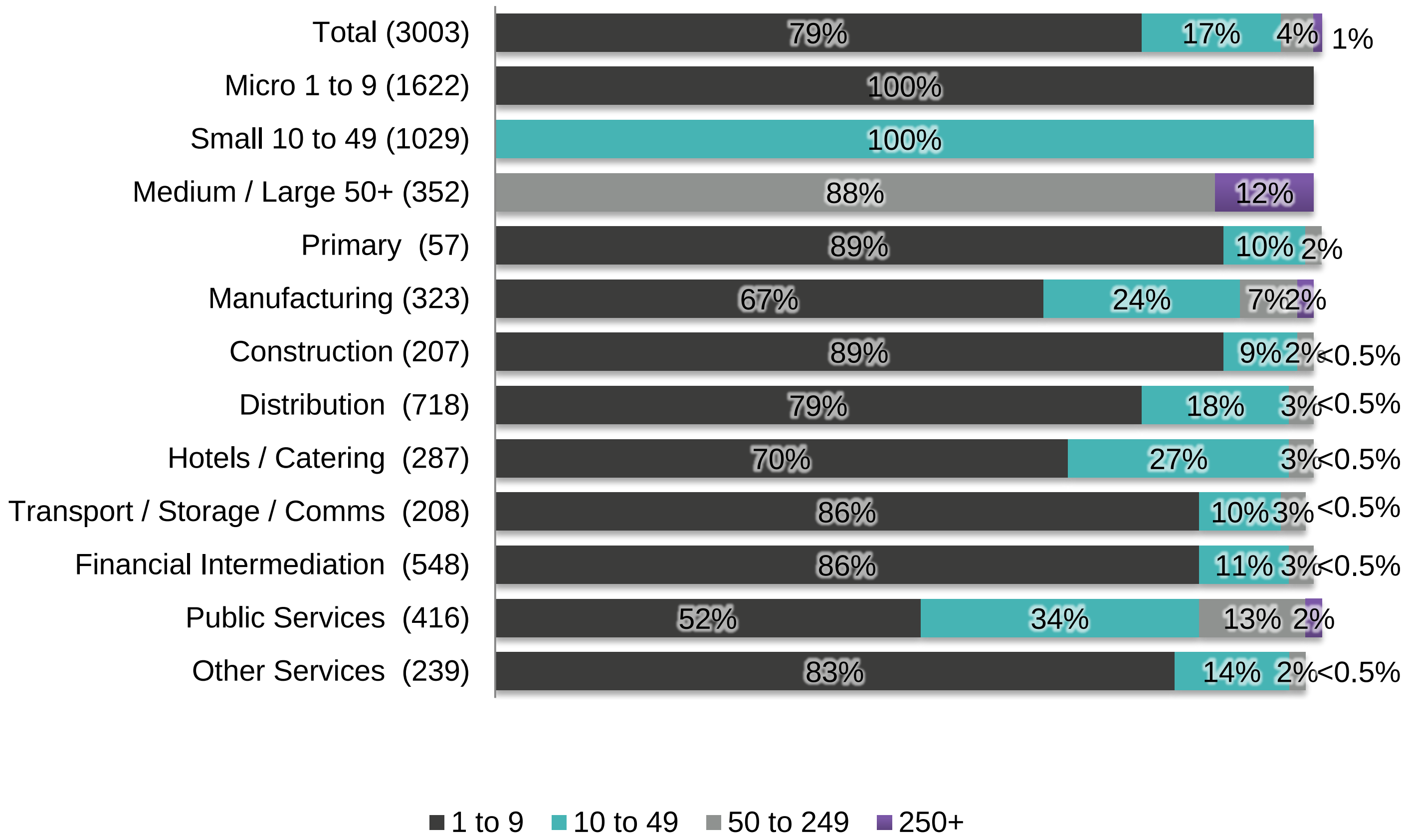
Q3. All Respondents, unweighted base=3003,

PRIORITY SECTORS



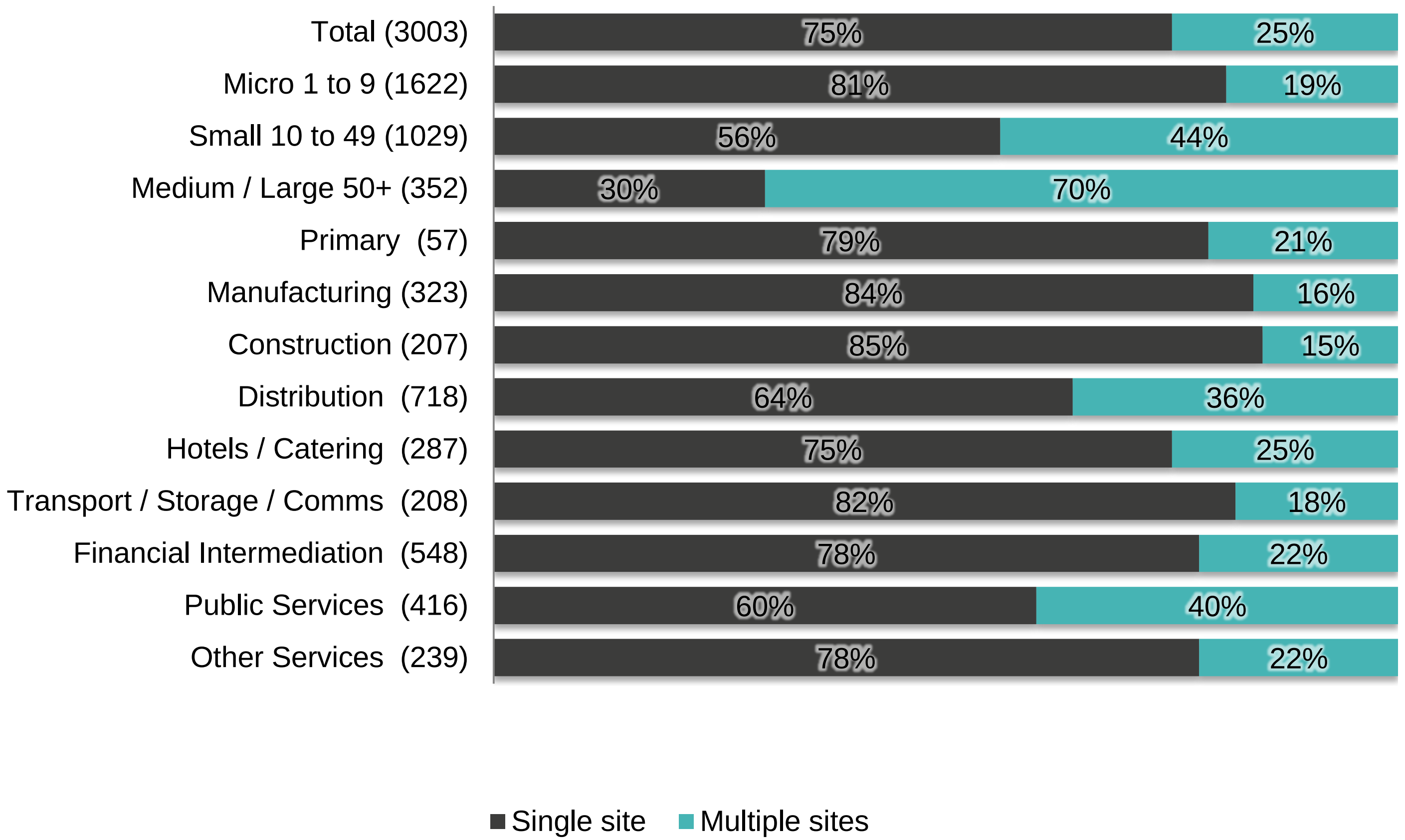
Q3. All Respondents, unweighted base=3003,

NUMBER OF EMPLOYEES



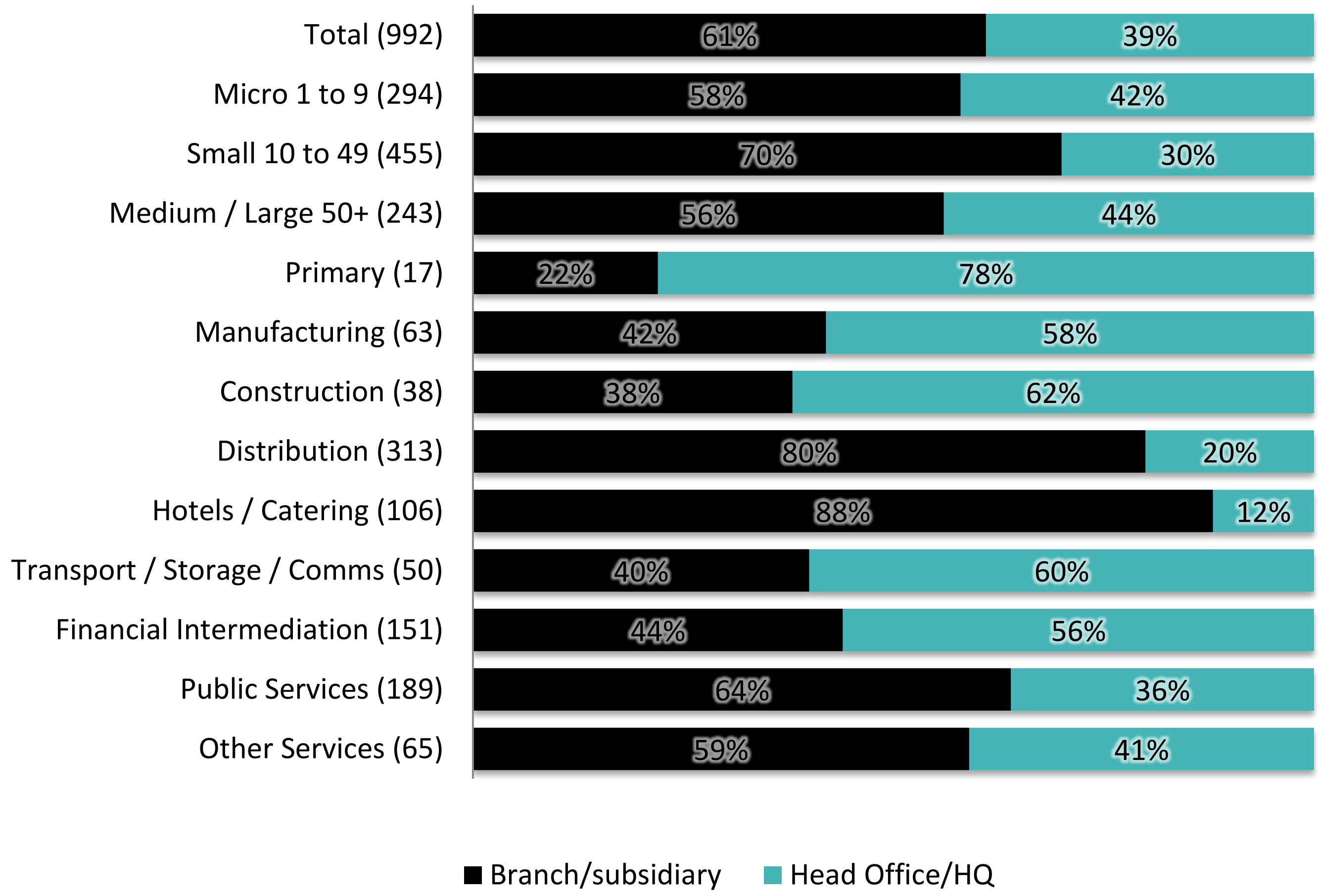
Q2. All Respondents, unweighted bases shown in brackets

NUMBER OF SITES



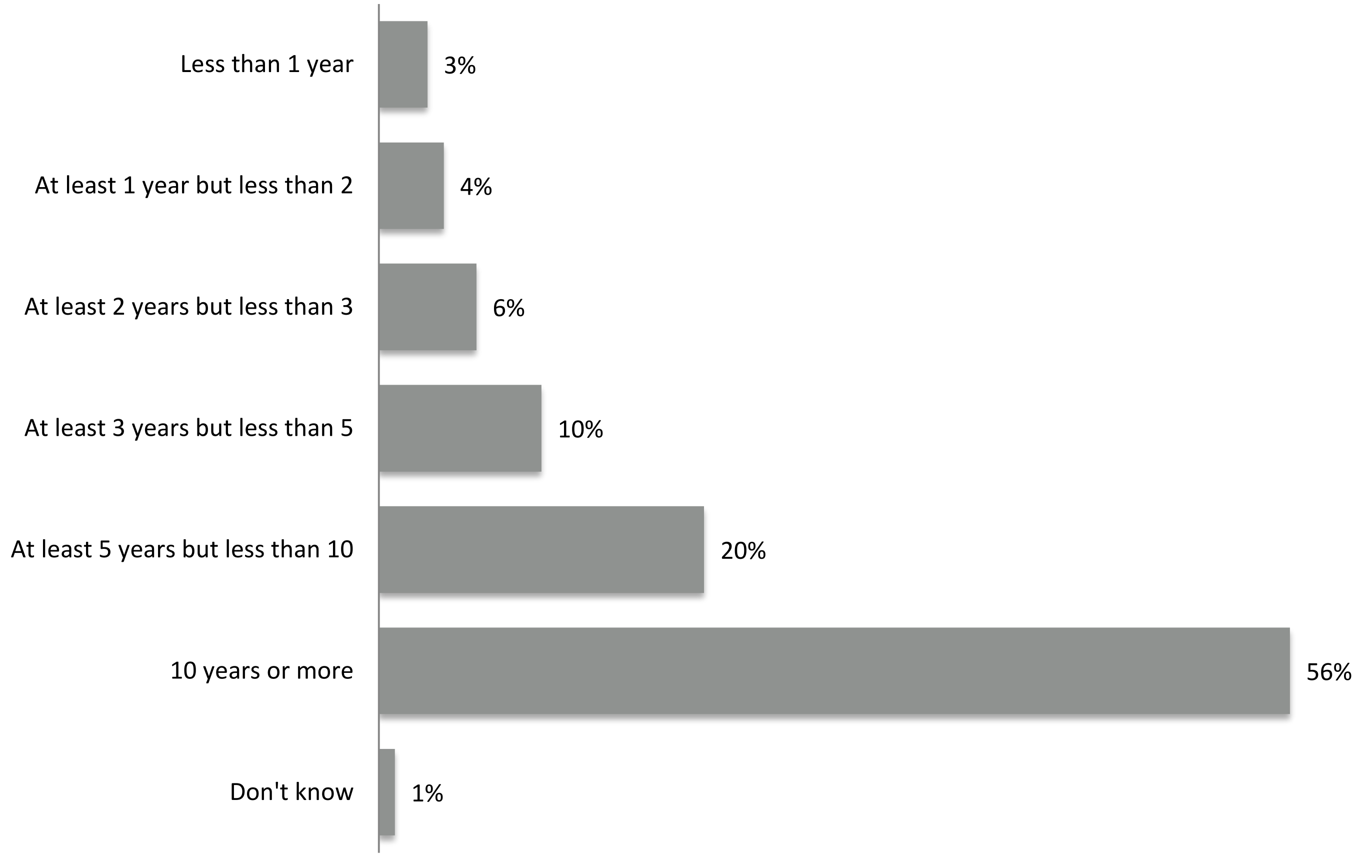
Q47. All Respondents, unweighted bases shown in brackets

BRANCH/SUBSIDIARY OR HEAD OFFICE



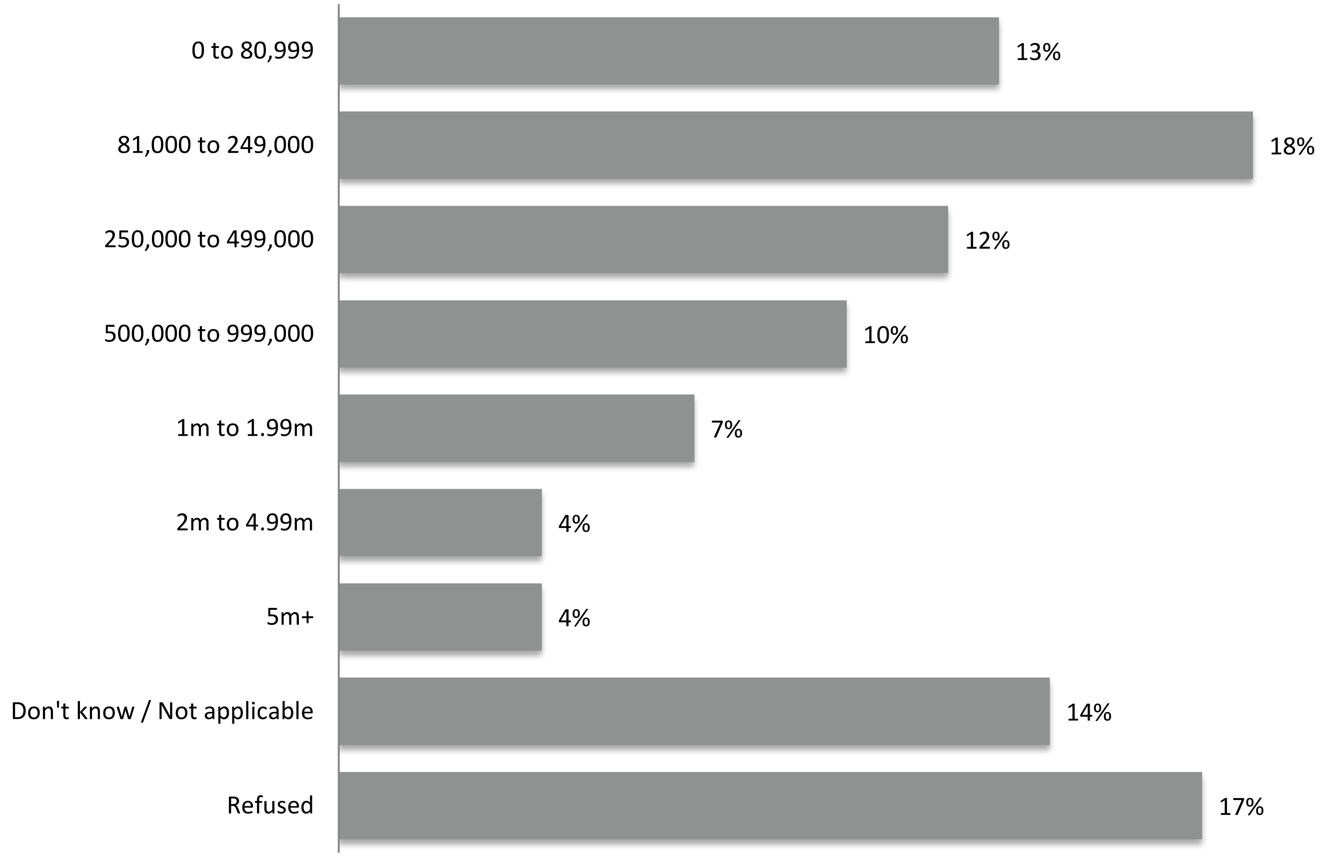
Q48/Q49. All Respondents, unweighted base=992

LENGTH IN BUSINESS



Q51. All Respondents, unweighted base=3003

APPROXIMATE ANNUAL TURNOVER (£)



Q52/53. All Respondents, unweighted base=3003

BUSINESS PERFORMANCE AND CONFIDENCE

Summary: business performance and confidence

Organisations are generally confident about turnover trends:

- 45% have experienced increased turnover in the last 12 months; 57% expect it to increase in the next 12 months

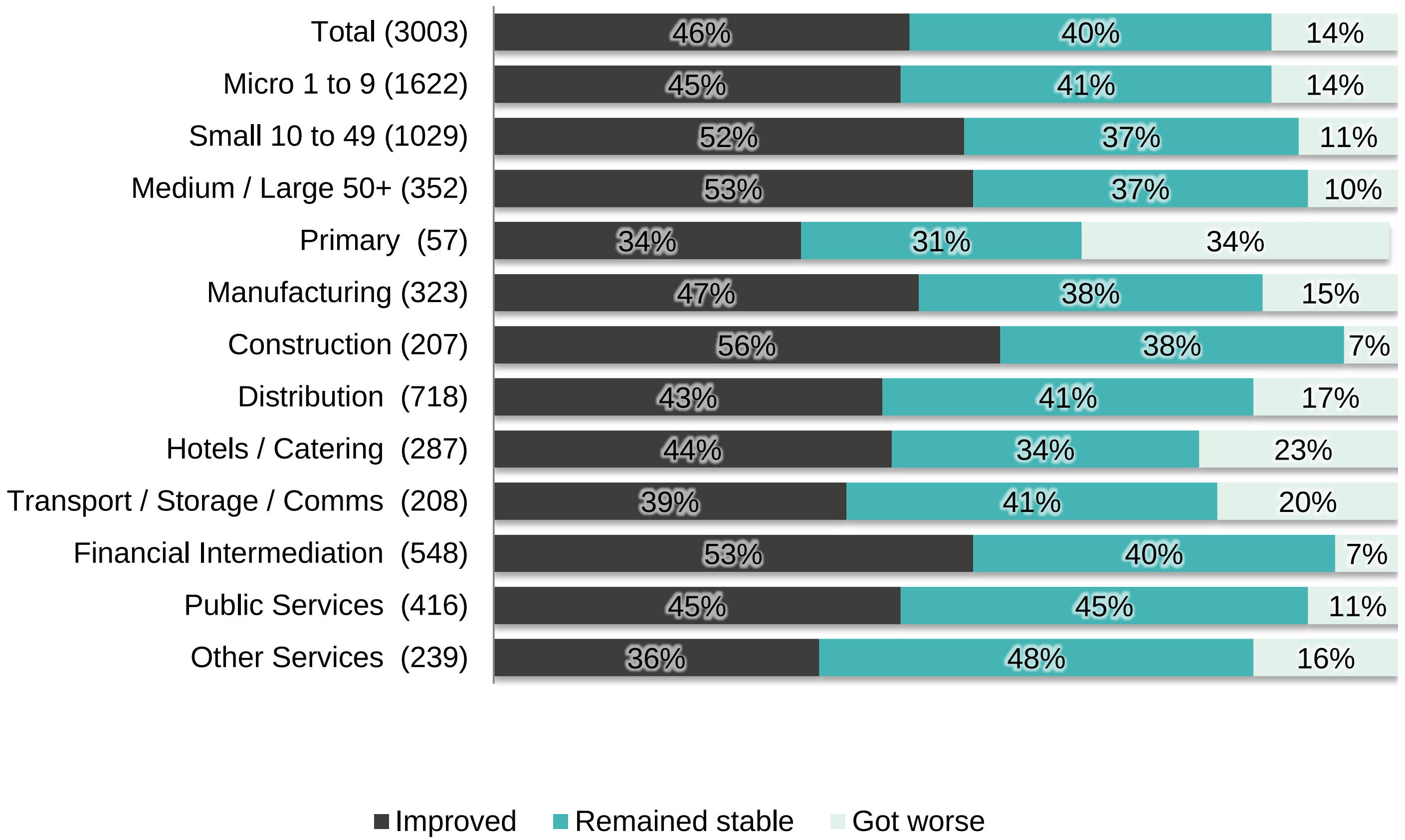
They also demonstrate confidence in business performance:

- 46% have experienced improved performance in the last 12 months; 51% expect it to improve in the next 12 months

There is less confidence in trends in staff numbers:

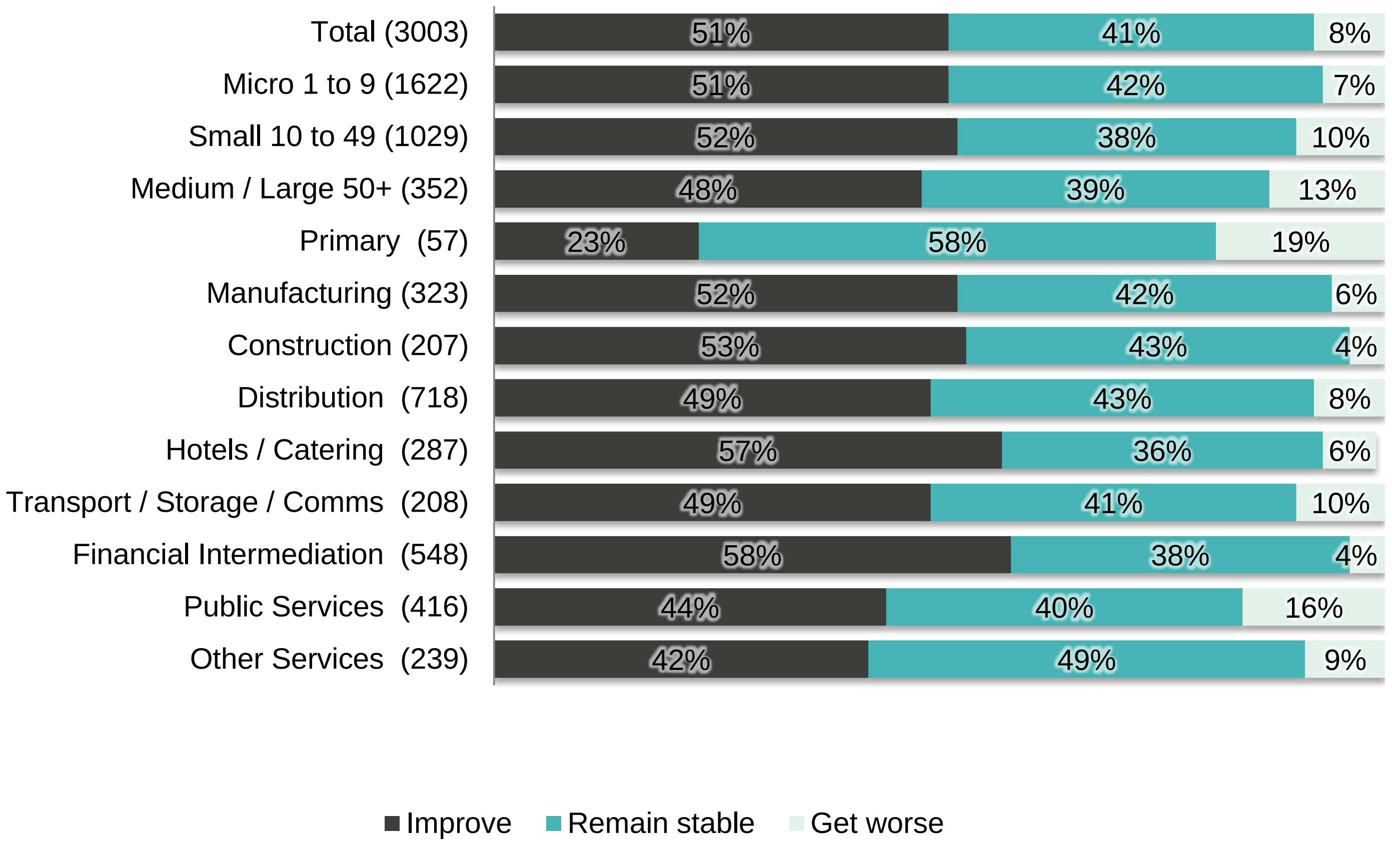
- 26% have experienced increased staff numbers; 35% expect them to increase

