# Shrropshire Business Survey 2019

## For Shropshire Council

## 13 September 2019

RESEARCH

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This research has been carried out in compliance with the International standard ISO 20252, (the International Standard for Market and Social research), The Market Research Society's Code of Conduct and UK Data Protection law

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# 1. Executive Summary

- To provide data to support the successful delivery of the Economic Growth Strategy, the Corporate Plan and support the work and ambitions of key partners such as the Marches LEP and Midlands Engine, Shropshire Council required a robust survey of businesses.

- A telephone survey was completed with 601 businesses from across the county between 2 July 2019 and 3 August 2019. To ensure a representative sample, quota targets were set on SIC, number of employees and Place Plan Area.

- Data from the IDBR highlights that 91% of businesses operating in the county have fewer than 10 employees and survey data highlights that the majority have operated within the county for more than 10 years and have a turnover below £0.5million. In most cases, the business had been originally established in the county or owners/directors live there.

### *Business Turnover*

- In the last 12 months, more than half of businesses had experienced some degree of variation in turnover; on balance, businesses were more likely to indicate that they had seen an *'increase'* (32%) rather than a *'decrease'* (24%), but where an *'increase'* was evident businesses had only experienced a small uplift (55% had seen a 1-10% increase).

- When asked what, if any, barriers to growth businesses felt they would face over the next 3 years, no single barrier was mentioned overwhelmingly and what was mentioned tended to relate to national issues such as *'Brexit'* (24%) and the *'general state of the economy'* (19%).

### *Operating a Business in the County*

- A question was included to explore if there were specific challenges with operating a business in a rural area - a range of challenges were mentioned, with *'Wifi and broadband issues'* (20%) and *'poor access to road transport links'* (20%) most frequently mentioned.

- When asked specifically about current broadband provision, businesses were more likely to *'agree'* than *'disagree'* that this would be fit for purpose for the next 3 years (42% vs. 30%) – although rural businesses and those in agriculture/forestry were more likely to say it wasn't.

### *Supply Chain and Customers*

- On average Shropshire businesses purchase 51.3% of their supply chain from *'within 30 miles'* and a further 40.7% from *'elsewhere in the UK'*. The remaining locations only acocunt for 8% of supply chain purchases, with slightly more coming from *'within the EU'* (4.8%) than *'outside the EU'* (3.2%).

- With regard to revenue, the main market for most Shropshire businesses is *'within 30 miles'* (on average, 65.2% of sales come from within this area) and almost all remaining sales come from *'elsewhere in the UK'* (30.8% on average) within only a small proportion from outside the UK. In total, 13% derive more than 5% of their revenue from exports.

### *Staffing and Skills*

- The majority of businesses (75%) had not seen any change in headcount over the last 12; where there had been change, on balance, businesses were more likely to have experienced an *'increase'* (17%) than a *'decrease'* in staff (8%).

- One-in-ten (12%) indicated that they currently have any vacancies that are proving hard to fill and this was most often due to a *'lack of applicants with the required skills'* (56%) and *'not enough interest in this type of job'* (28%) leading to *'low numbers of applicants'* (19%).

- Most businesses rely on a workforce from *'within 5 miles'* of their business site. On average, businesses said that 73.1% of their employees came from this location, while most of rest came from *'between 5-25 miles away'* (23.7%) – this provides a limited pool of potential employees which may explain why suitable applicants aren't always readily available.

- A question was included to explore the degree to which businesses felt their current workforce needed improvement in 9 different types of skills and competencies - most businesses (77%) could identify at least one of these areas that requires improvement. Only one area was chosen by the majority of businesses and this was *'IT and Digital Skills'* (54%).

- Overall, businesses were more likely to mention each of these skills and competencies as likely to be more important to them in future than they were to say there is a need for improvement in them within their current workforce.

***Business Support***

- When presented with a list of possible sources of business support, almost all (92%) were able to highlight at least one source (they mentioned 4.4 different sources on average). This was most often simply using an *'online search engine'* (76%) or more specifically *'national regulator or Government department websites'* (51%) and *'the local council website'* (34%), but business services like an *'accountant'* (42%) or *'bank'* (41%) are important.

- One-in-three organisations is aware of the Marches Growth Hub (35%) and within this, one-in-three of those aware (10% of the total sample) have accessed the Hub in the last 2 years to receive information, support or advice.