BUSINESS PERFORMANCE IN THE LAST 12 MONTHS



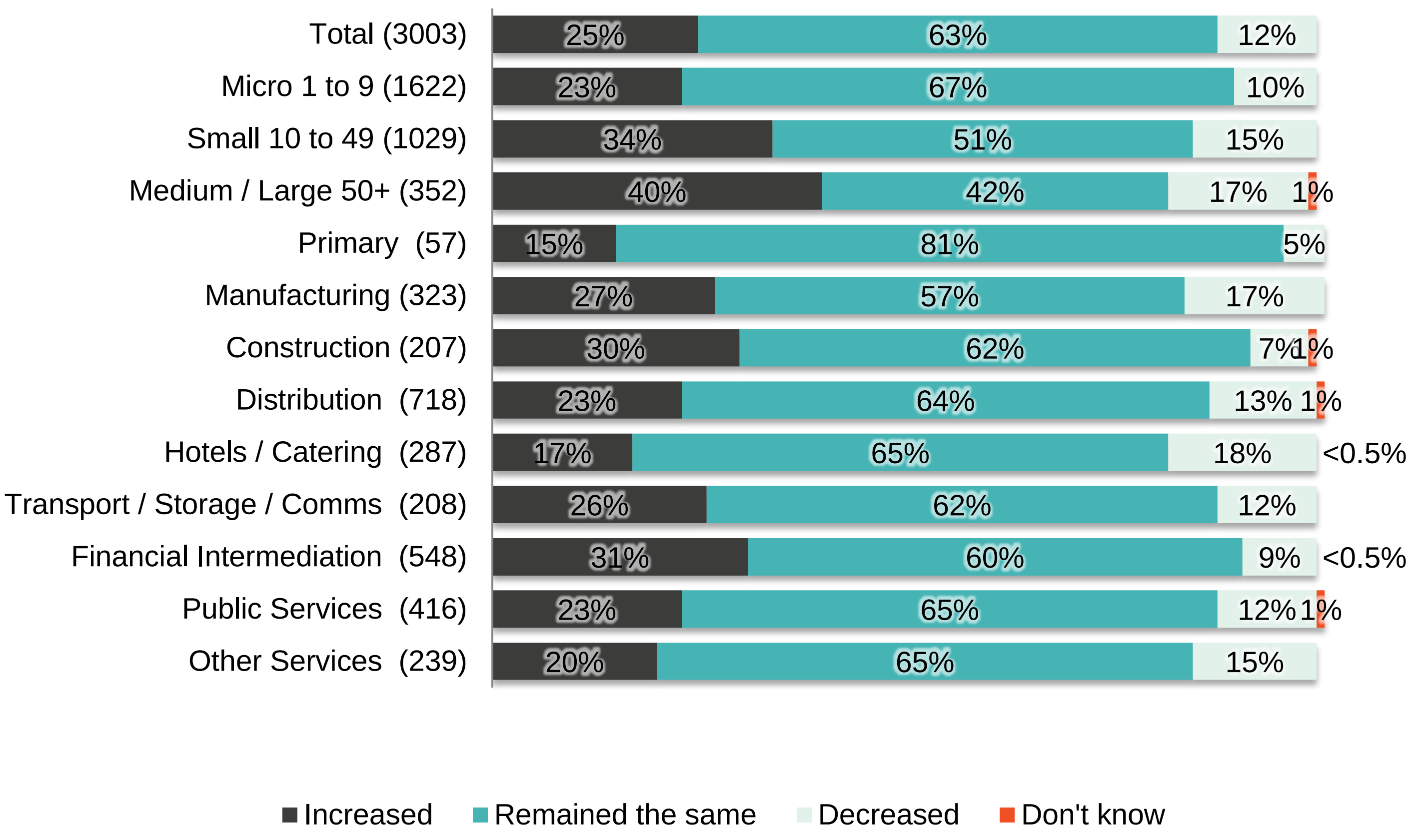
Q4. All Respondents, unweighted bases shown in brackets

BUSINESS PERFORMANCE IN THE NEXT 12 MONTHS



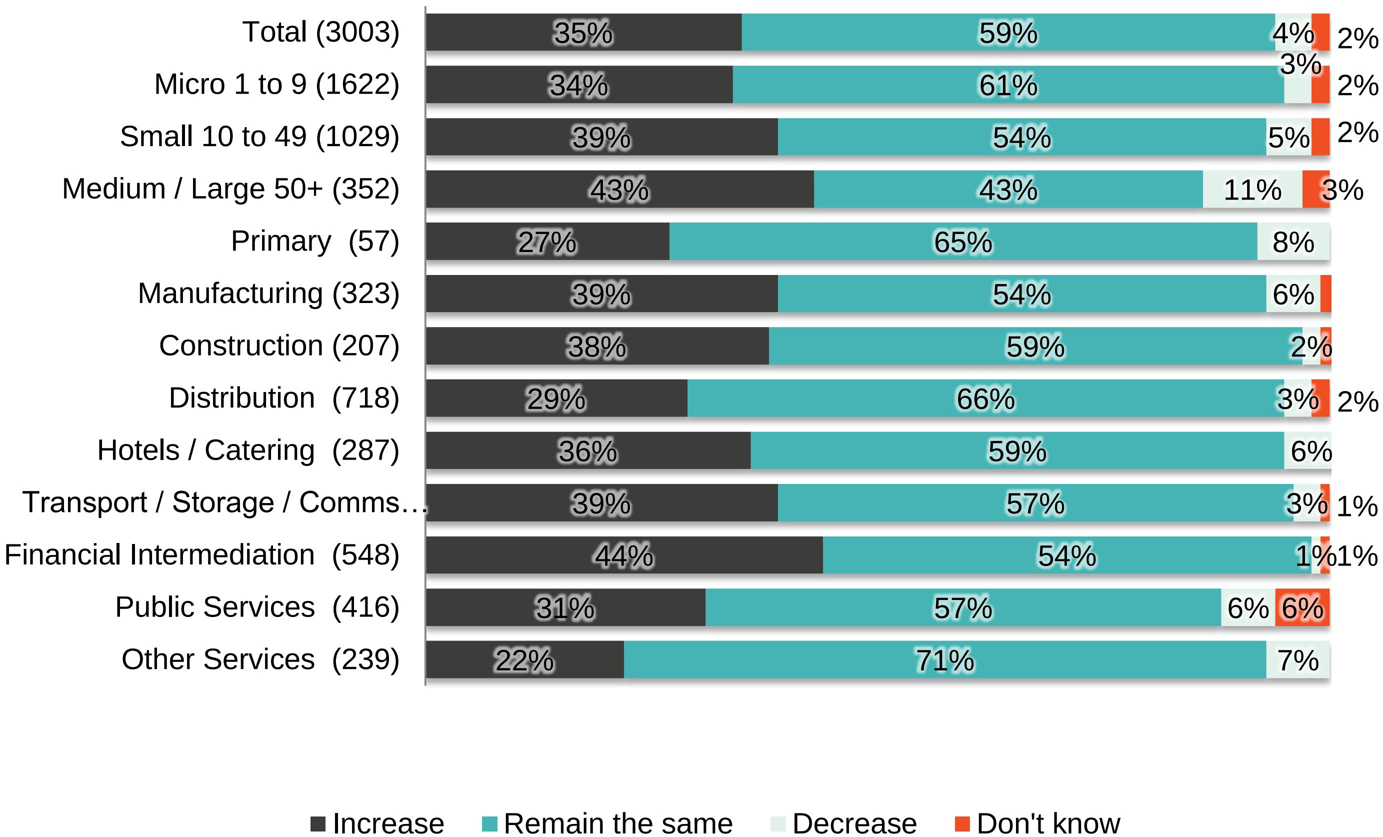
Q5. All Respondents, unweighted bases shown in brackets

TRENDS IN EMPLOYEE NUMBERS IN THE LAST 12 MONTHS



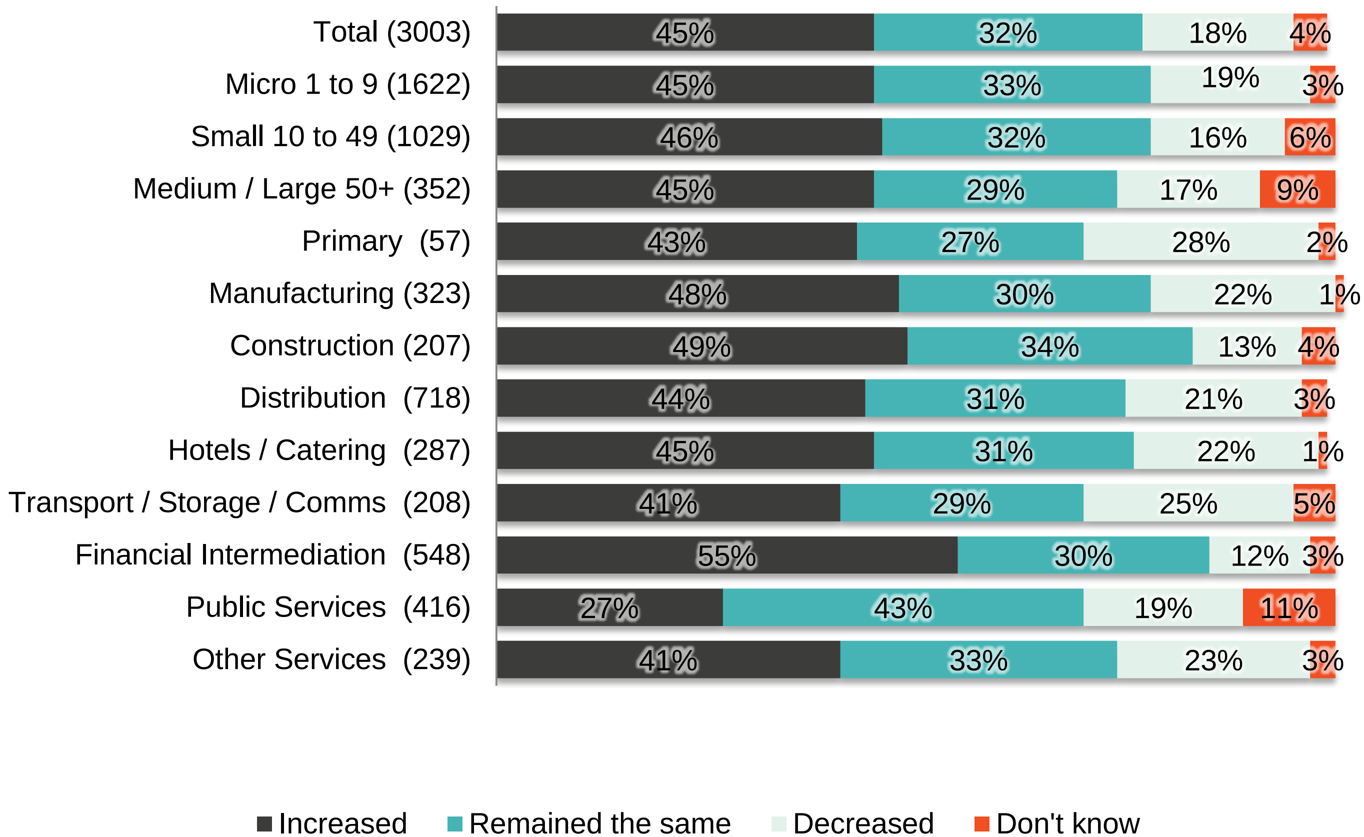
Q6. All Respondents, unweighted bases shown in brackets

TRENDS IN EMPLOYEE NUMBERS IN THE NEXT 12 MONTHS



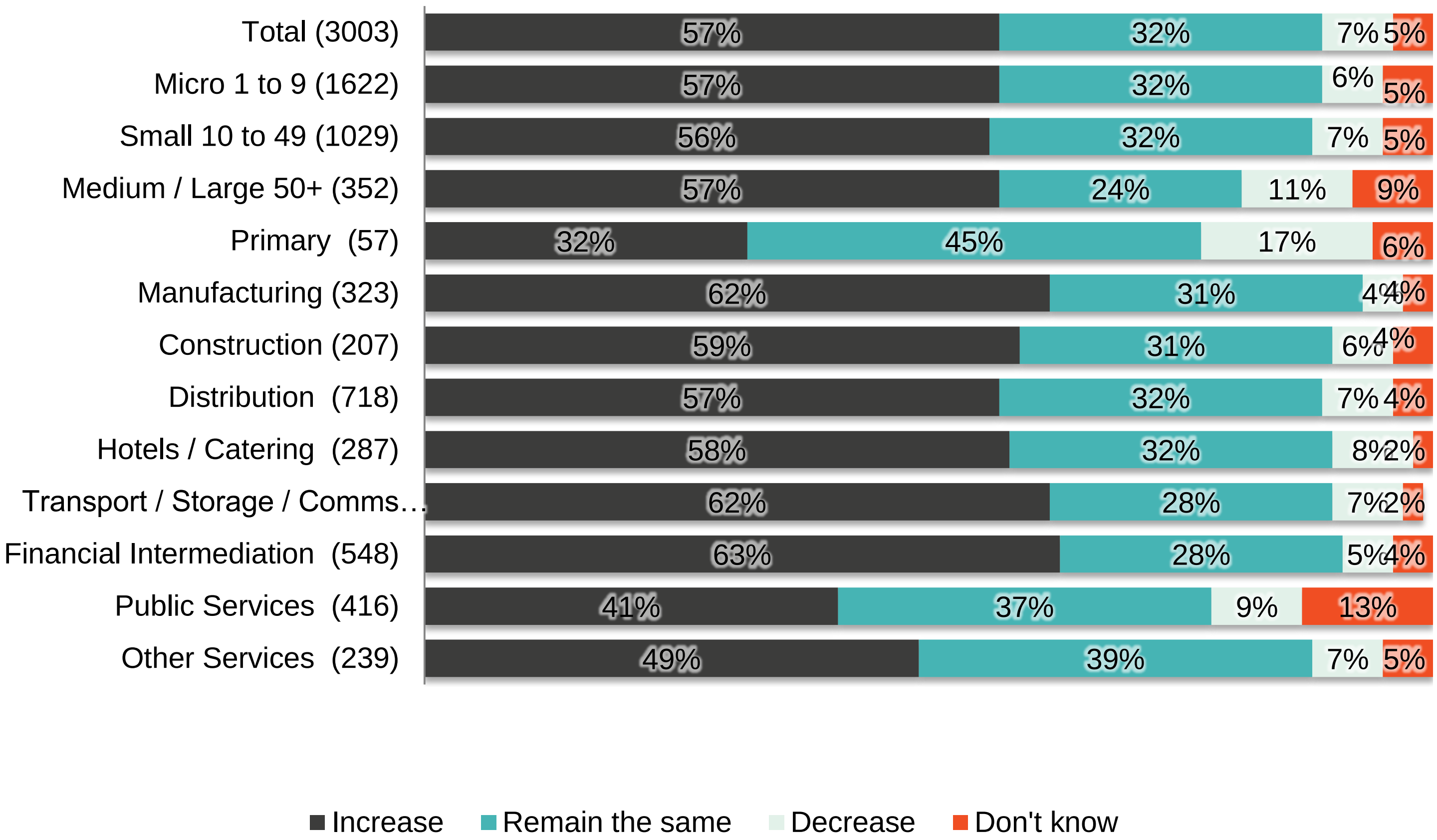
Q7. All Respondents, unweighted bases shown in brackets

TRENDS IN TURNOVER IN THE LAST 12 MONTHS



Q8. All Respondents, unweighted bases shown in brackets

TRENDS IN TURNOVER IN THE NEXT 12 MONTHS



Q9. All Respondents, unweighted bases shown in brackets

BUSINESS INVESTMENT AND BARRIERS TO GROWTH

Summary: business investment and barriers to growth (1)

36% of organisations experienced invested more in the last 12 months than the previous 12 months, 9% invested less

Higher investments have been experienced in each investment area

- Marketing/sales (28%)
- Training (27%)
- Plant and machinery (21%)
- Buildings (16%)

There is even more optimism for the next 12 months, with higher investments expected in each investment area

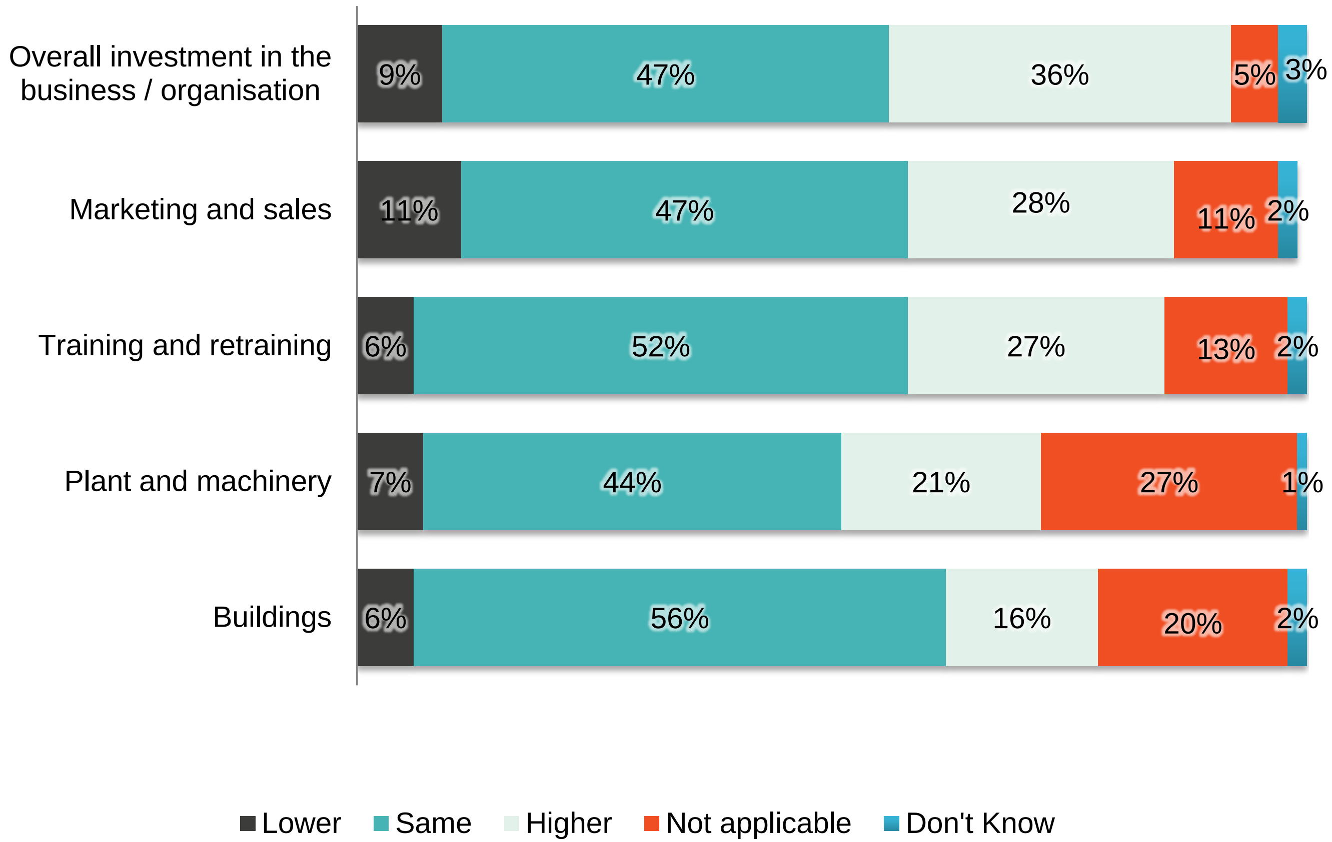
- Marketing/sales (39%)
- Training (35%)
- Plant/machinery (28%)
- Buildings (20%)

Summary: business investment and barriers to growth (2)

However, 85% mention barriers to growth, with the main ones being:

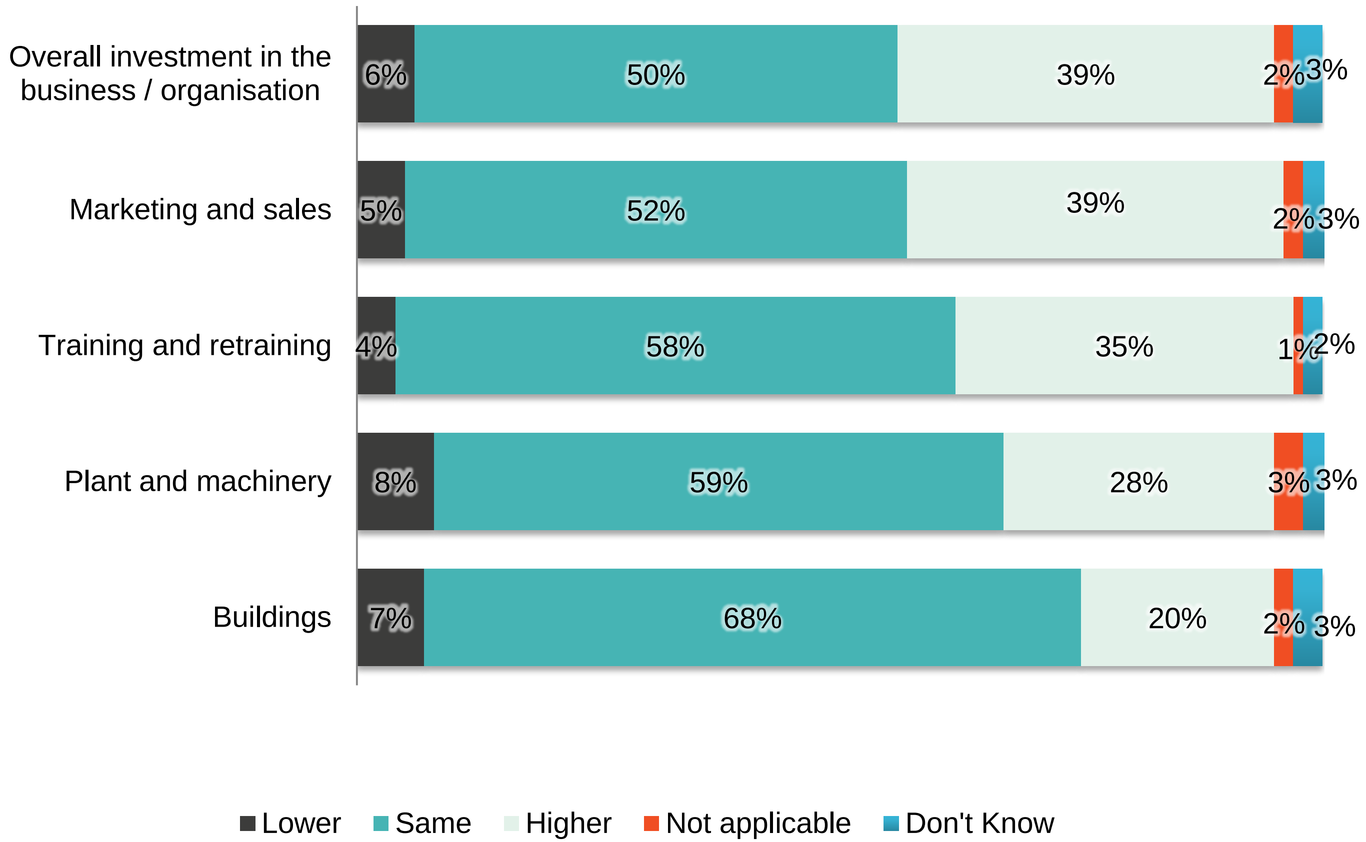
- Access to finance (17%)
- Level of competition (13%)
- Decline in demand for goods/services (11%)
- Cash flow (10%)

TRENDS IN INVESTMENT IN THE LAST 12 MONTHS



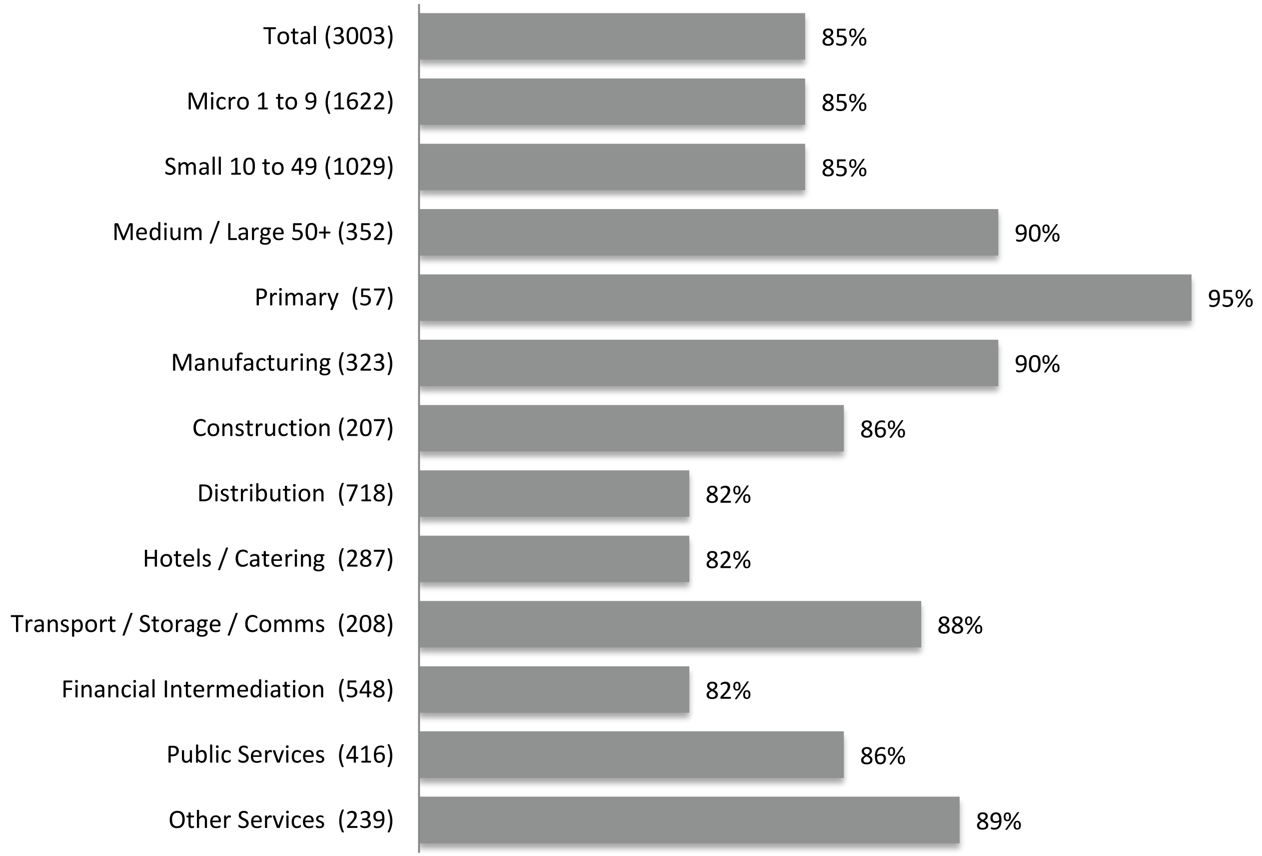
Q10. All Respondents, unweighted base = 3003

TRENDS IN INVESTMENT IN THE NEXT 12 MONTHS



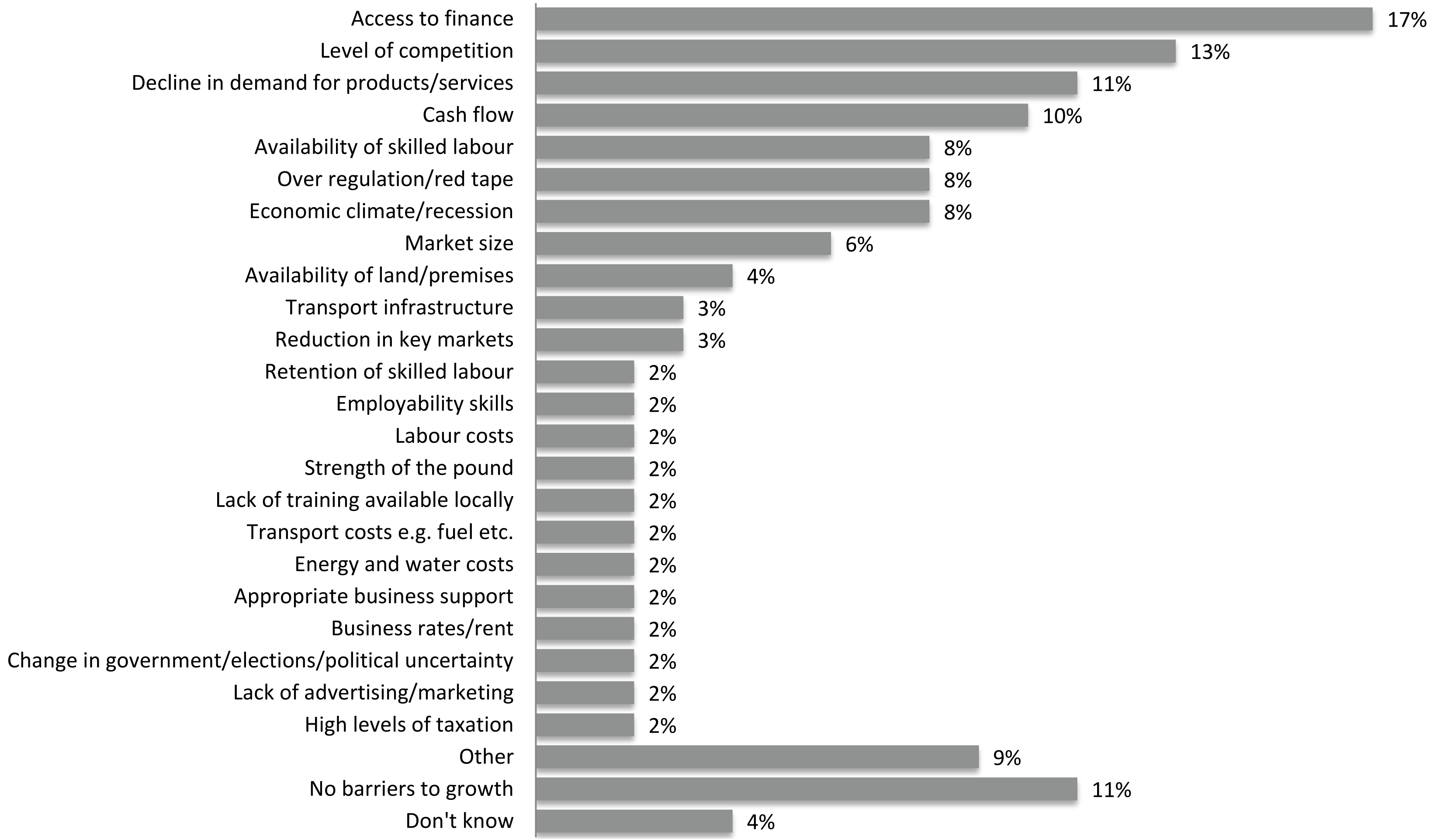
Q11. All Respondents, unweighted base = 3003

PROPORTION OF ORGANISATIONS THAT HAVE IDENTIFIED BARRIERS TO GROWTH



Q12 All Respondents, unweighted bases shown in brackets

THE MAIN BARRIERS TO BUSINESS GROWTH



Q12 All Respondents, unweighted base=3003

BUSINESS SUPPORT

Summary: business support (1)

50% of organisations have a written business plan

64% have sought independent advice in the last 12 months, with the main areas being:

- Statutory legislation (29%)
- Workforce skills and training (29%)
- Marketing (27%)
- Finance/grants (24%)

39% of businesses are aware of LEP services, the main ones being:

- Apprenticeship support (26%)
- Broadband support (18%)
- Training/skills support (18%)
- General business support (17%)

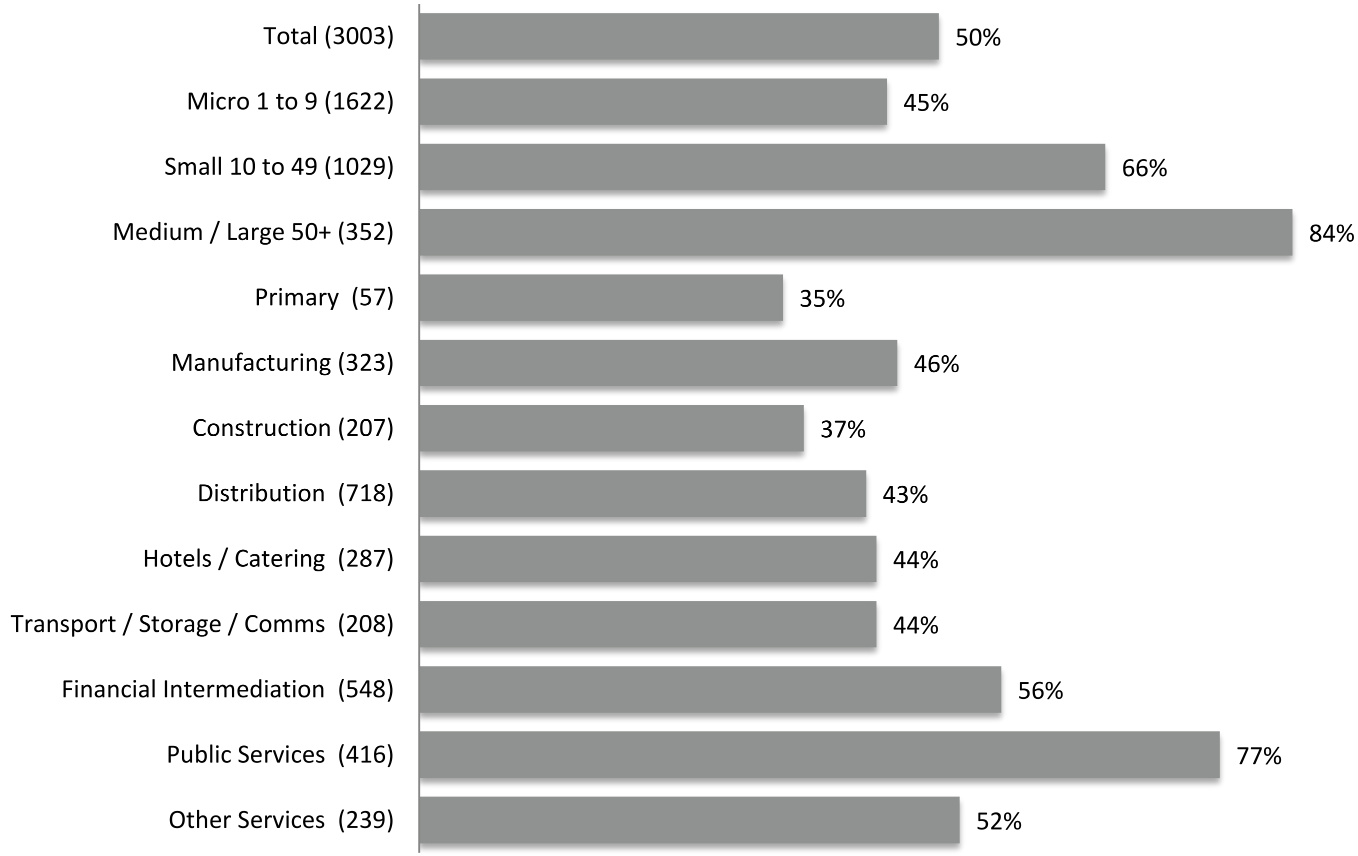
Summary: business support (2)

26% of those aware of any LEP services have used some of them

60% of all organisations would like to receive further information, particularly:

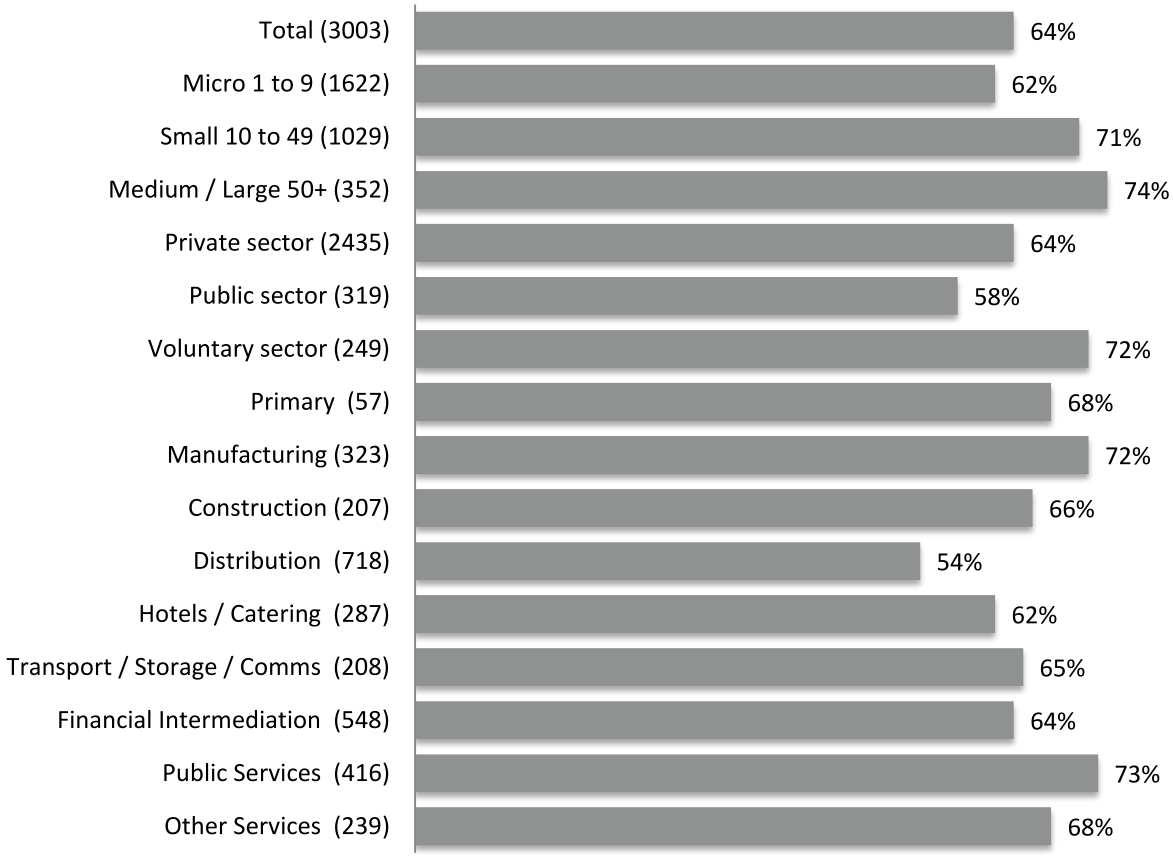
- Grants/loans (50%)
- Skills/training/apprenticeships (37%)
- Resources efficiency (28%)
- Broadband (28%)
- Business planning (28%)

PROPORTION OF ORGANISATIONS WITH A WRITTEN BUSINESS PLAN



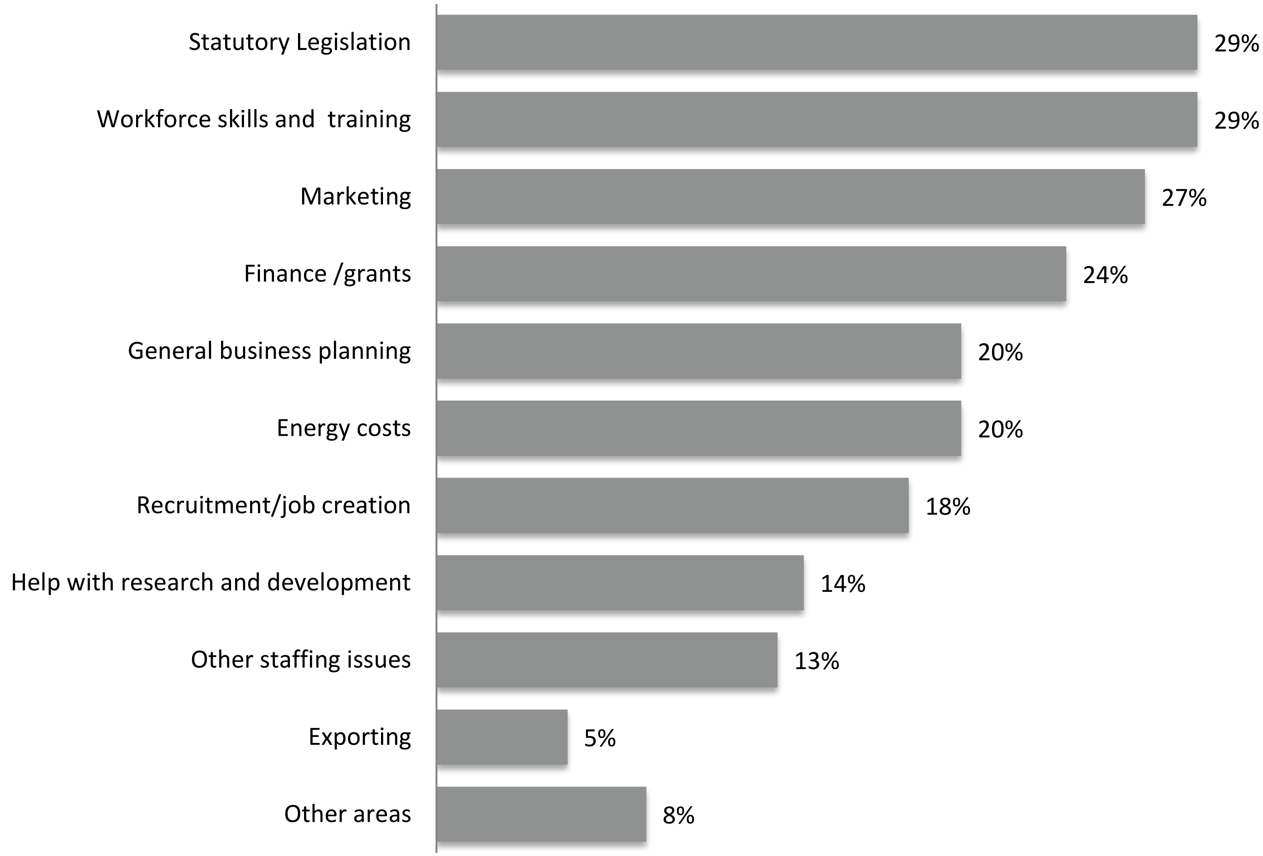
Q13 All Respondents, unweighted bases shown in brackets

PROPORTION OF ORGANISATIONS THAT HAVE SOUGHT INDEPENDENT ADVICE IN THE LAST 12 MONTHS



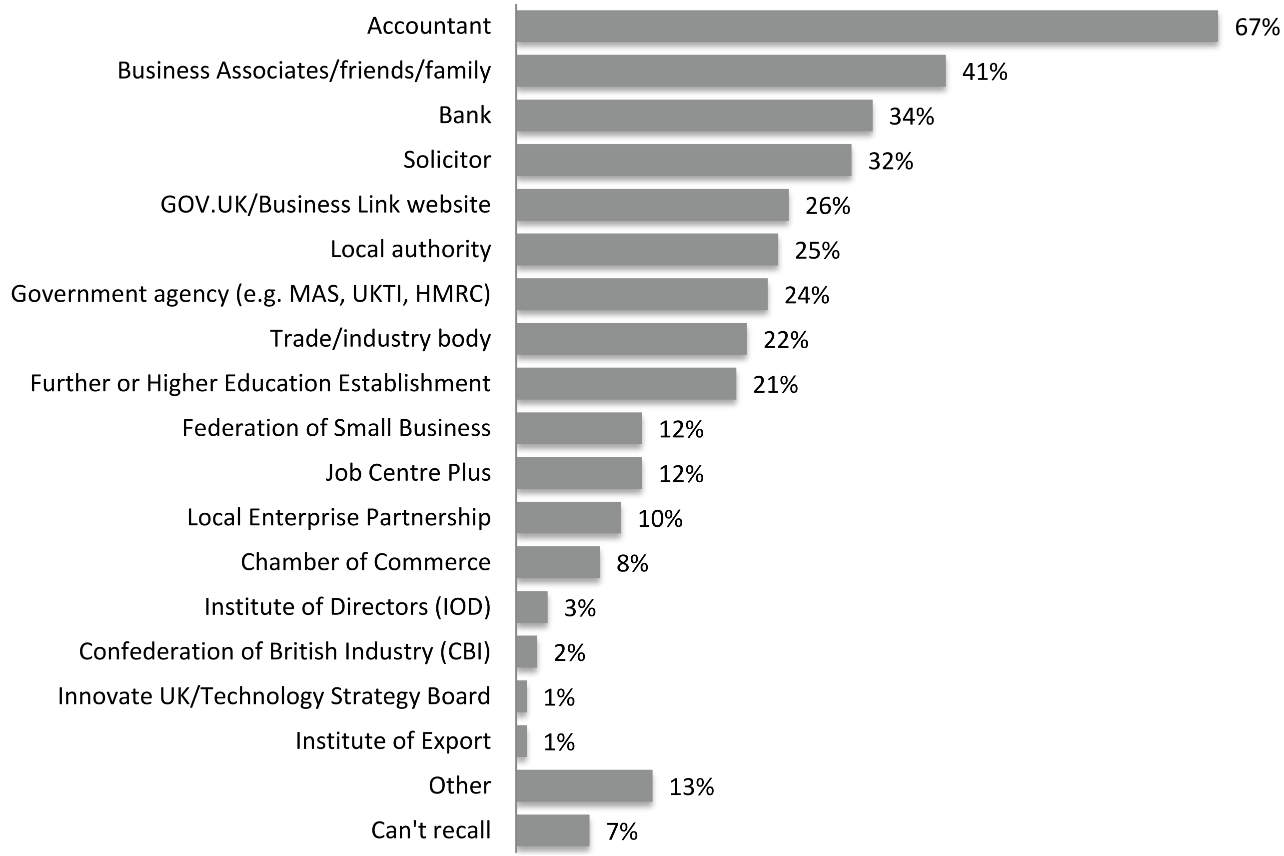
Q14 All Respondents, unweighted bases shown in brackets

TYPES OF INDEPENDENT ADVICE SOUGHT



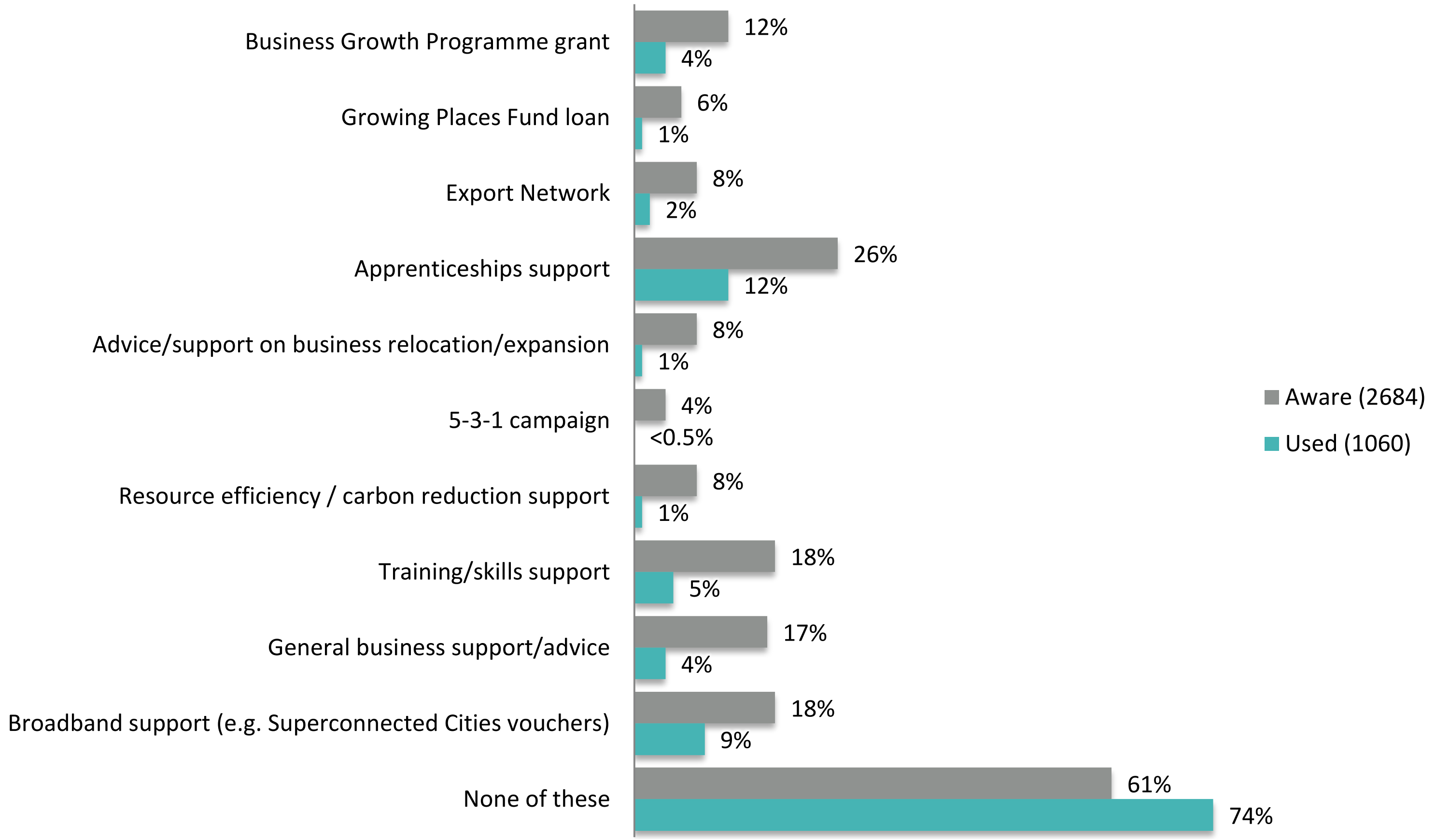
Q14 All Respondents, unweighted base = 3003

SOURCES OF ASSISTANCE IN THE LAST 12 MONTHS



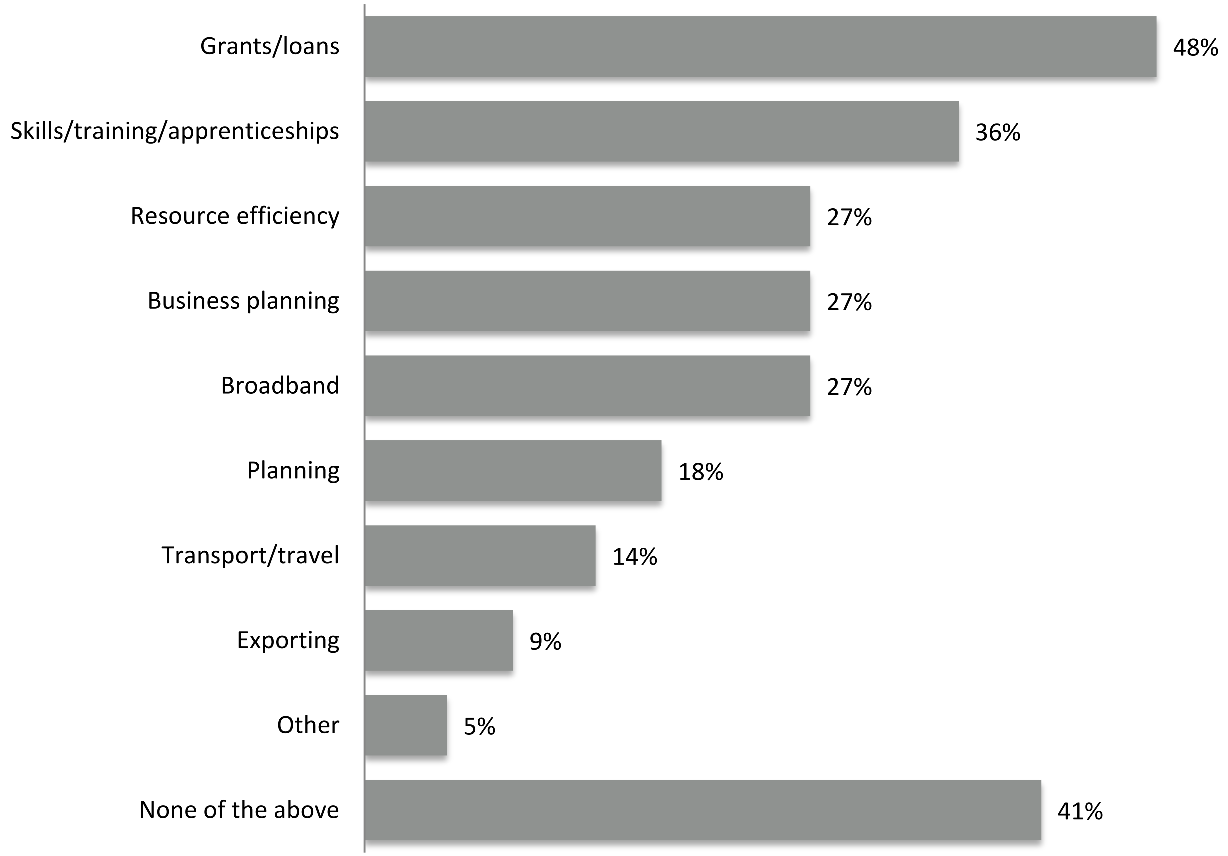
Q15 Where sought advice, unweighted base = 1959

AWARENESS AND USAGE OF LEP SERVICES



Q54/55 Private and voluntary organisations, unweighted bases shown in brackets

REQUIREMENTS FOR FURTHER INFORMATION



Q56 All Respondents, unweighted base = 3003

WORKFORCE, SKILLS AND TRAINING

Summary: workforce, skills and training (1)

46% of organisations have a training plan and 32% a training budget

74% have skills that need improving within their workforce during the next 12-18 months, mainly:

- Sales and marketing skills (36%)
- Management/leadership skills (30%)
- Customer care (29%)
- Administration and organisational skills (27%)
- Communication skills (27%)

Summary: workforce, skills and training (2)

15% expect retirement to have a significant impact on their workforce in the next 3-5 years

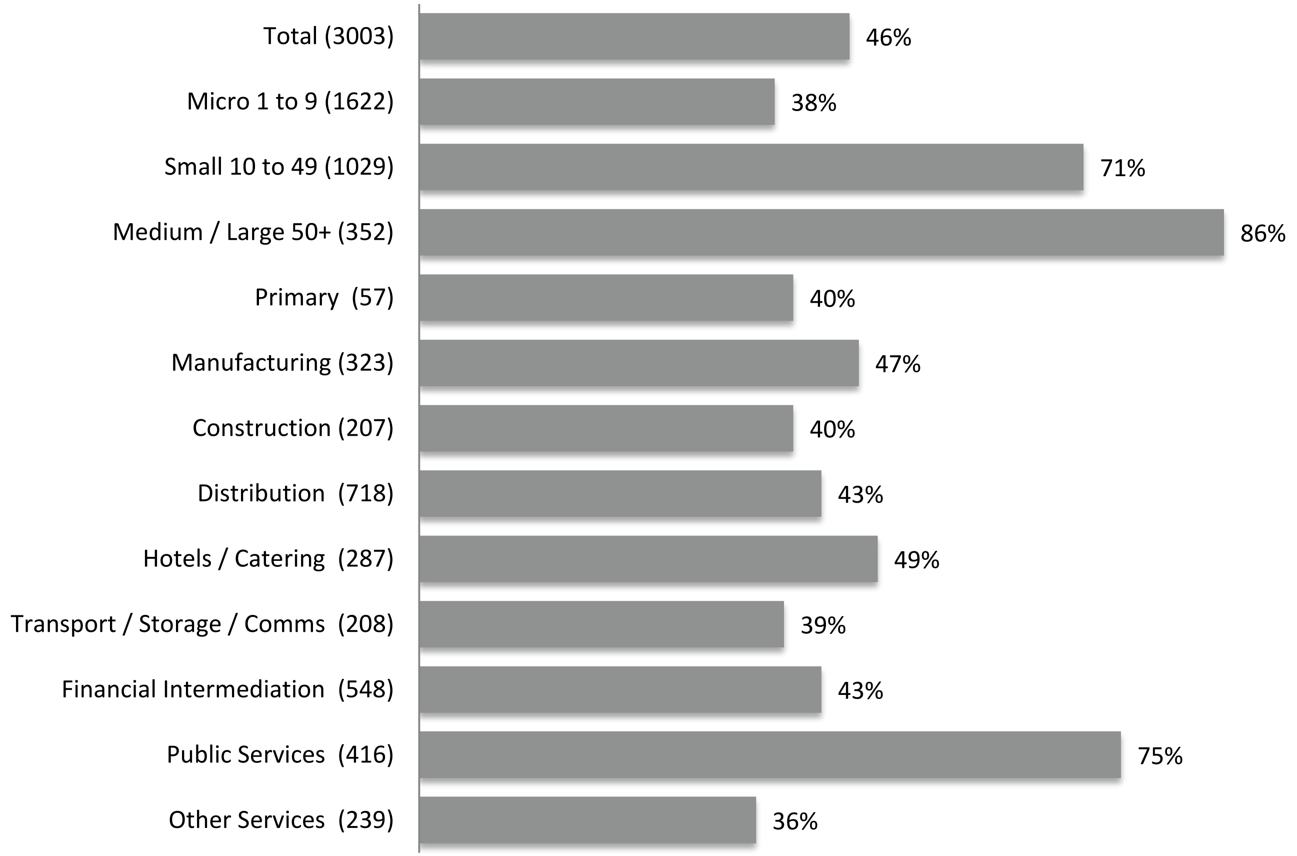
21% have found vacancies hard to fill in the last 12 months; 20% expect this in the next 12 months

54% have recruited in the last 12 months

Employers have taken on people from the following groups in the last 12 months:

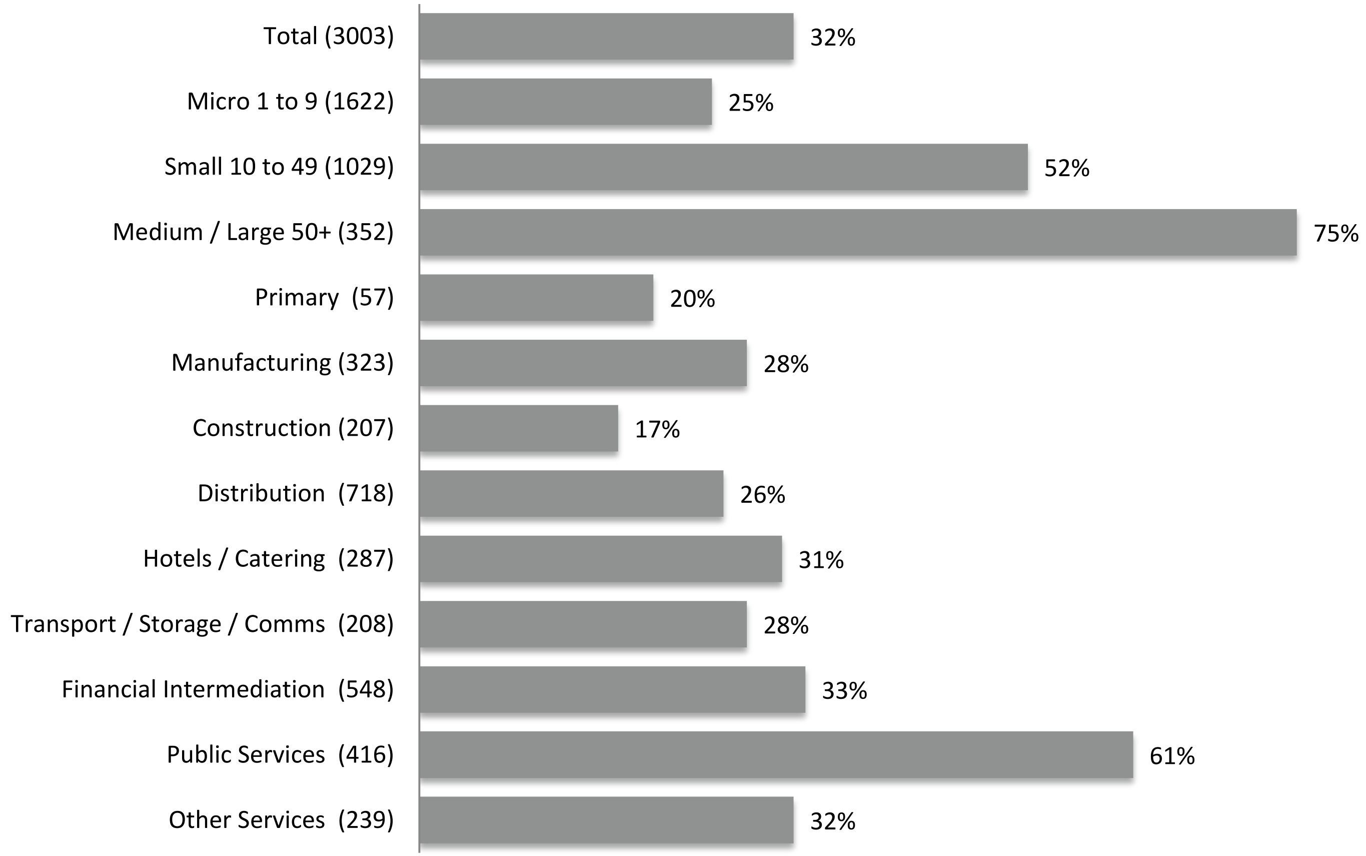
- Unemployed people (47% of companies recruiting)
- Young people/recent school leavers (39%)
- People aged over 50 (29%)
- Recent university graduates (26%)
- Apprentices (24%)

PROPORTION OF ORGANISATIONS WITH A TRAINING PLAN



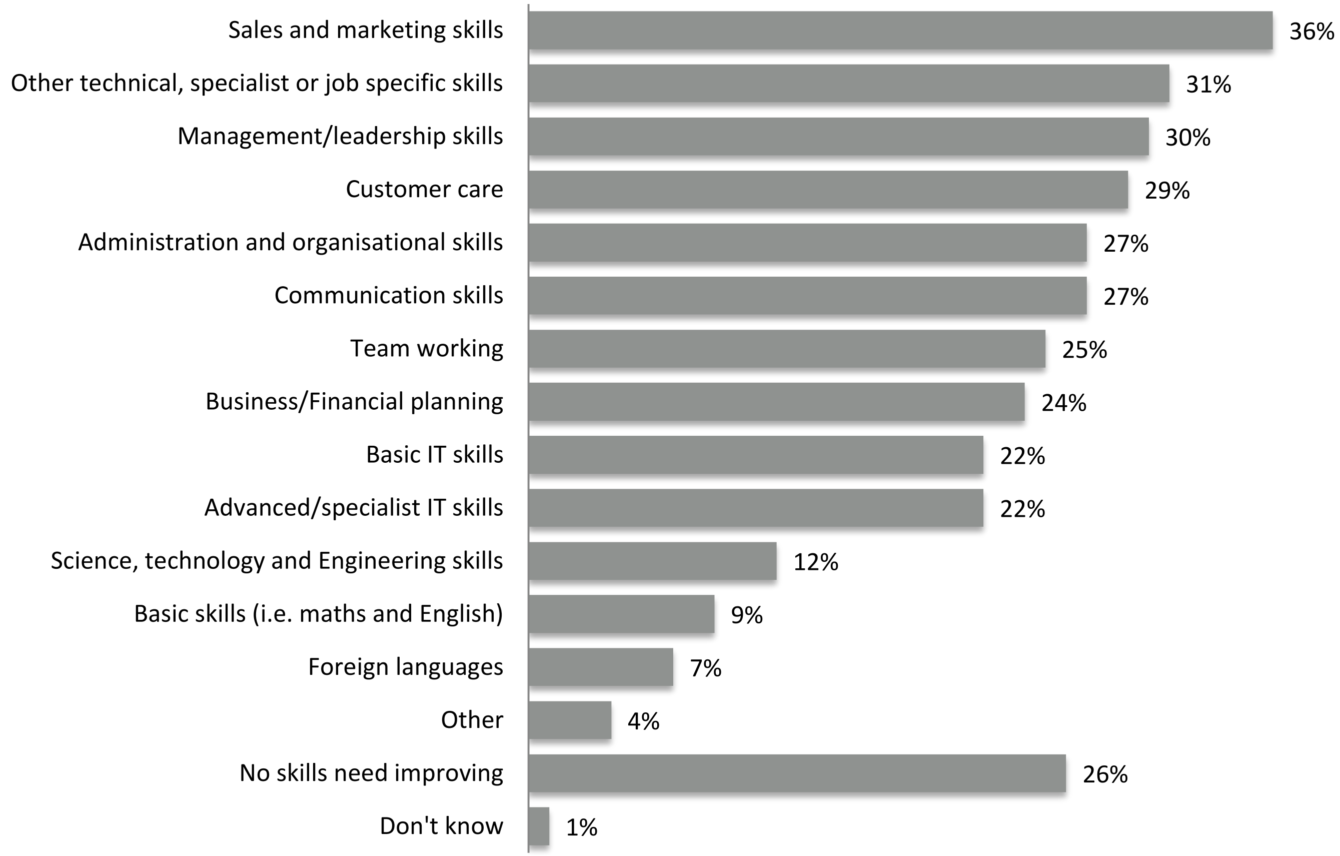
Q16 All respondents, unweighted bases shown in brackets

PROPORTION OF ORGANISATIONS WITH A TRAINING BUDGET



Q17 All respondents, unweighted bases shown in brackets

TYPES OF SKILL GAPS IN THE NEXT 12-18 MONTHS



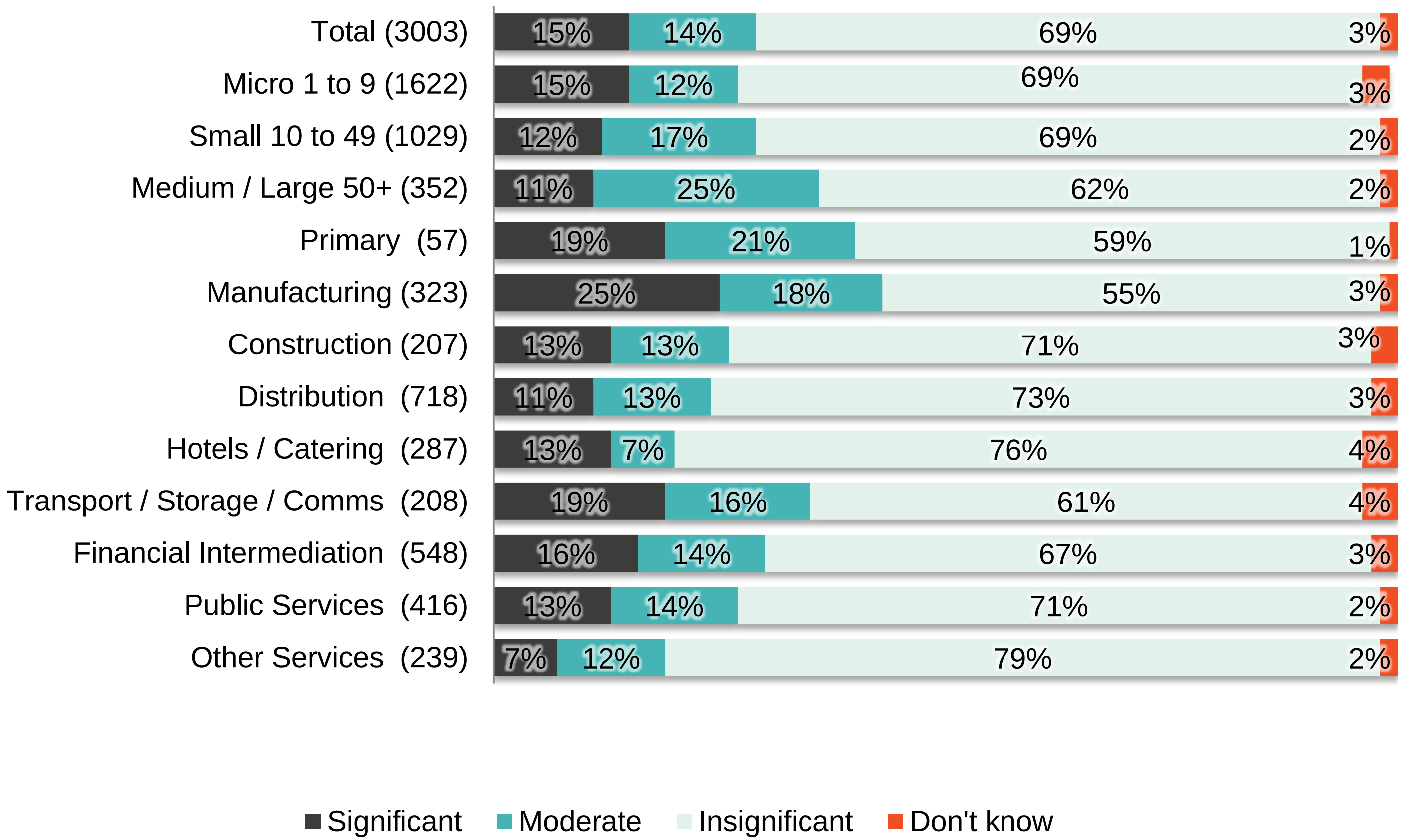
Q18 All respondents, unweighted base = 3003

TYPES OF SKILL GAPS IN THE NEXT 12-18 MONTHS BY SECTOR

	Total	Primary	Manufacturing	Construction	Distribution	Hotels / Catering	Transport / Storage / Comms	Financial Intermediation	Public Services	Other Services
Sales and marketing skills	36%	26%	34%	25%	38%	32%	43%	39%	29%	41%
Other technical, specialist or job specific skills	31%	50%	36%	33%	22%	18%	36%	34%	31%	32%
Management/leadership skills	30%	18%	27%	24%	28%	28%	35%	31%	40%	30%
Customer care	29%	20%	21%	21%	36%	38%	32%	24%	27%	37%
Administration and organisational skills	27%	30%	22%	26%	28%	16%	25%	27%	29%	36%
Communication skills	27%	13%	21%	21%	28%	26%	30%	27%	31%	34%
Team working	25%	12%	24%	15%	27%	31%	27%	20%	32%	33%
Business/Financial planning	24%	21%	22%	25%	23%	20%	27%	24%	27%	27%
Basic IT skills	22%	33%	22%	16%	26%	19%	20%	17%	29%	22%
Advanced/specialist IT skills	22%	19%	18%	18%	17%	9%	37%	27%	22%	24%
Science, technology and Engineering skills	12%	22%	29%	13%	9%	3%	17%	13%	7%	8%
Basic skills (i.e. maths and English)	9%	9%	9%	7%	10%	11%	8%	7%	10%	9%
Foreign languages	7%	7%	8%	3%	6%	6%	7%	7%	9%	7%
Other	4%	7%	4%	5%	3%	3%	5%	4%	9%	4%
No skills need improving	26%	16%	26%	33%	28%	31%	24%	24%	21%	23%
Don't know	1%	1%	1%	*%	1%	*%	0%	1%	*%	1%
Summary: Any	74%	83%	73%	67%	71%	69%	76%	75%	78%	76%
Unweighted Bases	3003	57	323	207	718	287	208	548	416	239

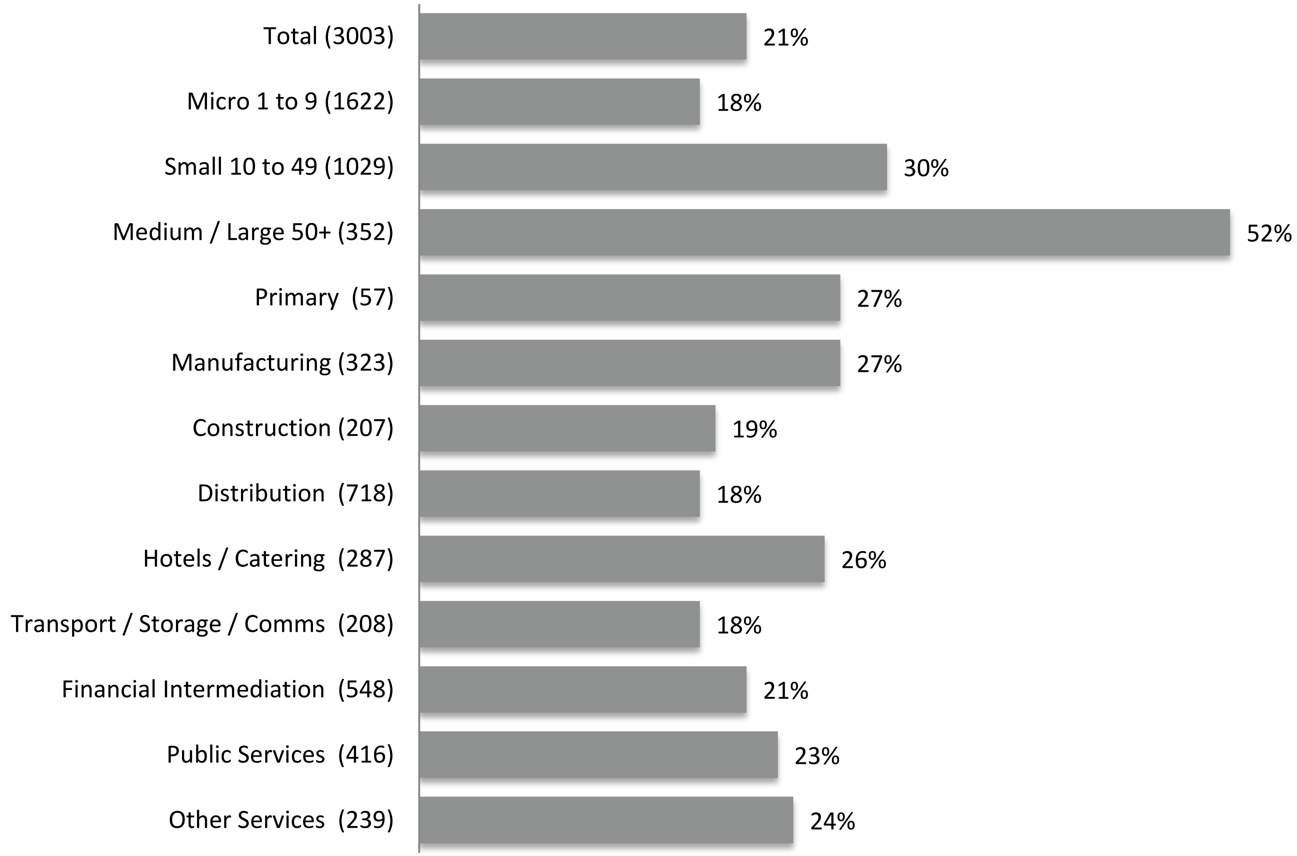
Q18 All respondents, unweighted base = 3003

THE LEVEL OF IMPACT OF WORKFORCE RETIREMENT IN THE NEXT 3-5 YEARS



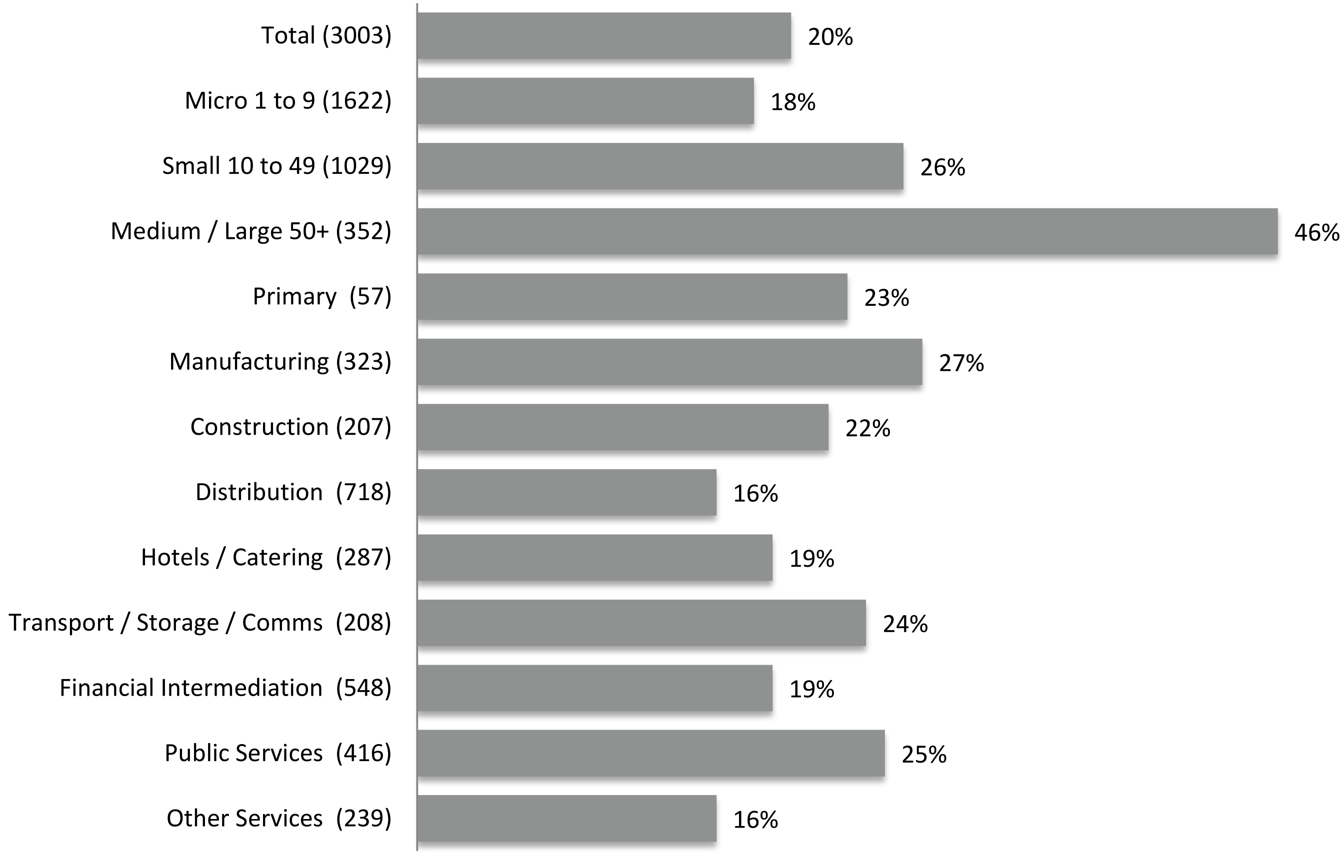
Q19. All Respondents, unweighted bases shown in brackets

PROPORTION OF ORGANISATIONS WITH HARD TO FILL VACANCIES IN THE LAST 12 MONTHS



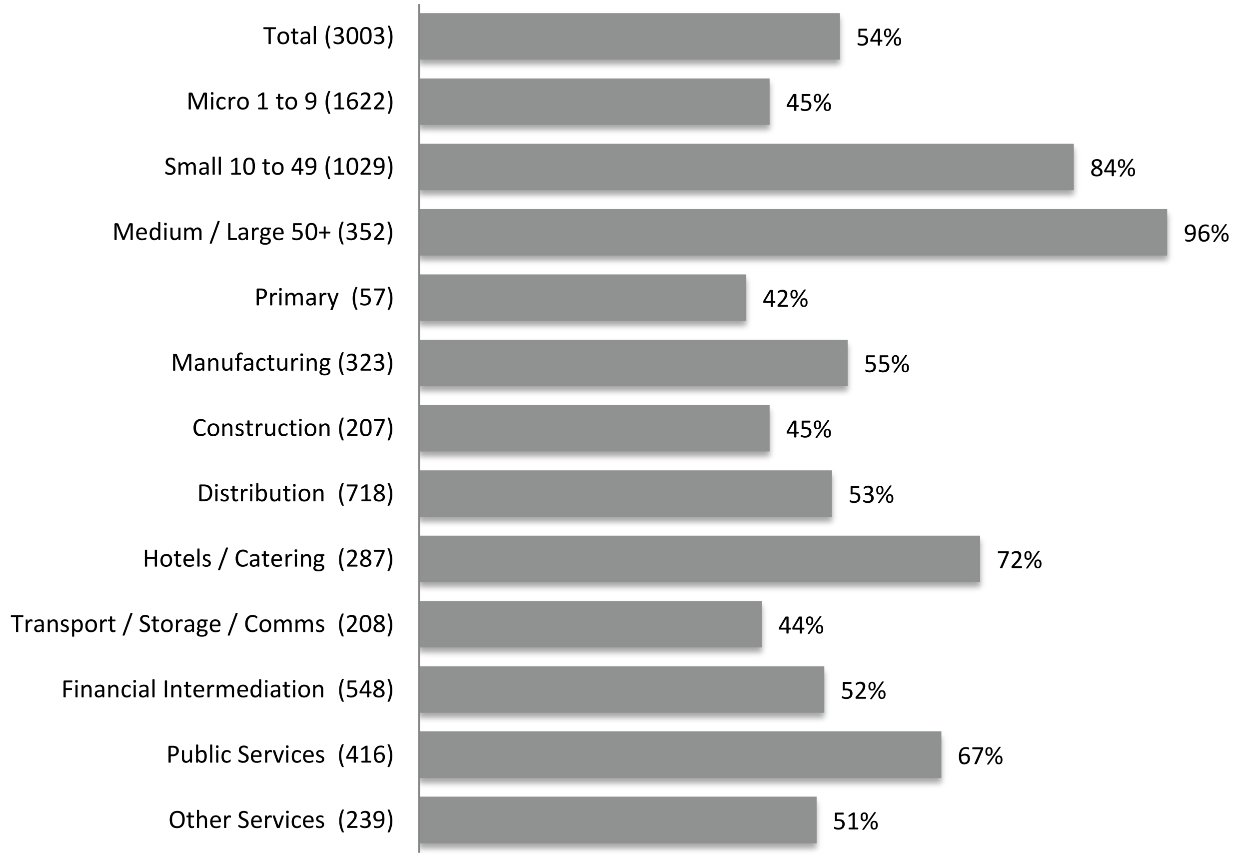
Q20 All respondents, unweighted bases shown in brackets