- Where businesses had accessed support from the Growth Hub this was most frequently having *'attended an event'* (57%) or being *'signposted to another organisation'* (25%). Respondents were more likely to consider this support as being *NET: useful* (46%) rather than *NET: not useful* (27%).

***Local Regulators***

- When presented with a list of statements about regulators, agreement (*'agree strongly'* or *'agree')* was highest for the statement *'I believe they treat me fairly and consistently'* (53%).

- Other statements recorded agreement levels of around one third, with the lowest agreement rating for the statement *'they give me the confidence to plan for future growth and investment'* (25%) – consequently, this was the only statement that recorded a greater proportion for *NET: Disagree* (*'disagree strongly'* or *'disagree'*) at 41% than *NET: Agree.*

- When given a choice for one possible change to the way local regulation is delivered, preference was for *'having a single point of contact for all compliance matters'* (32%), although there was also interest in *'services are better organised to reduce overlaps & duplication where possible'* (16%) and *'being able to get advice on how to comply as part of a wider business support package'* (16%).

- Businesses would also be interested in receiving advice on how to comply with regulation via a notification service (74%), but other direct channels such as *'phoning a regulator directly'* (65%) visiting a *'regulator's website'* (62%) or *'emailing an officer'* (62%) are also important.

### *Conclusions*

- This research provides a robust assessment of the views of the business community in Shropshire amongst a representative sample of firms from all sectors.
- The data highlight a substantial degree of stability amongst the business community, in terms of headcount and location.
- Skills gaps are evident amongst the existing workforce and there's evidence that some businesses also struggle to find suitable employees via recruitment (with most relying on the local skills pool) due to a lack of suitable skills.
- The localised nature of businesses extents to the customer base and the sourcing of products and services.
- While headcounts have generally stayed the same over the last 12 months, turnover has been more varied with the majority of businesses reporting a change in turnover (more often an increase than decrease).
- Businesses tend to reference national issues when identifying potential barriers to growth, but evidence does exist of specific challenges with operating in the county, although these don't appear to pose overwhelming limitations on businesses as a whole.
- In particular, issues with wi-fi and broadband are a concern for some businesses.
- A range of sources are used to access business support, but the internet is the most readily used channel.
- A third of businesses are aware of the Marches Growth Hub and around a third of these have accessed support from it in the last 2 years.

# 2. Background and Objectives

## 2.1 Background and Context

In the Council's Economic Growth Strategy it is recognised that the county is in a unique location for business and enterprise being situated within the West Midlands Combined Authority and Midlands Engine and on the border of the Northern Powerhouse and the boundary of Wales.

To capitalise on this, the Council's ambition is to facilitate sustainable economic growth and to do this is it will focus on achieving maximum economic productivity from the assets and opportunities across the County[1], based on three key objectives;

- Support and grow new and existing businesses
- Attract inward investment
- Develop and retain talent and skills.

More specifically, the SC Economic Growth Strategy sets the following targets in Shropshire over the next 5 years (to 2021);

- Increase GVA (currently £6 billion) by 12%
- £300 million of private sector investment
- At least 3,700 new jobs
- 1,375 new homes per annum.

Additionally, other considerations will have an important influence on successful growth in the county. This includes the uncertainty around Brexit and the possible impact on imports/exports and the availability of migrant labour (not just in agriculture, but also in other key sectors such as health, advanced manufacturing etc.). Also, achieving *inclusive growth* is an important goal for many local authorities and while Shropshire is a comparatively prosperous county, pockets of deprivation do exist around Oswestry and Shrewsbury so the challenge for inclusive growth is to bring opportunity to those deprived areas.

To underline these goals, SC required robust and reliable evidence from businesses to support the successful delivery of the Economic Growth Strategy, the Corporate Plan and support the work and ambitions of key partners such as the Marches LEP and Midlands Engine.