PROPORTION OF ORGANISATIONS EXPECTING TO HAVE HARD TO FILL VACANCIES IN THE NEXT 12 MONTHS



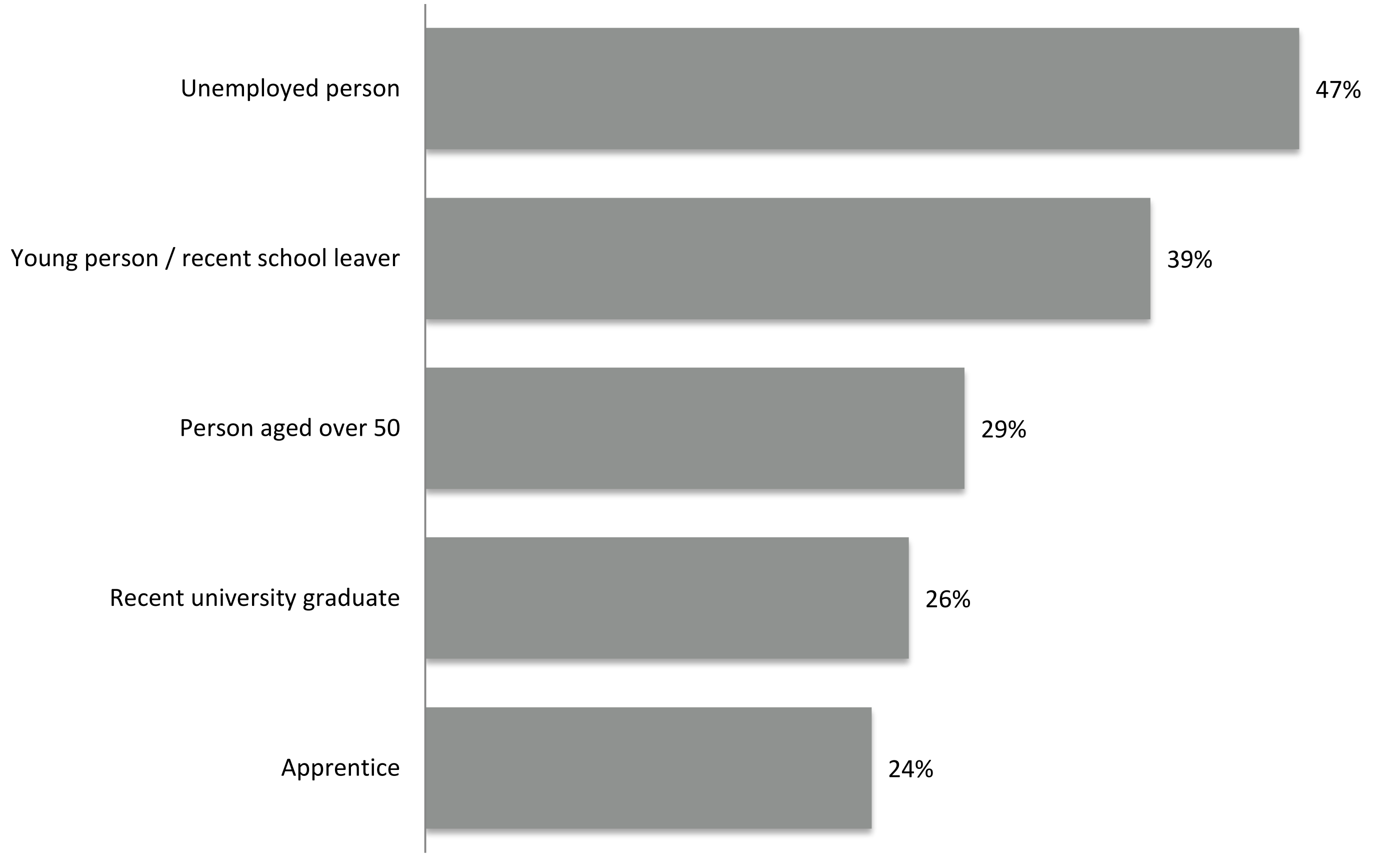
Q21 All respondents, unweighted bases shown in brackets

PROPORTION OF ORGANISATIONS THAT HAVE RECRUITED IN THE LAST 12 MONTHS



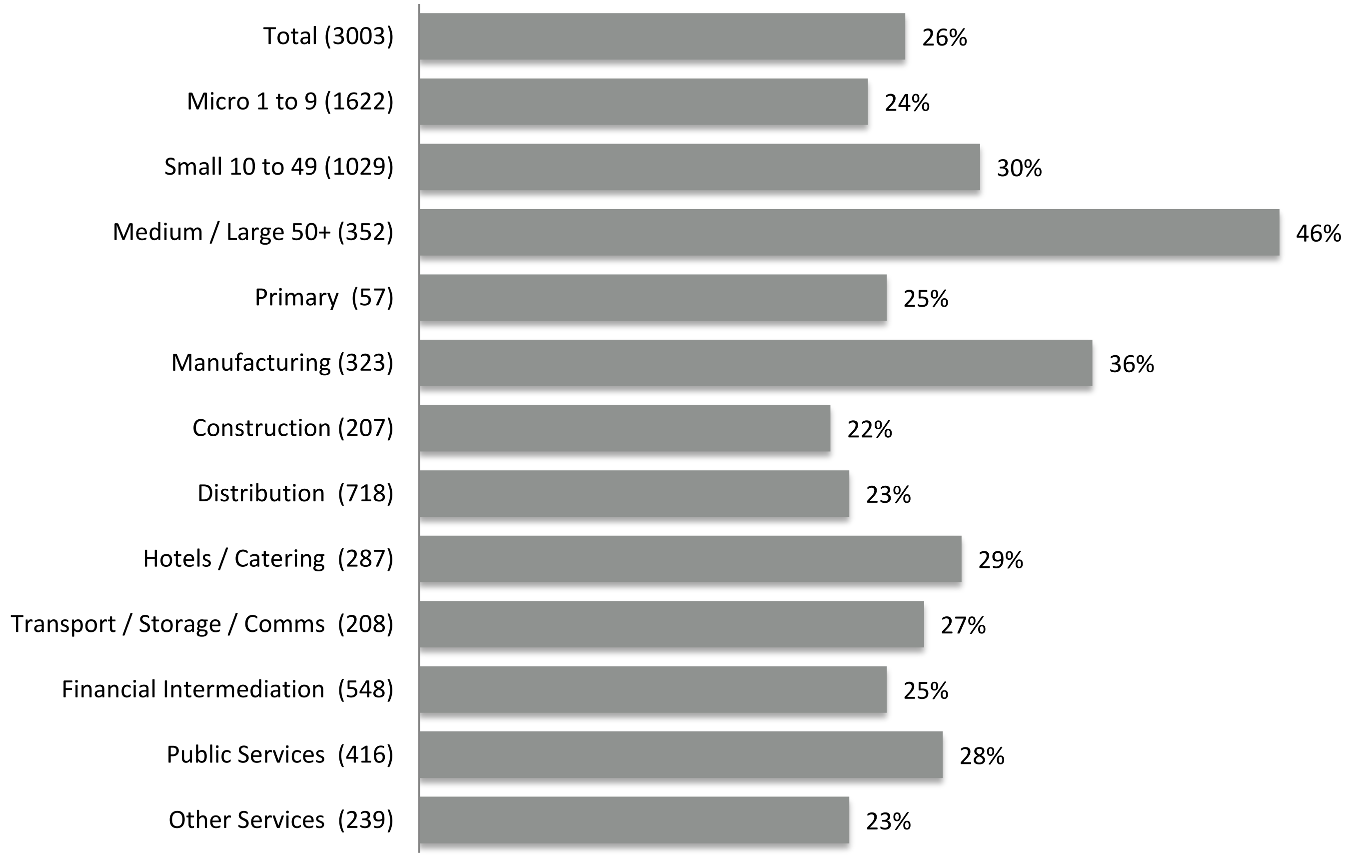
Q22 All respondents, unweighted bases shown in brackets

GROUPS FROM WHICH COMPANIES HAVE RECRUITED IN THE LAST 12 MONTHS



Q23 Where recruited, unweighted base = 1939

PROPORTION OF ORGANISATIONS THAT PLAN TO TAKE ON APPRENTICES IN THE NEXT 12 MONTHS



Q24 All respondents, unweighted bases shown in brackets

CUSTOMER BASE AND TRADE DESTINATIONS

Summary: customer base and trade destinations

15% of organisations currently export, the main areas being:

- The EU (90% of all organisations that export, 61% of all exports)
- North America (31%, 8%)
- The Middle East (22%, 4%)

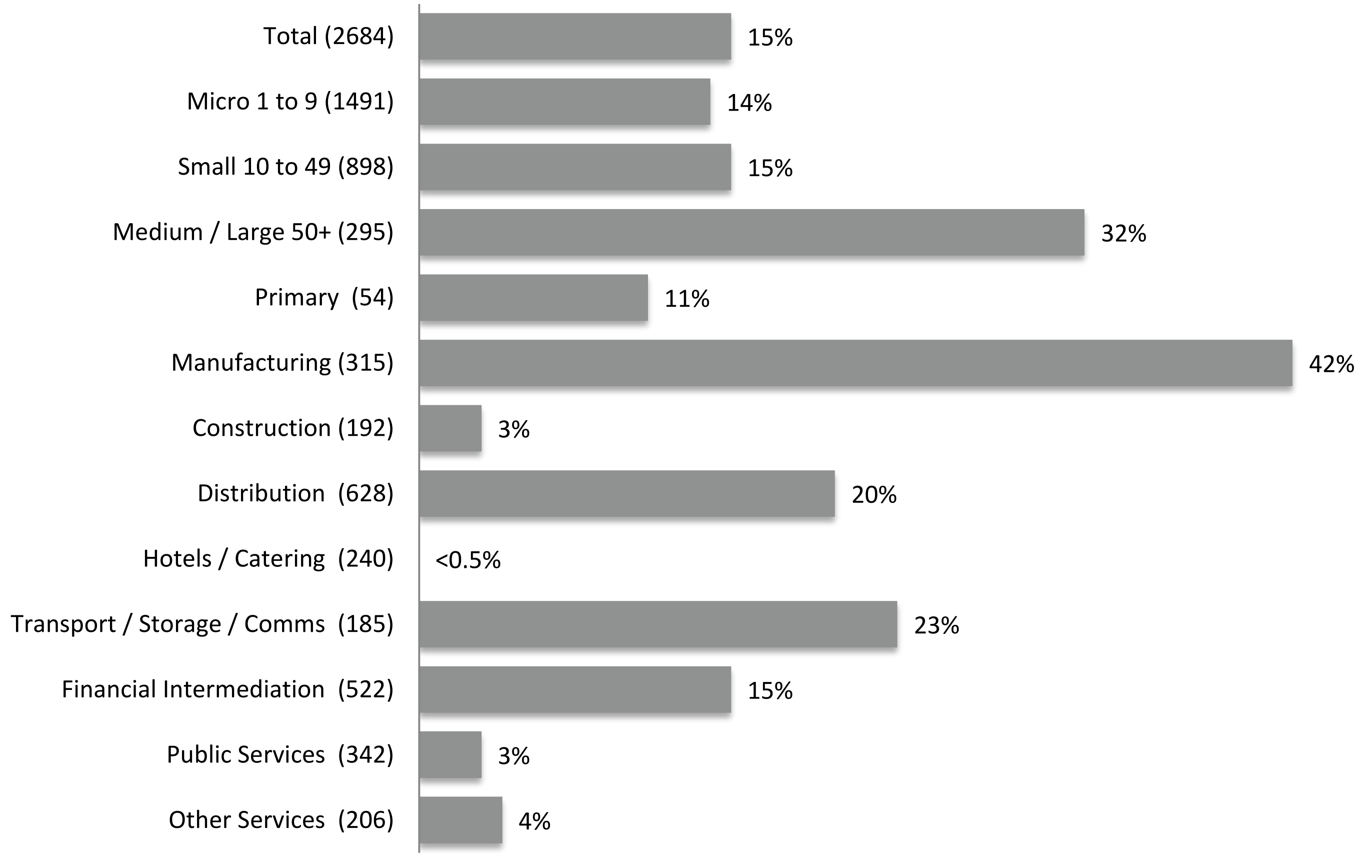
The main barriers to exporting centre on:

- Products/services are not suitable (70% of those not exporting)
- Don't see the need/value in exporting (10%)

The main locations where organisations make their purchases include:

- Within a 10 mile radius (67% of all organisations, 45% of all purchases)
- Elsewhere within Yorkshire and Humber (49%, 21%)
- Rest of UK (50%, 27%)
- Outside the UK (15%, 7%)

PROPORTION OF ORGANISATIONS CURRENTLY EXPORTING



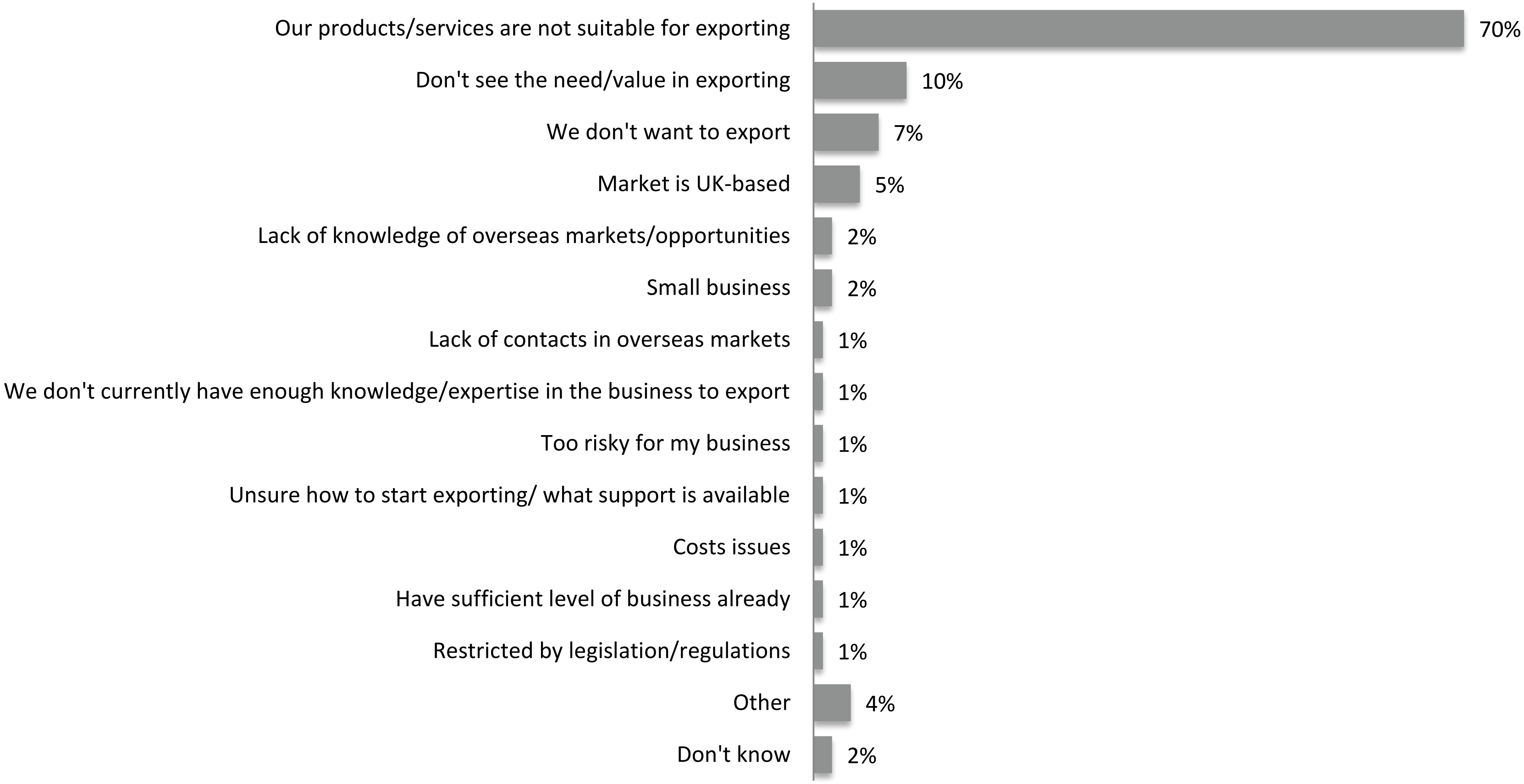
Q25 Private and voluntary organisations, unweighted bases shown in brackets

PROPORTION OF EXPORTS TO SPECIFIC DESTINATIONS

	0%	1-10%	11-25%	26-50%	51-75%	76-99%	100%	Don't know
The EU	6%	14%	7%	17%	5%	16%	31%	5%
China	83%	8%	1%	1%	*%	*%	*%	5%
India	86%	8%	*%	*%	*%	0%	0%	6%
Middle East	72%	15%	3%	3%	1%	*%	*%	5%
The rest of Asia	78%	12%	3%	1%	1%	*%	*%	6%
North America	63%	17%	3%	8%	*%	2%	1%	6%
South America	82%	10%	1%	1%	0%	0%	0%	6%
Elsewhere	52%	14%	5%	6%	5%	10%	2%	5%

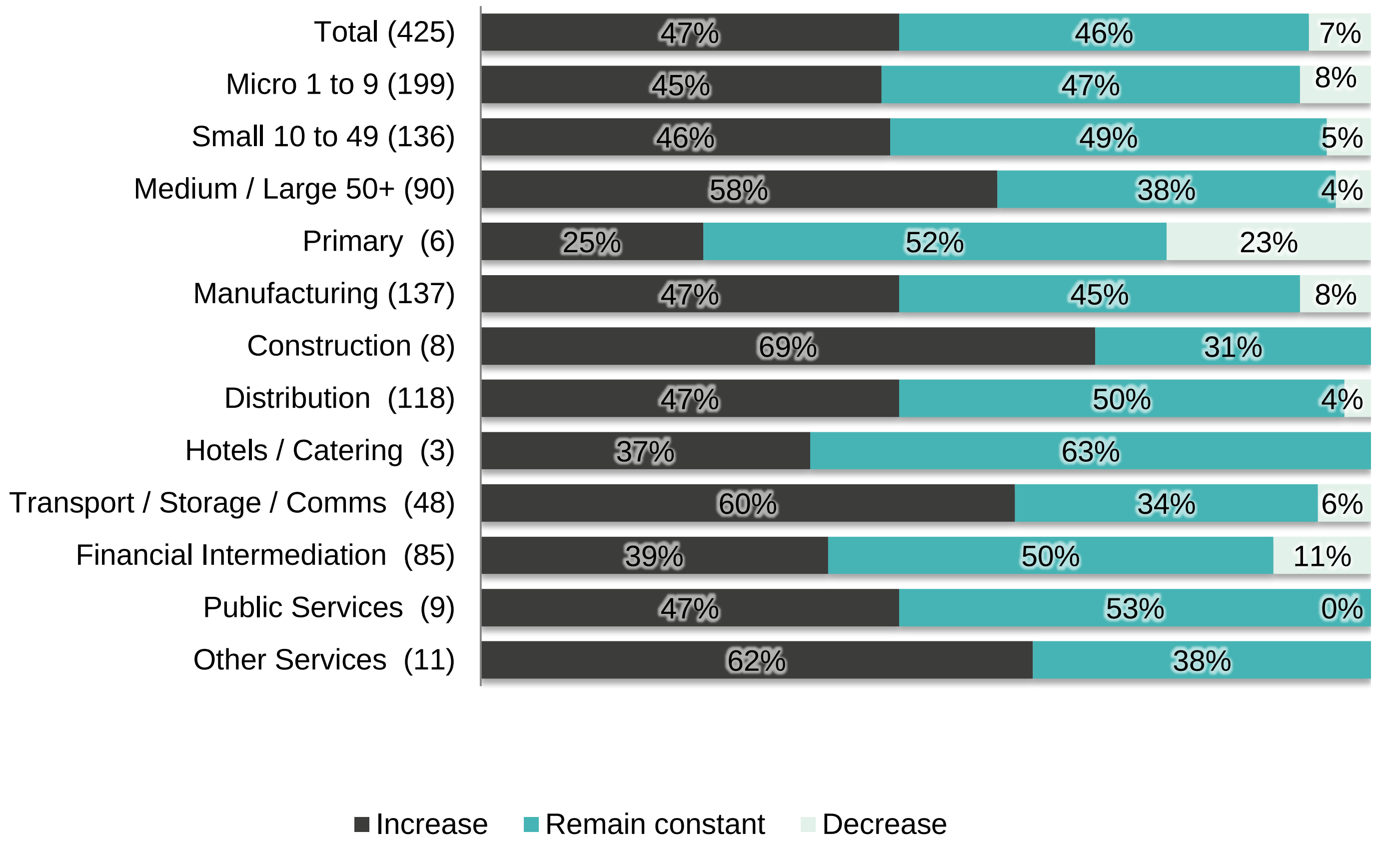
Q26 Where export, unweighted base = 425

BARRIERS TO EXPORTING



Q27 Where do not export, unweighted base = 2239

TRENDS IN EXPORTING IN THE NEXT 12 MONTHS



Q28. Where export, unweighted bases shown in brackets

PROPORTION OF PURCHASES FROM DIFFERENT LOCATIONS

	0%	1-10%	11-25%	26-50%	51-75%	76-99%	100%	Don't know
Locally - Within a 10 mile radius	18%	13%	8%	11%	7%	15%	14%	15%
Elsewhere within Yorkshire and Humber	36%	15%	10%	12%	4%	4%	3%	15%
Rest of UK	35%	11%	9%	12%	6%	8%	5%	15%
Outside the UK	69%	6%	2%	3%	1%	2%	1%	15%

Q29 All respondents, unweighted base = 3003

RESEARCH & DEVELOPMENT AND BUSINESS INNOVATION

Summary: research and development and business innovation

64% of organisations have innovated in the last 12 months

The main activities include:

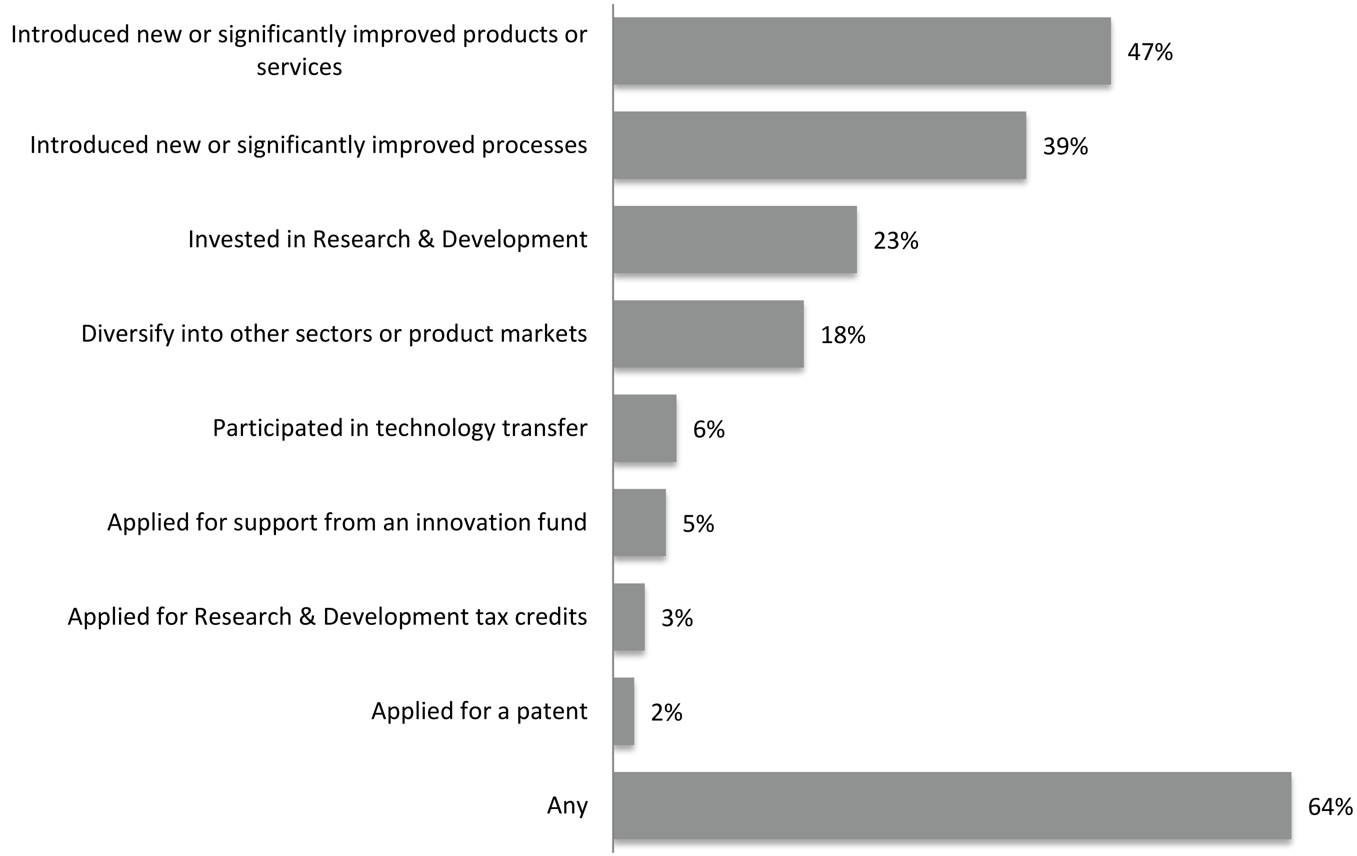
- Introduced new products/services (47%)
- Introduced new processes (39%)
- Invested in Research & Development (23%)
- Diversified into other sectors/markets (18%)

69% plan to innovate in the next 12 months

65% mention barriers to innovation including:

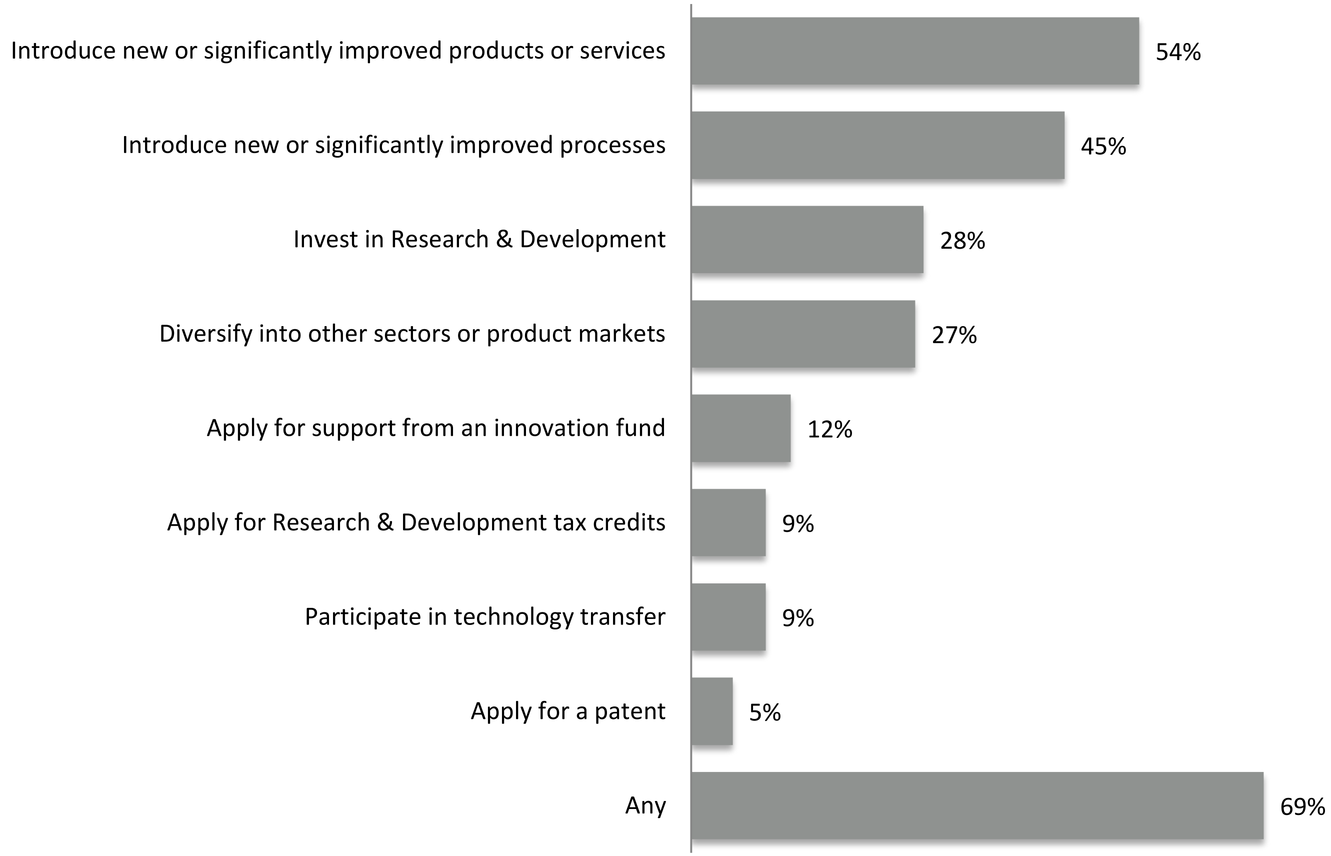
- Financial constraints (41%)
- Time constraints (34%)
- Expenditure too high risk (21%)

INNOVATION ACTIVITIES IN THE LAST 12 MONTHS



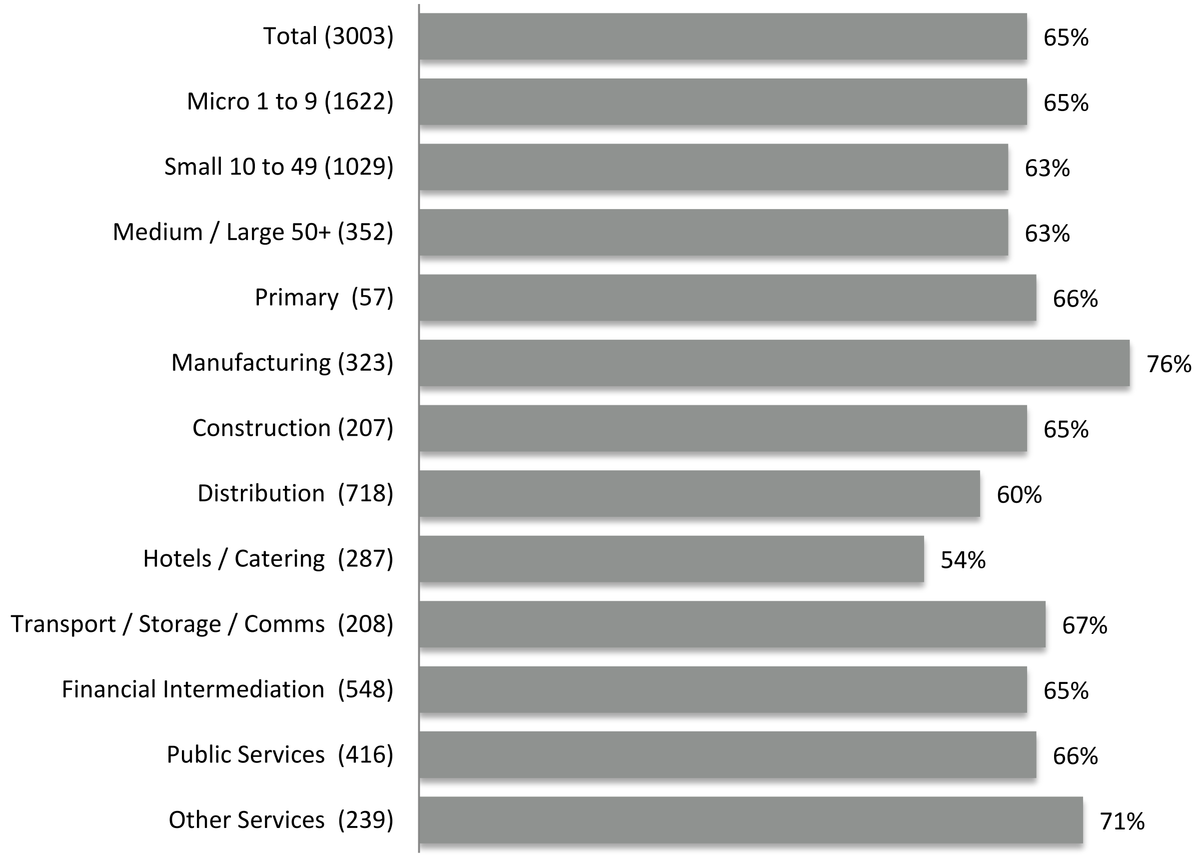
Q30a All respondents, unweighted base = 3003

INNOVATION ACTIVITIES IN THE NEXT 12 MONTHS



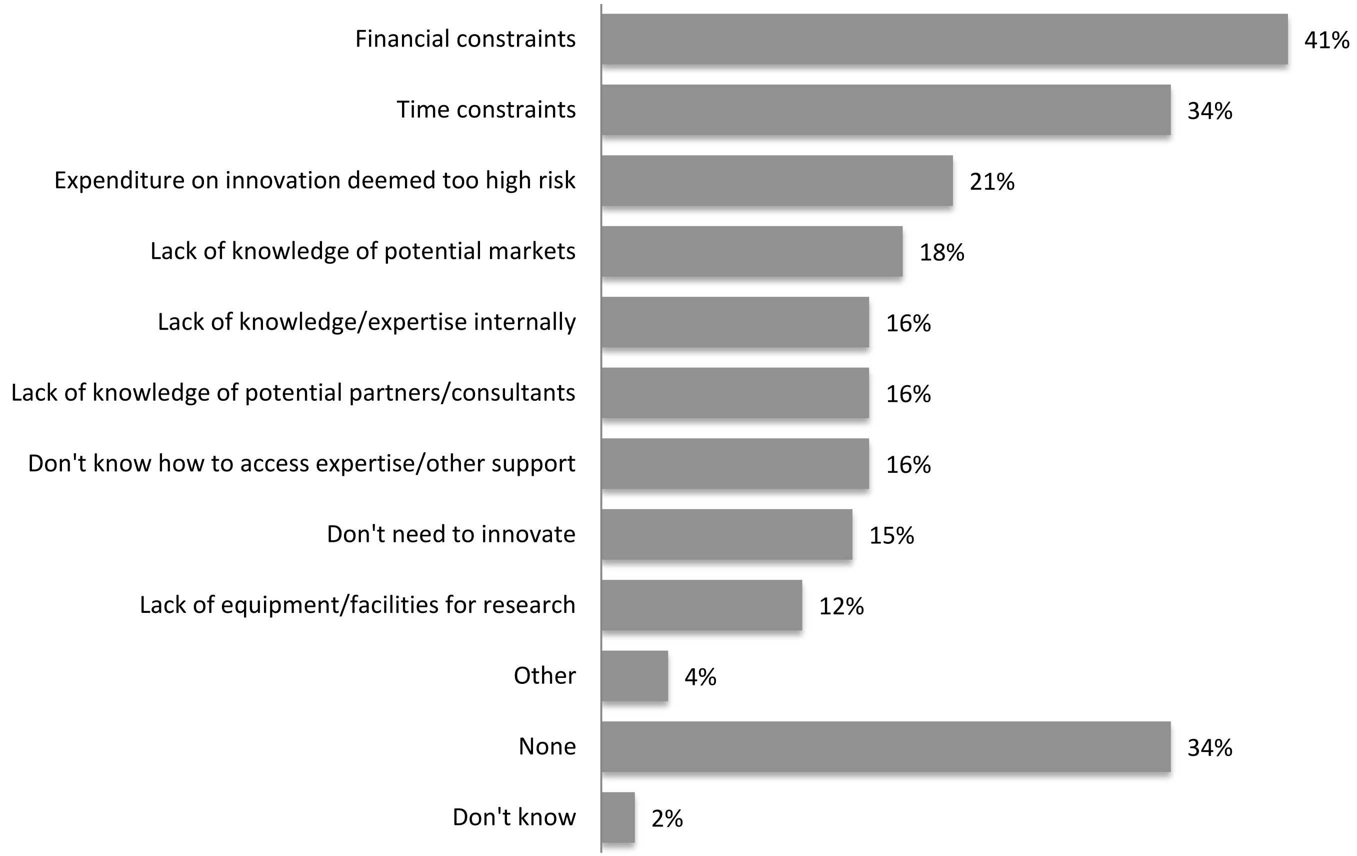
Q30b All respondents, unweighted base = 3003

PROPORTION OF ORGANISATIONS MENTIONING ANY BARRIERS TO INNOVATION



Q31 All respondents, unweighted bases shown in brackets

BARRIERS TO INNOVATION



Q31 All respondents, unweighted base = 3003

ACCESS TO FINANCE

Summary: access to finance

17% of organisations have applied for finance or credit in the past 12 months

The main purposes of finance include:

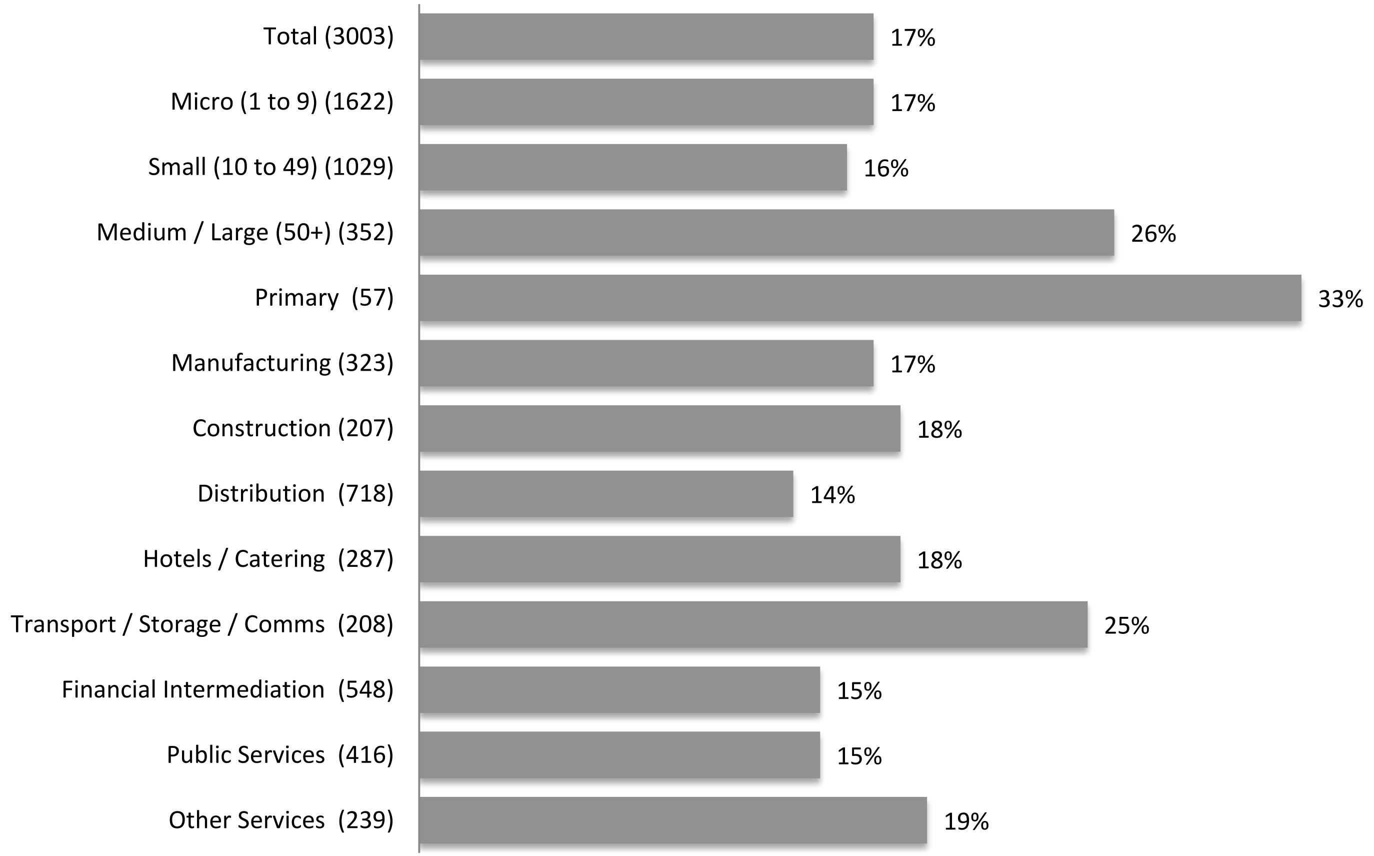
- Cash flow (53% of those applying)
- Business expansion (45%)
- Capital investment in equipment/machinery (43%)

The main sources were:

- Bank/building society (72% of those applying)
- Internal funding (25%)
- Other public sector grants/funding (19%)
- Friends/family (18%)

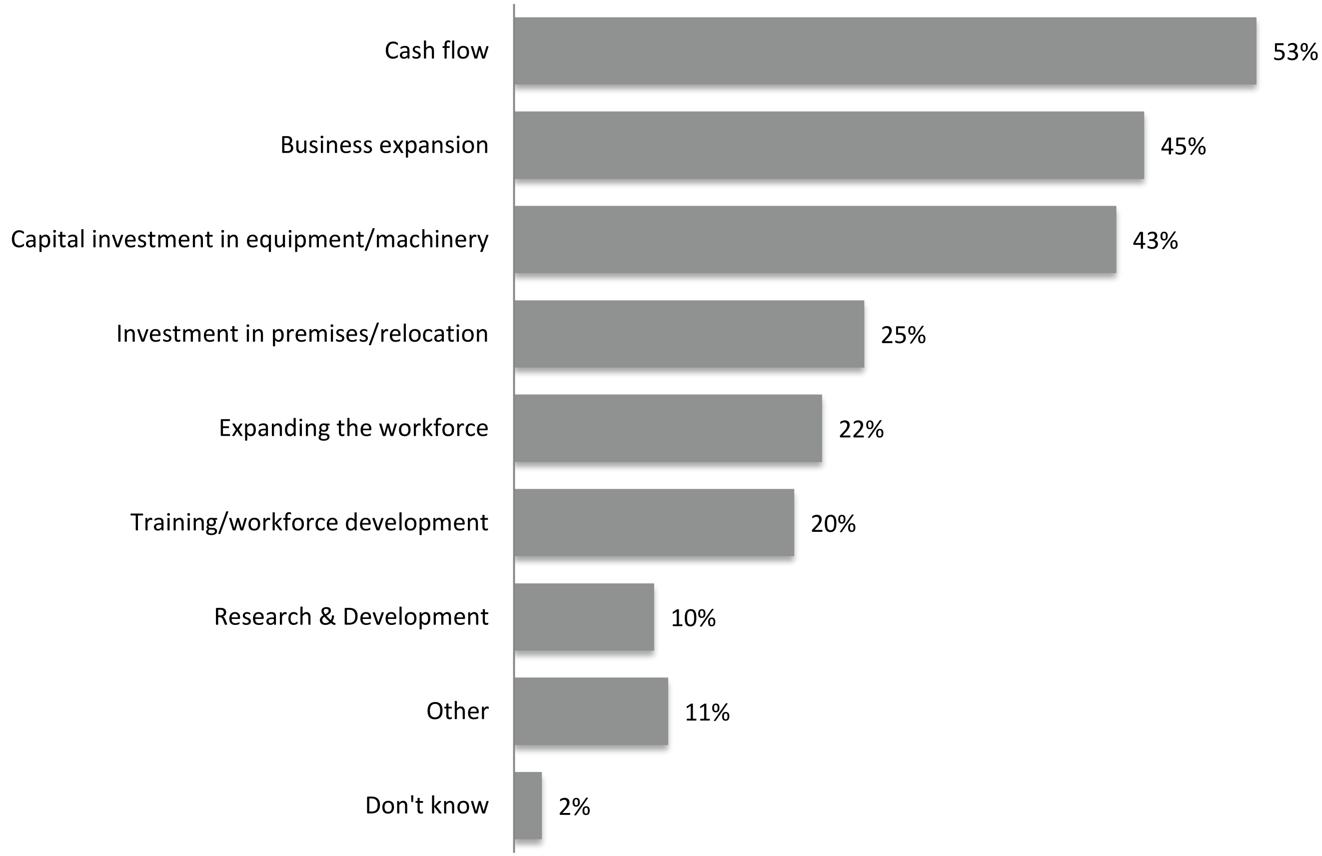
20% of those applying for finance have been unsuccessful

PROPORTION OF ORGANISATIONS THAT HAVE APPLIED FOR FINANCE OR CREDIT IN THE PAST 12 MONTHS



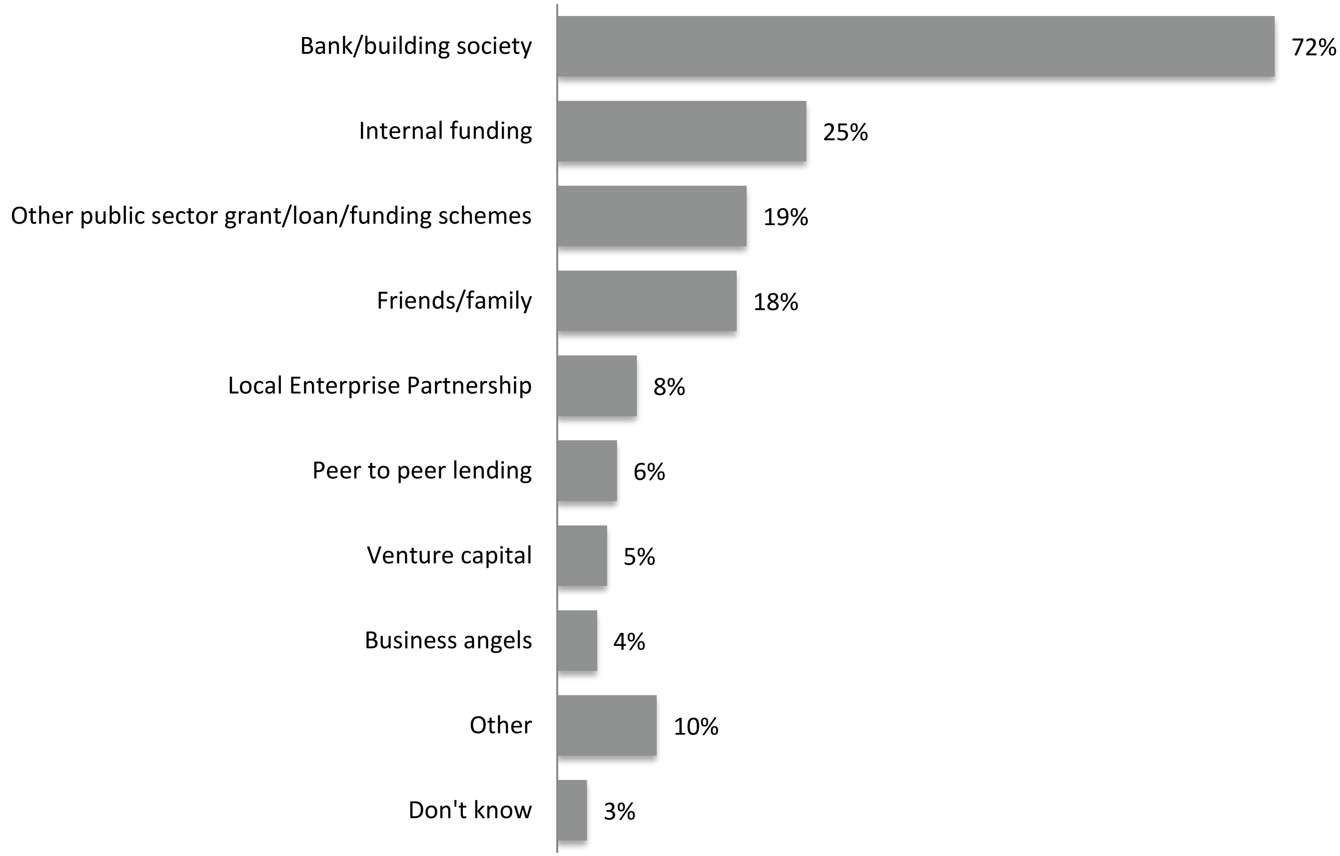
Q32 All respondents, unweighted bases shown in brackets

PURPOSES OF FINANCE OR CREDIT



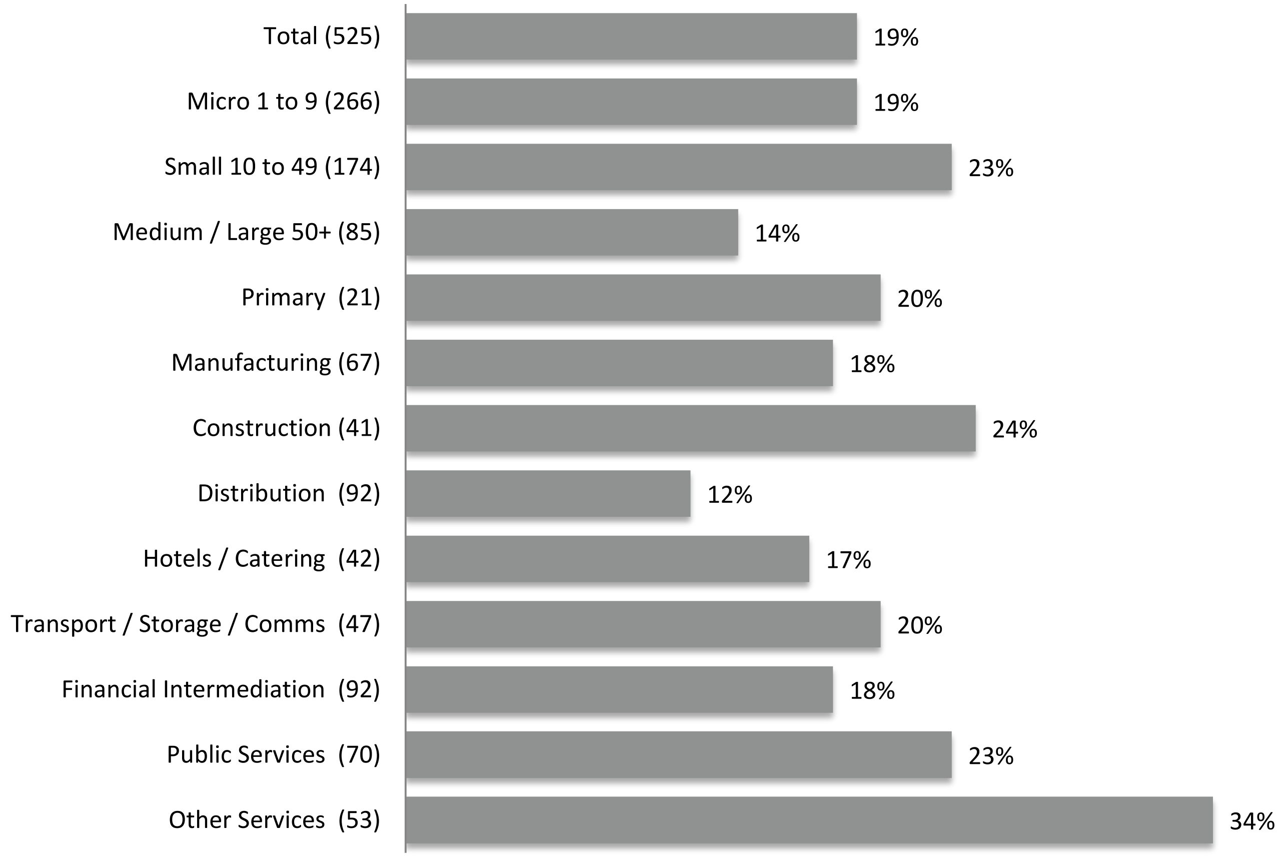
Q33 Where applied for finance, unweighted base = 525

SOURCES OF FINANCE IN THE PAST 12 MONTHS



Q34 Where applied for finance, unweighted base = 525

PROPORTION OF ORGANISATIONS WHERE APPLICATION FOR FINANCE HAS BEEN UNSUCCESSFUL



Q35 Where applied for finance, unweighted bases shown in brackets

ENVIRONMENTAL IMPROVEMENT

Summary: environmental improvement (1)

77% of organisations currently undertake actions to improve their environmental performance, mainly by