To gather this data, a robust survey of businesses was carried out and the findings from this survey are outlined in this report

## 2.2 Objectives

The main objectives of this research were to;

- Undertake a survey amongst a **robust and representative sample** of Shropshire businesses that includes participation by important, larger businesses in the county
- Ensure the final achieved **sample allowed analysis by key sub-groups**
- Design a concise questionnaire which minimises the interview burden on businesses, but explores all the key issues for businesses operating in the county and **ensure the questionnaire elicits unambiguous, meaningful and actionable data**

[1] https://www.shropshire.gov.uk/media/6087/economic-growth-strategy-for-shropshire-2017-2021.pdf

- Explore in detail what benefits the county offers to businesses **and identify the key features and advantages of operating in the area** as well as clearly identifying opportunities for growth and how these can be unlocked and maximised
- **Identify the main challenges that businesses face** and gauge the degree to which these will impact on each business's operations in the short to medium term and how these can be addressed by the Council and its partners
- **Establish specific business needs** with regard to skills needs and gaps; connectivity (including both digital and transport); premises; regulation and the associated support; funding requirements and access to finance.
- Determine **how SC can support businesses to overcome challenges**

## 3. Methodology

To gather the required data a telephone survey was completed with 601 businesses from across the county. All interviews were completed by Qa Research from our in-house contact centre based in York. Interviewing was completed between 2 July 2019 and 3 August 2019. Company contact details were sourced from the MINT database and provided by Shropshire Council.

To ensure that a representative sample of respondents was interviewed, quota targets were set on recruitment to control the proportion of interviewed businesses by Standard Industrial Classification (SIC) code, number of employees and Place Plan Area.

The quota targets set for SIC and number of employees were broadly representative of the business population of Shropshire (based on data from the 2018 IDBR for enterprises); smaller businesses (fewer than 5 employees) were deliberately under-sampled to increase the number of larger businesses included in the sample for analysis purposes. Additionally, some under-sampling and over-sampling by SIC was also applied to ensure that increase the number of business form some of the small SIC codes. Weighting was applied at the analysis stage to ensure that the final sample was representative of the business community in Shropshire.

All data processing, coding and data preparation was carried out in-house by Qa Research

## 4. How to read this report

The analysis outlined in Section 5 explores the key findings from the survey. It contains analysis for each question included in the survey based on the sample as a whole or on those who gave a valid response where this is more appropriate. In addition, analysis has been undertaken amongst key sub-groups to identify any differences amongst different sectors of the county's business community. Regarding this, please note the following notes about specific sub-groups;

- ***Analysis by SIC*** – differences between businesses in different SIC codes has been included, but not all SIC codes contain a sufficient number of businesses to compare and contrast (see Figure 1). Therefore, figures have only been detailed for those codes with 30 or more respondents.
- ***Exporters vs. non-exporters*** – exporters were defined as businesses that indicated (at Q18) that they derive at least 5% of their sales from *'within the EU, but excluding the UK'* AND/OR *'outside the EU'*. This constitutes of 13% of all businesses interviewed.
- ***Skills gaps/needs vs. no skills gaps/needs*** – businesses with skills needs/gaps were defined as those having vacancies that are hard to fill (Q13) specifically because of a *'lack of applicants with the required skills'* (Q14) AND/OR needing improvement in 3 or more different types of skills at Q16a. This constitutes of 54% of all businesses interviewed.

# 5. Key findings

This section outlines the key findings from the survey.

## 5.1 Sample Profile

This section simply details the profile of respondent businesses.

Firstly, the table below details the profile of businesses by SIC code, based on data from the IDBR and compares this with the unweighted achieved sample and the weighted achieved;

**Figure 1. Sample profile - SIC**

| SIC (From question S6) | All Enterprises (IDBR 2018) | | Achieved Sample (Unweighted) | | Achieved Sample (Weighted) | |
|---|---|---|---|---|---|---|
| A - Agriculture, forestry and fishing | 3,365 | 21% | 57 | 9% | 130 | 22% |
| B - Mining and Quarrying, C -Manufacturing, D - Electricity, Gas, Steam and Air Conditioning Supply, E - Water Supply; Sewerage, Waste | 890 | 6% | 55 | 9% | 34 | 6% |
| F - Construction | 1,730 | 11% | 33 | 5% | 67 | 11% |
| G - Wholesale and retail trade; repair of motor vehicles and motorcycles | 2,140 | 14% | 113 | 19% | 82 | 14% |
| H - Transportation and storage | 435 | 3% | 15 | 2% | 17 | 3% |
| I - Accommodation and food service activities | 960 | 6% | 79 | 13% | 37 | 6% |
| J - Information and communication | 645 | 4% | 20 | 3% | 25 | 4% |
| K - Financial and insurance activities | 210 | 1% | 8 | 1% | 8 | 1% |
| I - Real estate activities | 525 | 3% | 17 | 3% | 20 | 3% |
| M - Professional, scientific and technical activities | 2,060 | 13% | 62 | 10% | 79 | 13% |
| N - Administrative and support service activities | 1,020 | 6% | 26 | 4% | 39 | 7% |
| O - Public administration and defence; compulsory social security | 105 | 1% | - | - | - | - |
| P - Education | 215 | 1% | 13 | 2% | 8 | 1% |
| Q - Human health and social work activities | 535 | 3% | 41 | 7% | 21 | 3% |
| R - Arts, Entertainment and Recreation, S - Other Service Activities, T - Households as Employers, U - Other | 875 | 6% | 62 | 10% | 34 | 6% |
| **Base** | **15,710** | | **601** | | **601** | |