- Operating a recycling scheme (61%)
- Using environmentally friendly technologies (45%)
- Operating a waste minimisation scheme (41%)

9% have accessed consultancy/advice and 3% investment/grants for environmental improvement

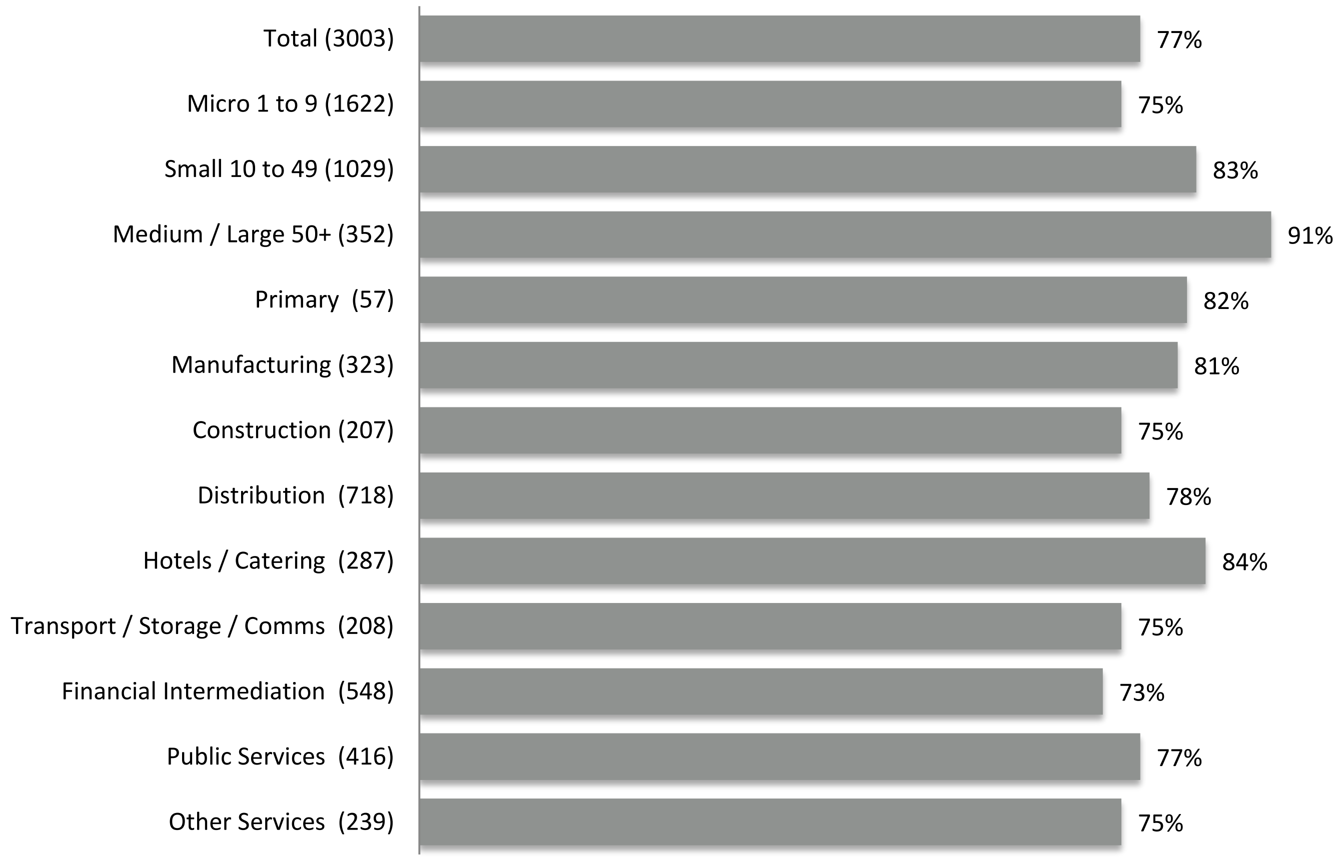
52% plan to improve their environmental performance in the next 12 months

Summary: environmental improvement (2)

17% have introduced products that reduce energy or waste for the user in the last 3-5 years, ranging from

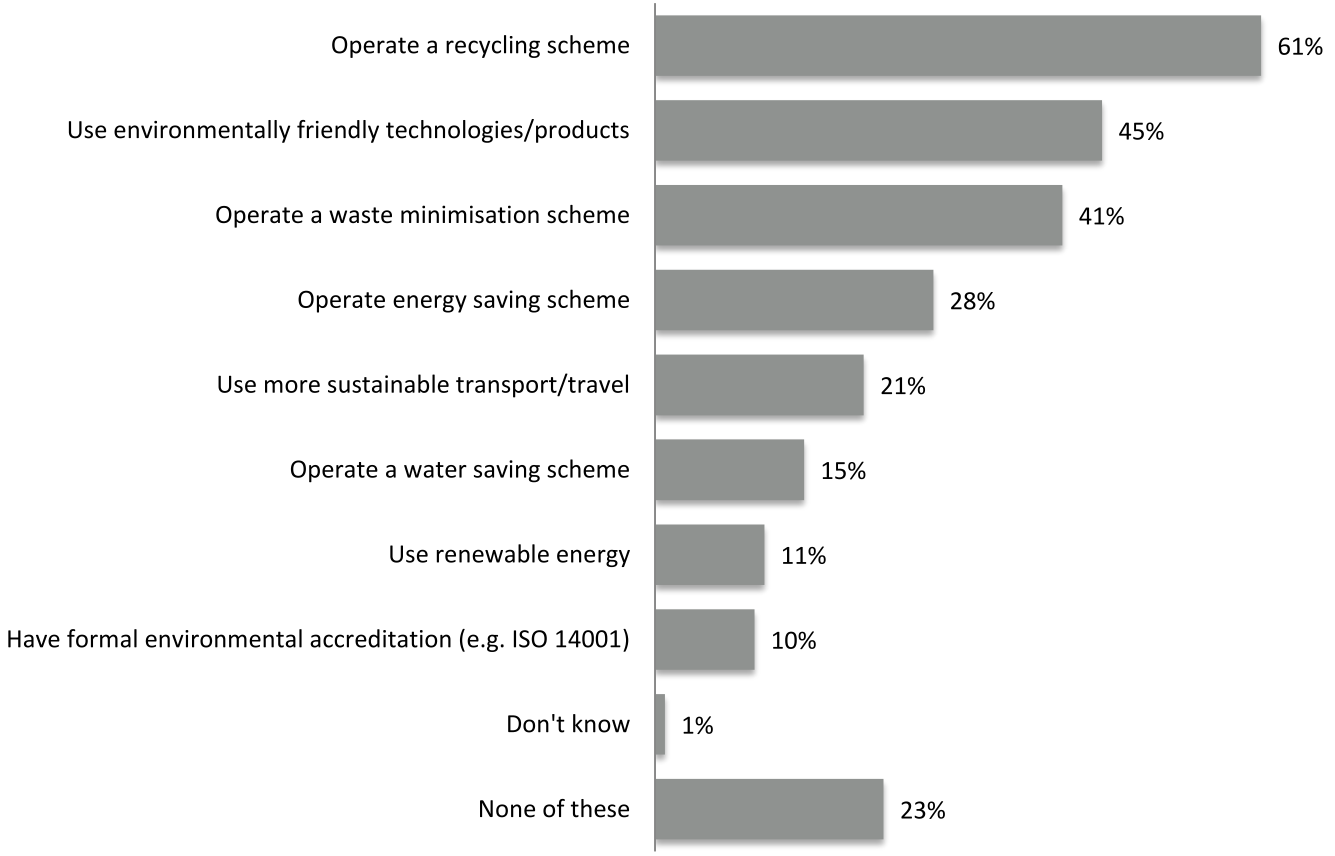
- 46% where less than 20% of total sales was attributed to these products to
- 12% over 75%
- Average proportion is 32%

PROPORTION OF ORGANISATIONS THAT CURRENTLY UNDERTAKE ACTIVITIES TO IMPROVE THEIR ENVIRONMENTAL PERFORMANCE



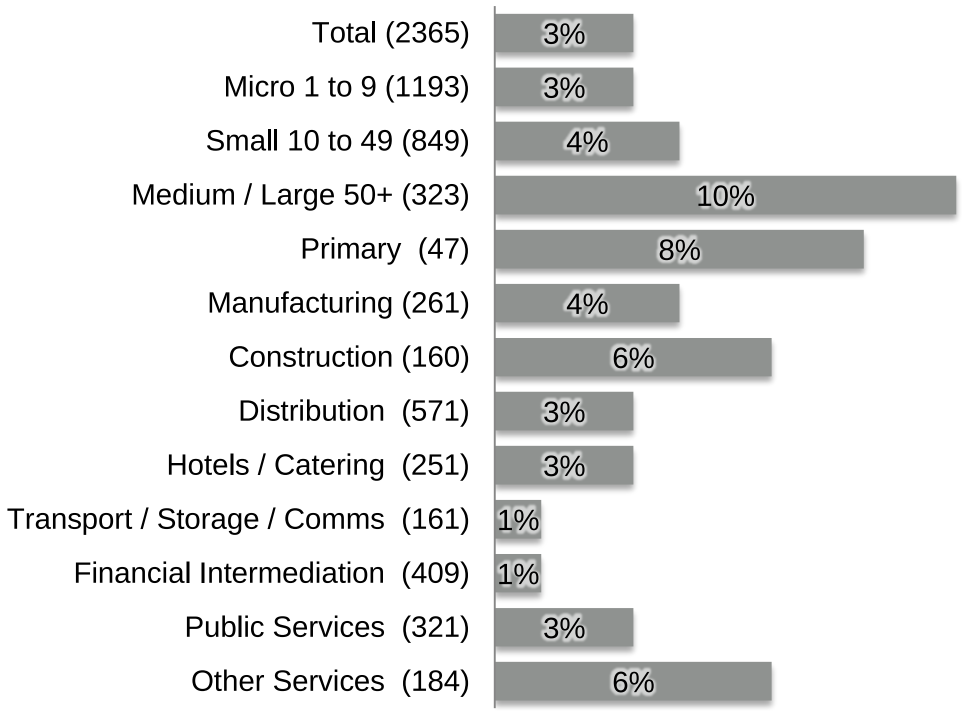
Q36 All respondents, unweighted bases shown in brackets

ACTIVITIES UNDERTAKEN TO IMPROVE ORGANISATIONS' ENVIRONMENTAL PERFORMANCE



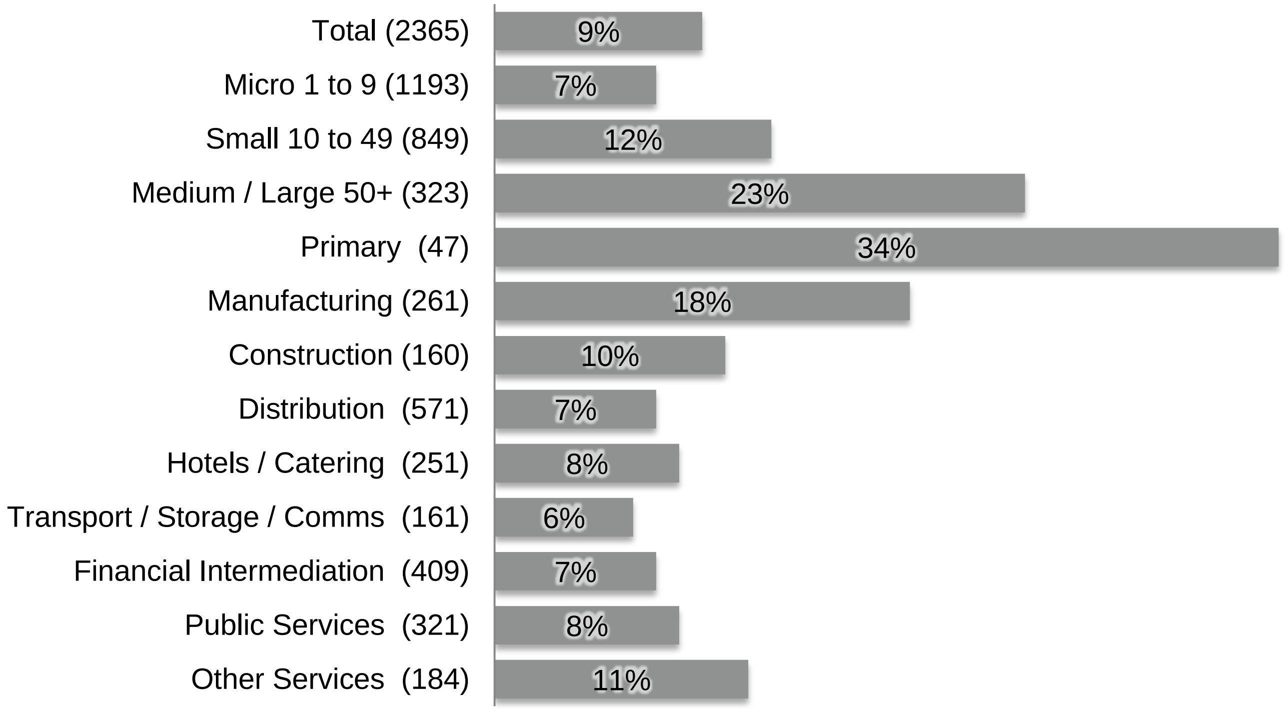
Q36 All respondents, unweighted base = 3003

PROPORTION OF ORGANISATIONS THAT HAVE ACCESSED INVESTMENT OR GRANTS ON ENVIRONMENTAL IMPROVEMENT



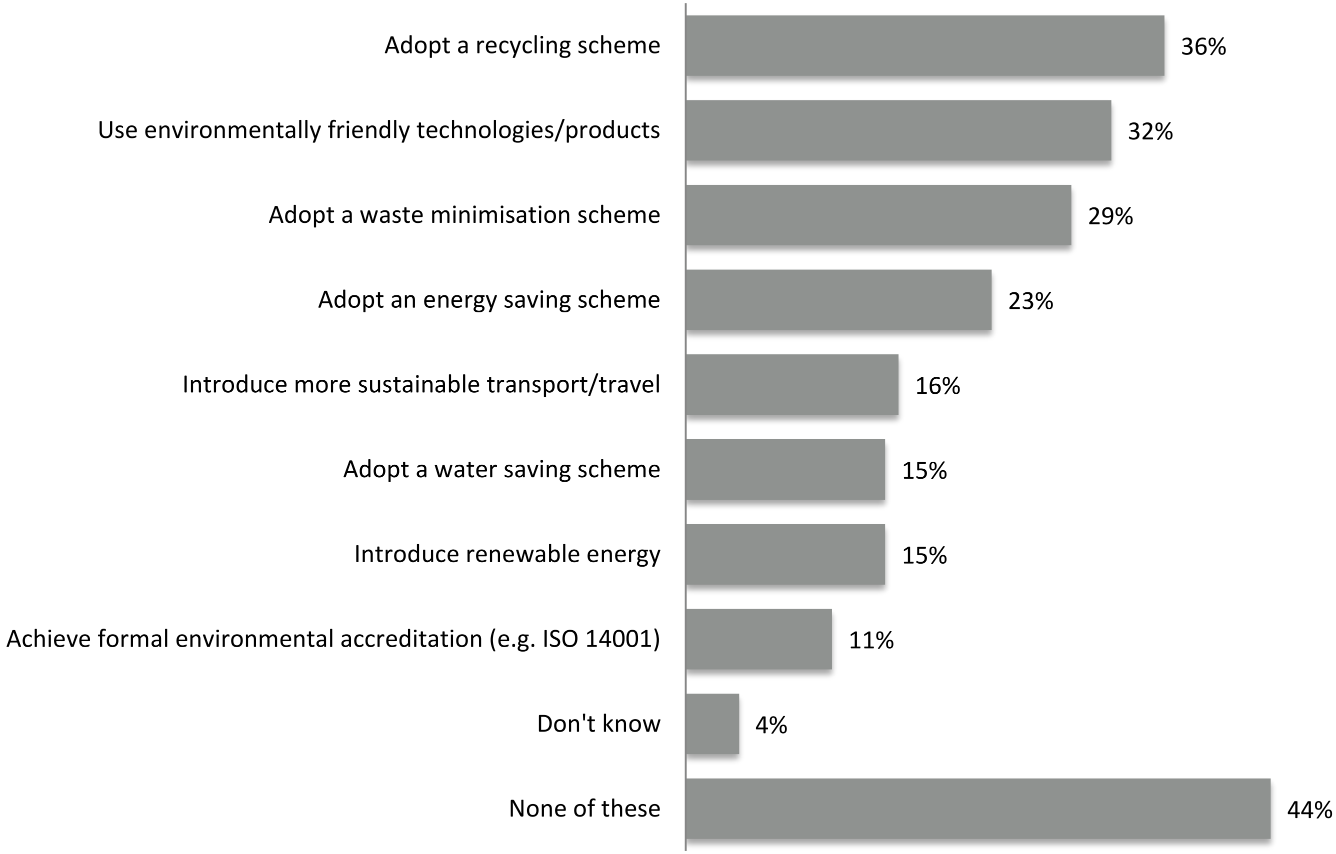
Q37. Where undertake any actions to improve environmental performance, unweighted bases shown in brackets

PROPORTION OF ORGANISATIONS THAT HAVE ACCESSED CONSULTANCY OR ADVICE ON ENVIRONMENTAL IMPROVEMENT



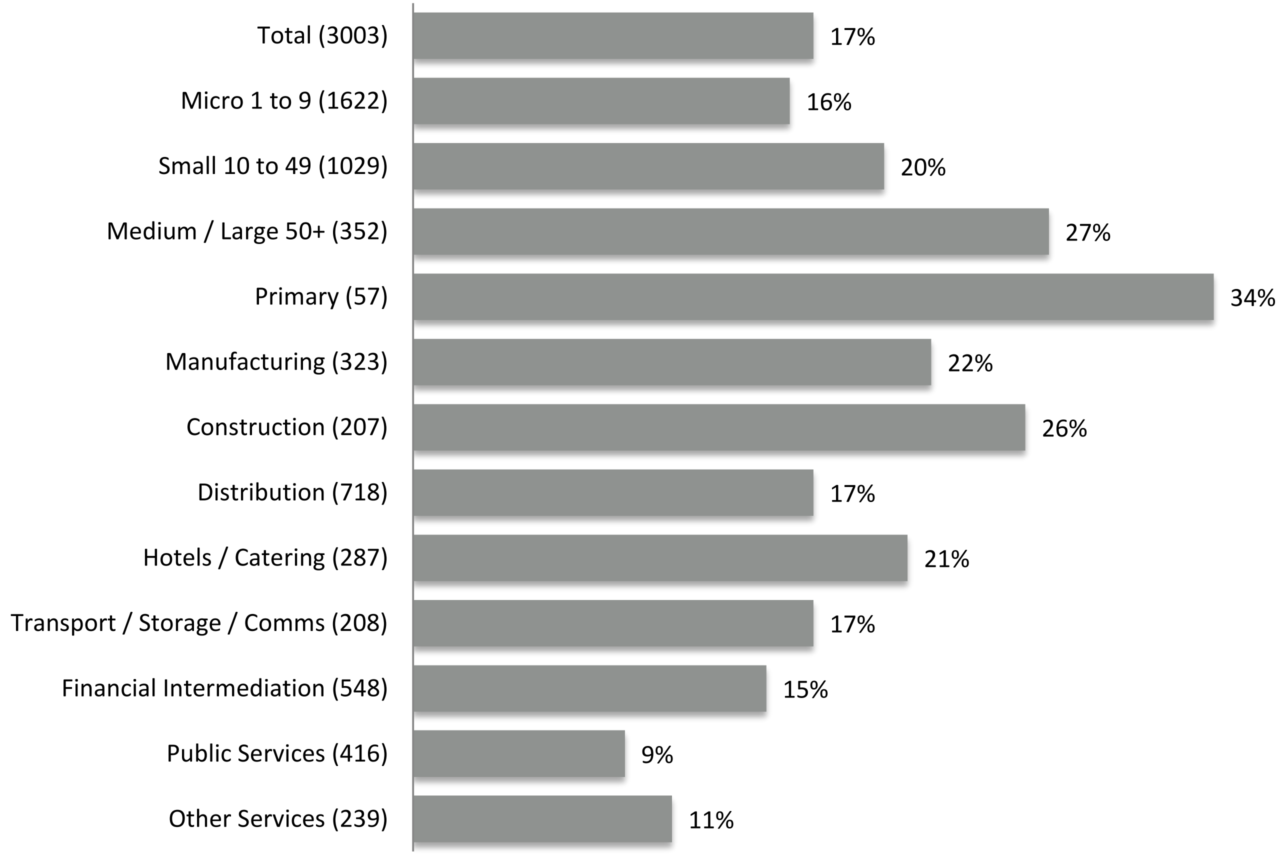
Q37. Where undertake any actions to improve environmental performance, unweighted bases shown in brackets

ACTIVITIES PLANNED TO IMPROVE ORGANISATIONS' ENVIRONMENTAL PERFORMANCE



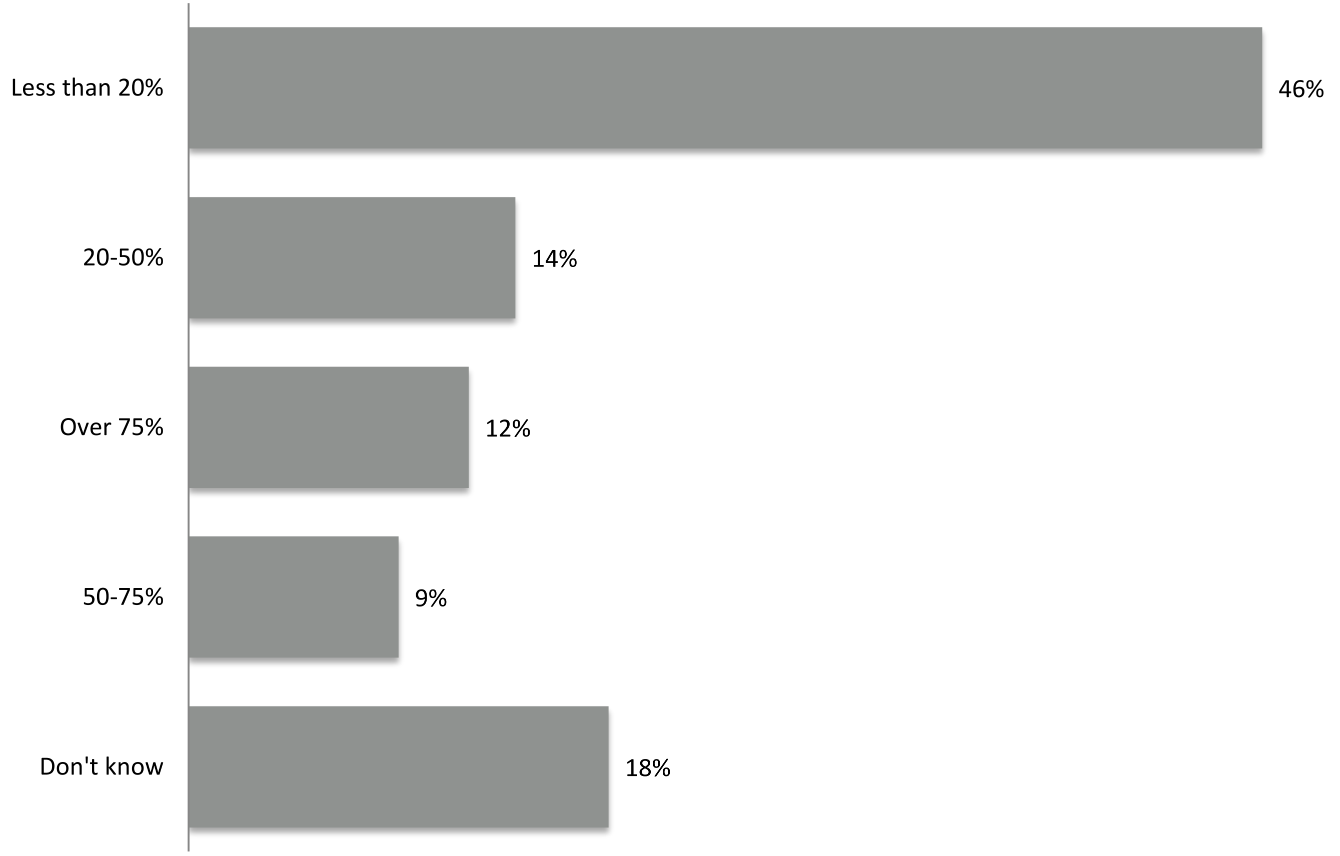
Q38 All respondents, unweighted bases = 3003

PROPORTION OF ORGANISATIONS THAT HAVE INTRODUCED PRODUCTS THAT REDUCE ENERGY OR WASTE FOR THE USER IN THE LAST 3-5 YEARS



Q39 All respondents, unweighted bases shown in brackets

PROPORTION OF TOTAL SALES THAT CAN BE ATTRIBUTED TO PRODUCTS THAT REDUCE ENERGY OR WASTE FOR THE USER



Q40 Where introduced products that reduce waste, unweighted bases = 491

BUSINESS LOCATION AND INFRASTRUCTURE

Summary: business location and infrastructure (1)

76% of organisations are satisfied overall with their current business location; 7% are dissatisfied

The main advantages of the current business location include:

- Good road/motorway links (67%)
- Easy access for employees (66%)
- High speed broadband connection (64%)
- Transport connections within the local area (58%)
- Connectivity to suppliers/customers (58%)
- Overall attractiveness of the area (57%)

Summary: business location and infrastructure (2)

Disadvantages were mentioned by small proportions, with the main ones being:

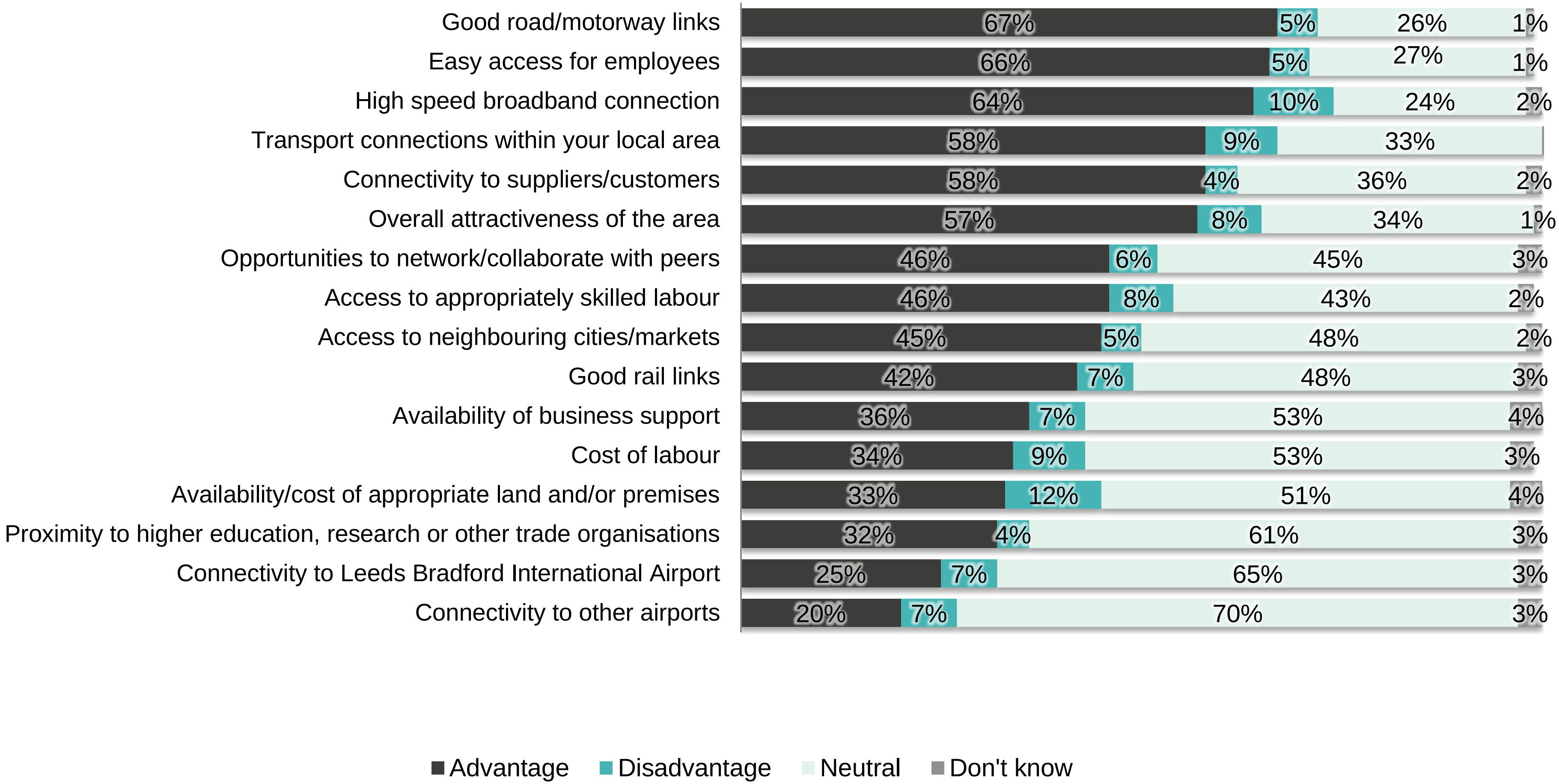
- Availability/cost of land/premises (12%)
- High speed broadband connection (10%)
- Transport connections within the local area (9%)

29% are likely to consider moving premises within the next 5 years, with few likely to move outside the region:

- Within the same town/area (73% of those considering moving)
- Within Yorkshire and Humber (17%)
- Elsewhere within the UK (5%)
- Outside the UK (1%)

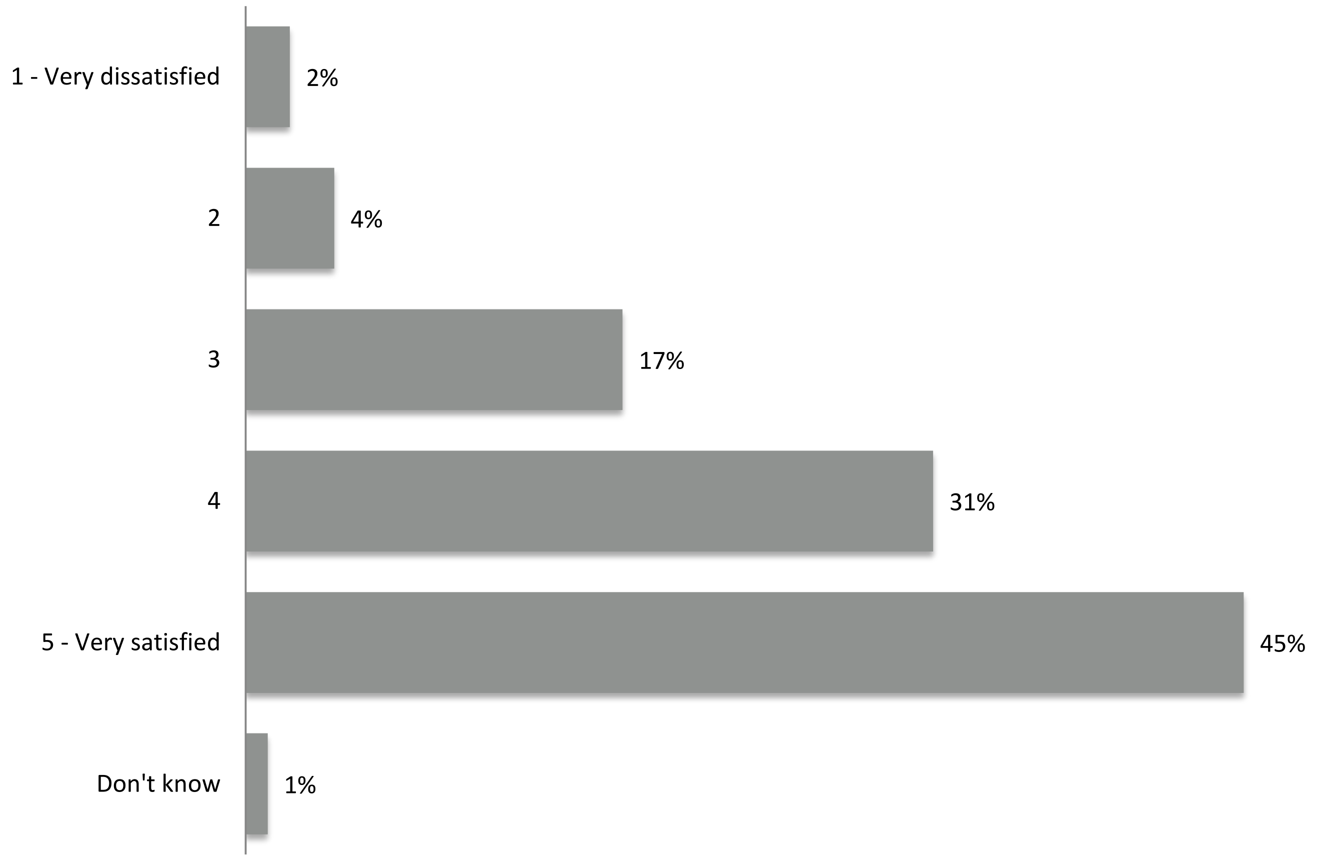
46% find that current broadband service or speed completely/largely meets their needs; 30% adequately and 19% somewhat/doesn't meet their needs

ADVANTAGES AND DISADVANTAGES OF THE CURRENT BUSINESS LOCATION



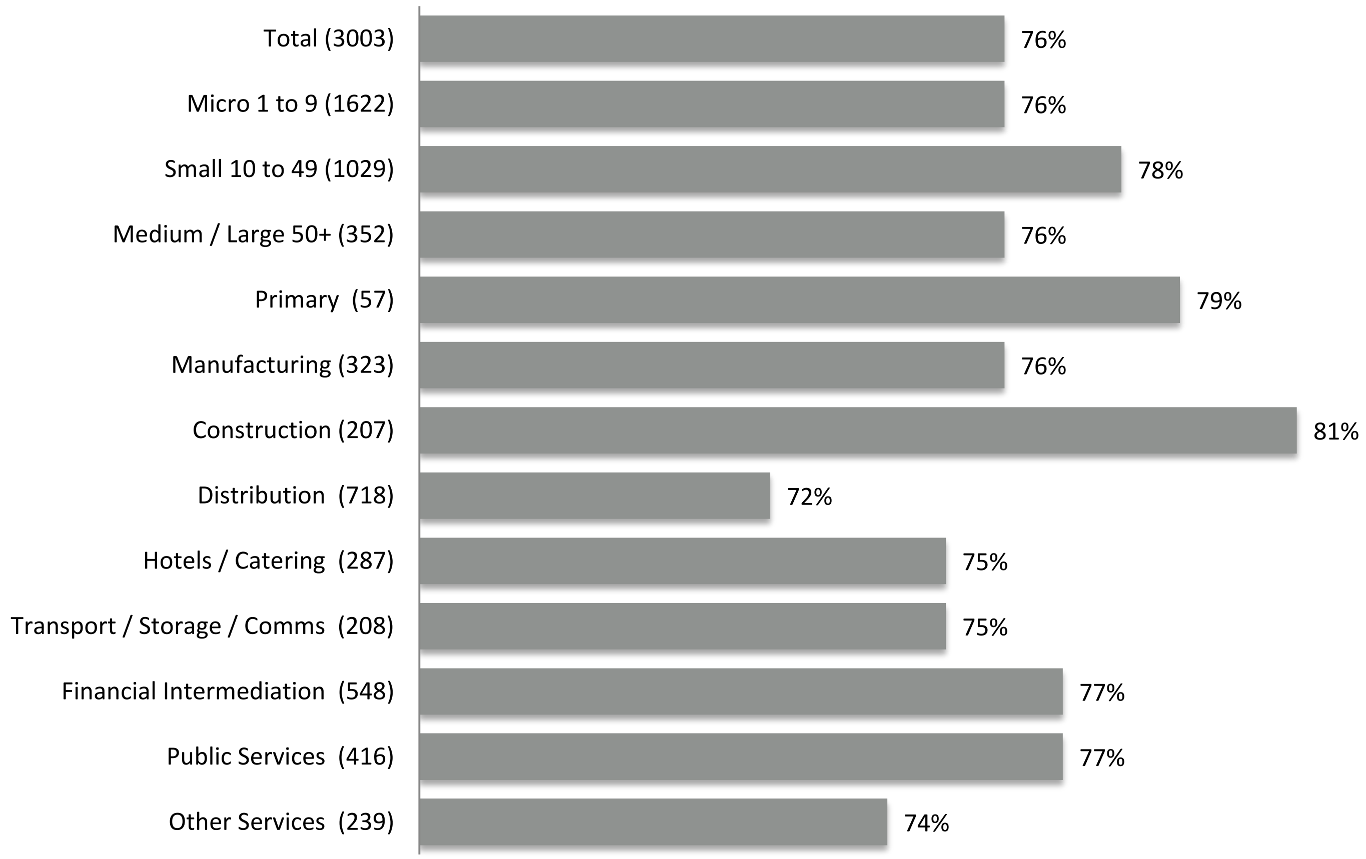
Q41. All Respondents, unweighted base = 3003

OVERALL SATISFACTION WITH THE CURRENT BUSINESS LOCATION



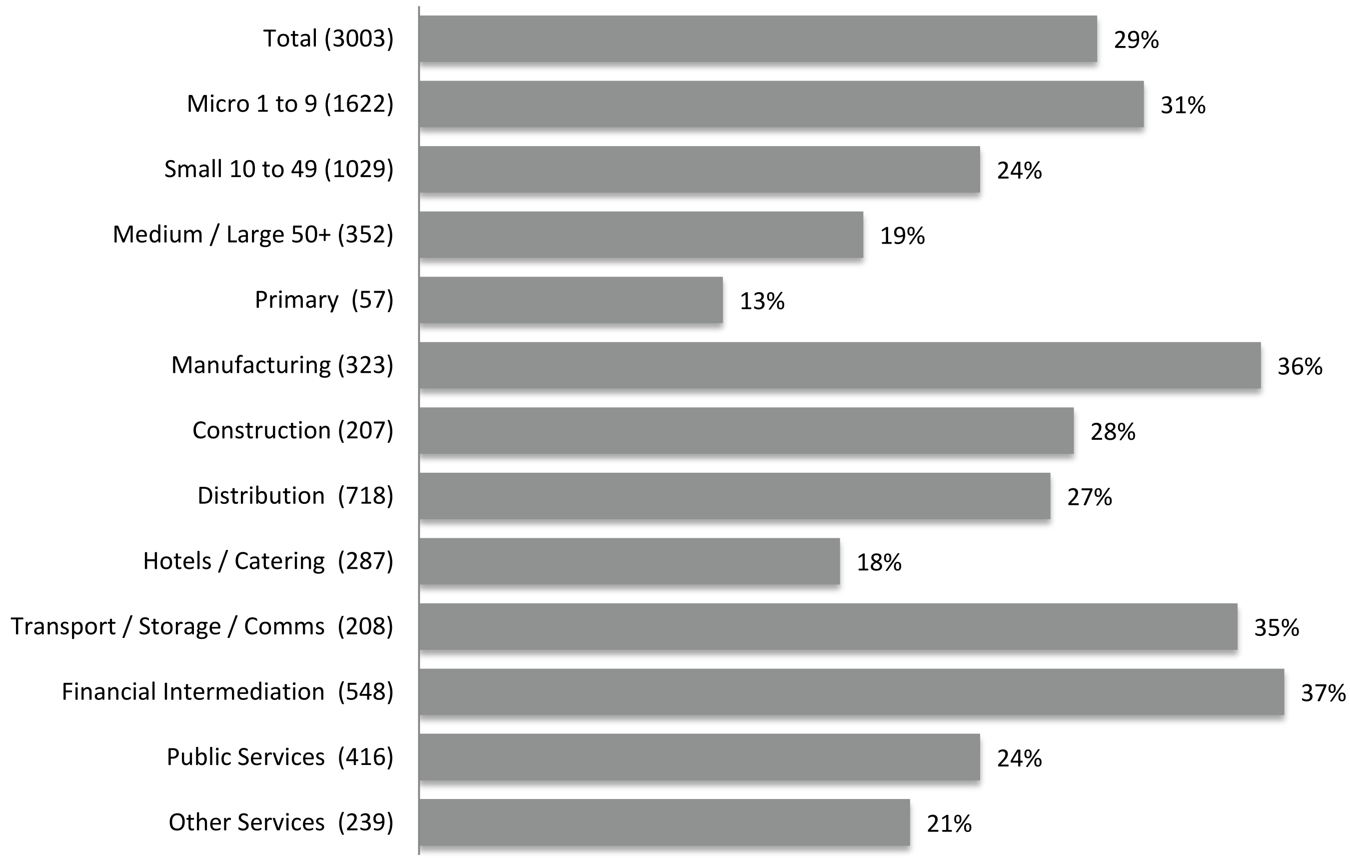
Q42 All respondents, unweighted bases = 3003

PROPORTION OF ORGANISATIONS THAT ARE SATISFIED WITH THE CURRENT BUSINESS LOCATION



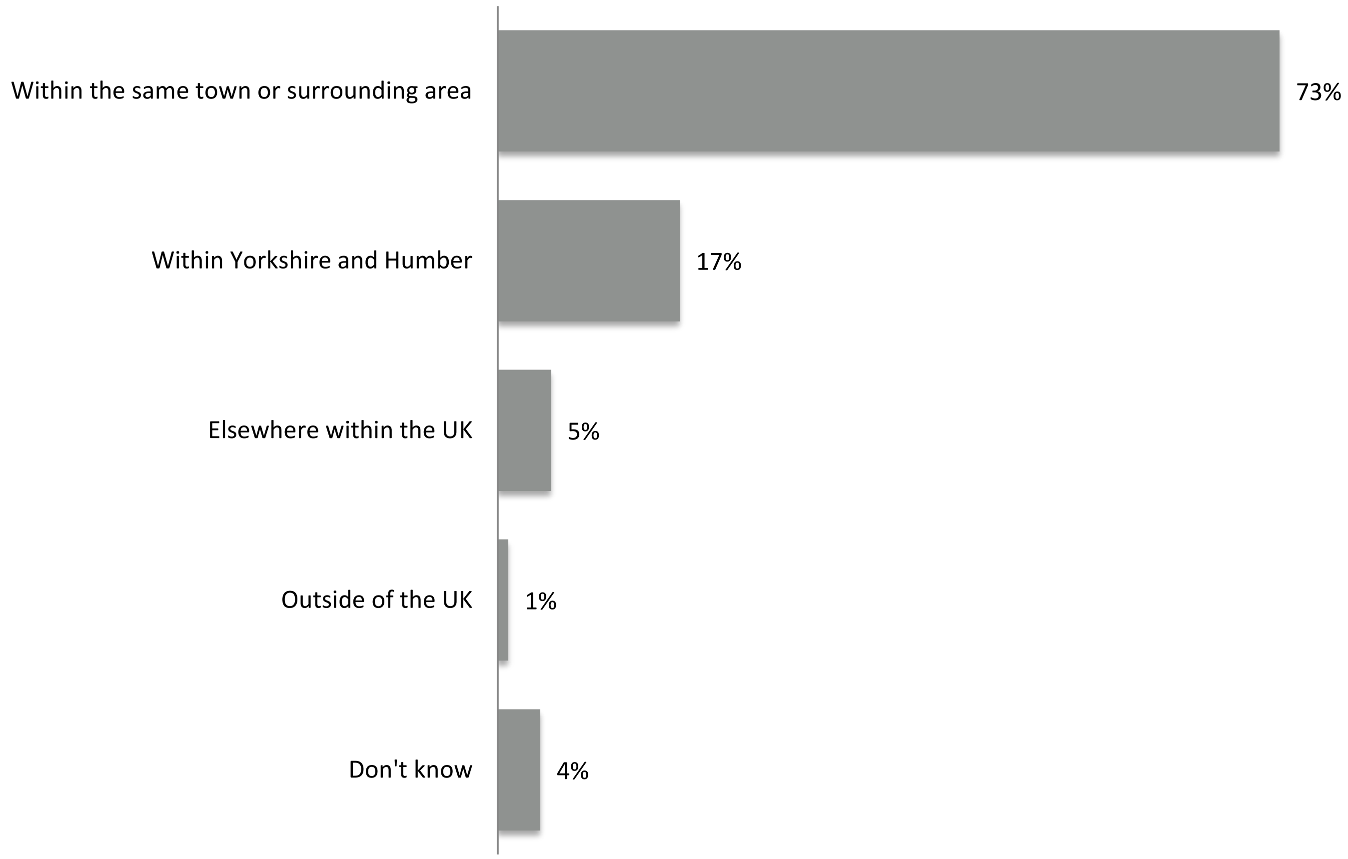
Q42 All respondents, unweighted base = 3003

PROPORTION OF ORGANISATIONS LIKELY TO CONSIDER MOVING PREMISES WITHIN THE NEXT 5 YEARS



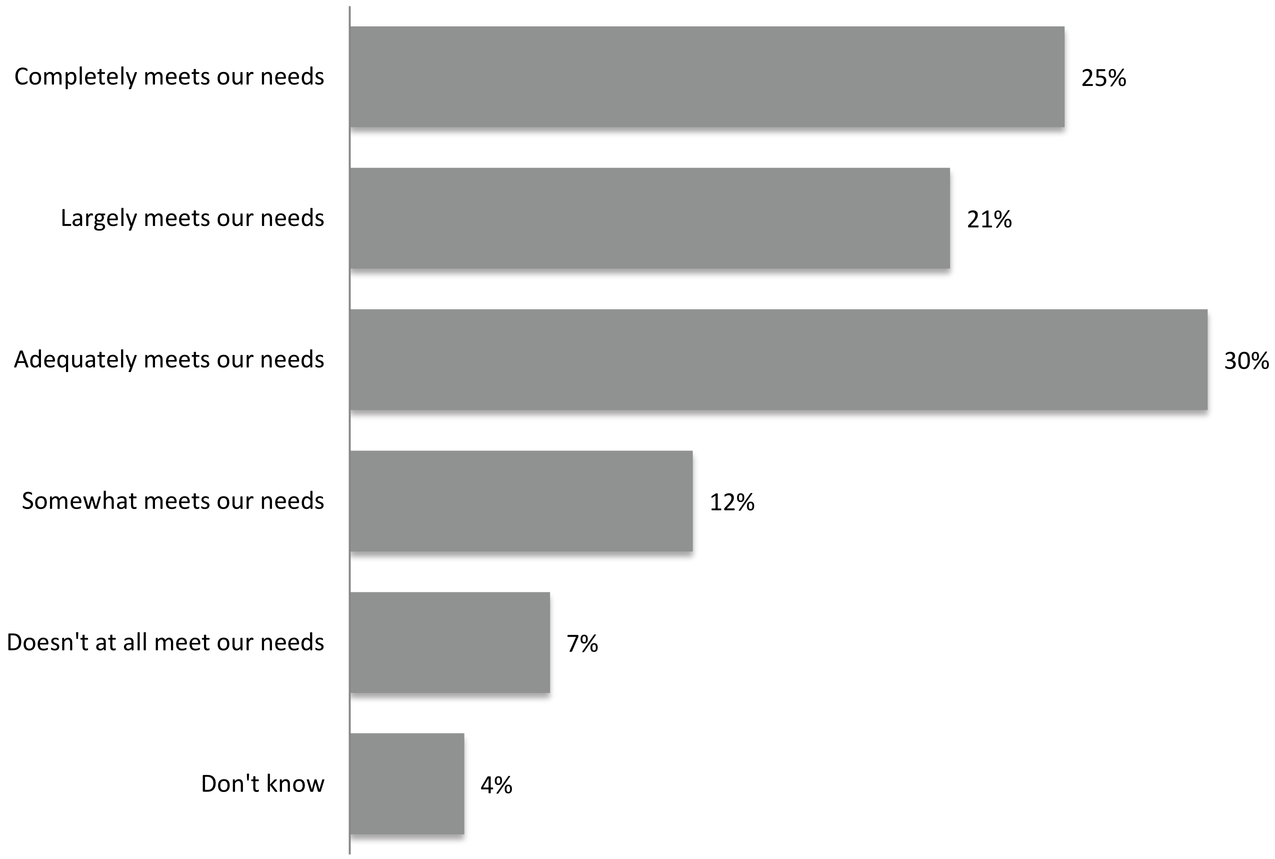
Q43 All respondents, unweighted bases shown in brackets

DESTINATIONS FOR RELOCATION



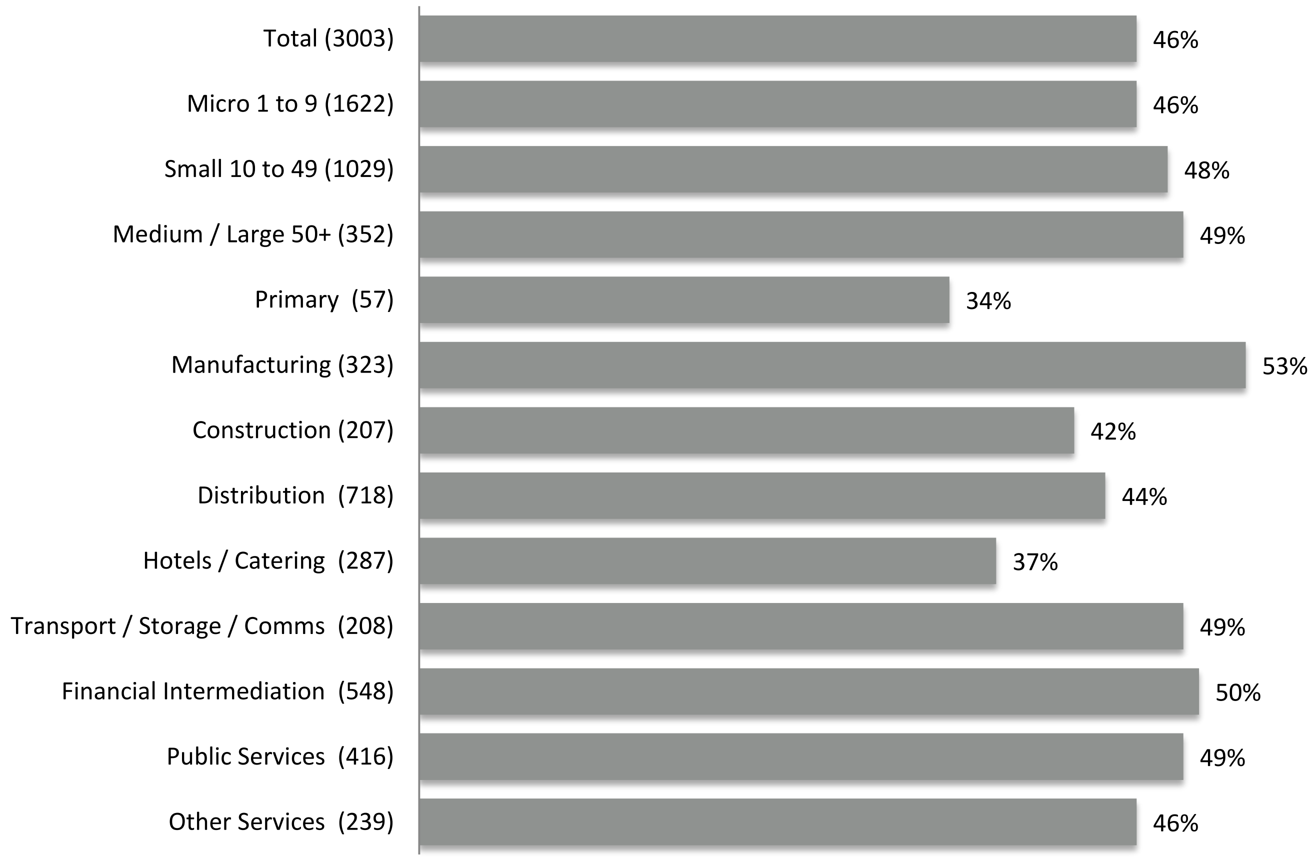
Q44 Where likely to relocate, unweighted bases = 793

DEGREE TO WHICH CURRENT BROADBAND SERVICE/SPEED MEETS ORGANISATIONS' NEEDS



Q45 All respondents, unweighted base = 3003

PROPORTION AGREEING THAT CURRENT BROADBAND SERVICE/SPEED MEETS ORGANISATIONS' NEEDS



Q45 All respondents, unweighted base = 3003

Leeds City Region Business Survey 2015

Strengths/opportunities

Business performance in the last 12 months

46% report an improvement in performance
26% report an increase in staff numbers

Investment in R&D

64% have innovated in last 12 months

Main innovations are:
47% introduced new products/services
40% introduced new processes
23% invested in R&D

Strengths of location

76% are satisfied overall

The top advantages are:
67% good road/motorway links
66% easy access for employees
64% high speed broadband

Exporting activity

15% currently export

The main destinations are:
90% (where export) the EU
31% North America
22% the Middle East

Apprenticeships

24% have employed apprentices in the last 12 months

Low carbon activities

17% have developed products that reduce energy or waste in the last 3-5 years

Challenges

Barriers to growth in the next 3 years

85% mention barriers

The main barriers are:
17% access to finance
13% level of competition
11% decline in demand
10% cash flow

Barriers to innovation

65% report barriers

The main barriers are:
41% financial constraints
34% time constraints
21% expenditure on innovation high risk

Weaknesses of location

The top disadvantages are:
12% availability/cost of land/premises
10% speed of broadband
9% cost of labour
9% transport connections

Barriers to exporting

The main barriers to exporting are:
70% (where don't export) say products are not suitable
10% don't see the need

Skills gaps

74% have skills gaps

Mainly in:
36% sales and marketing
30% management/leadership skills

Hard to fill vacancies

21% have had hard to fill vacancies in the last 12 months

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