For some SIC codes the unweighted, achieved sample differs from the profile of all businesses due to the over and under-sampling of certain types of businesses. This was carried out to ensure that a robust number of businesses were interviewed in key sectors for analysis purposes.

The weighting applied corrected for these differences and consequently the weighted, achieved sample aligns with the IDBR profile. All findings in this report are based on teh weighted smaple and we can, therefore, be confident that the survey sample reflects the county's business population by SIC code.

The table below shows the profile of businesses based on the number of employees. Here also weighting has been applied to correct for the deliberate under-sampling of smaller businesses;

**Figure 2. Sample profile – Number of employees**

| Number of employees (From question S7) | All Enterprises (IDBR 2018) | | Achieved Sample (Unweighted) | | Achieved Sample (Weighted) | |
|---|---|---|---|---|---|---|
| Below 10 | 14,225 | 91% | 427 | 71% | 544 | 91% |
| 10-49 | 1,260 | 8% | 151 | 25% | 48 | 8% |
| 50-249 | 190 | 1% | 19 | 3% | 7 | 1% |
| 250+ | 35 | <1% | 4 | 1% | 1 | <1% |
| **Base** | **15,710** | | **601** | | **601** | |

A quota was also set on the proportion of businesses interviewed in Central, North and South Place Plan Areas and this breakdown is detailed below;

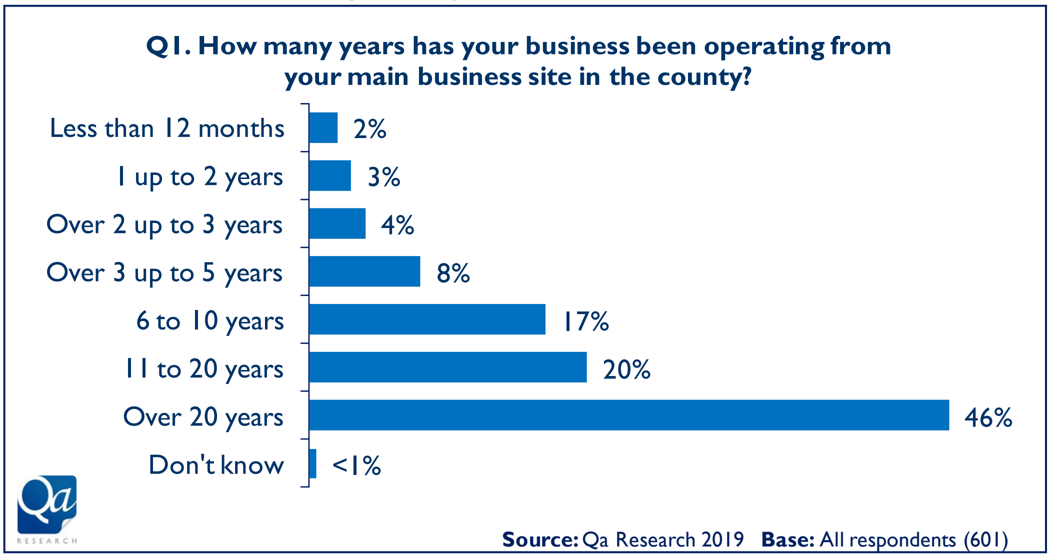
**Figure 3. Sample profile – Place Plan Area**

| Place Plan Area (From sample) | Avaialble contacts | | Achieved Sample (Unweighted) | | Achieved Sample (Weighted) | |
|---|---|---|---|---|---|---|
| **North** | | | | | | |
| Ellesmere | 119 | 2% | 22 | 4% | 18 | 3% |
| Market Drayton | 319 | 6% | 45 | 7% | 35 | 6% |
| Oswestry | 611 | 11% | 68 | 11% | 55 | 9% |
| Wem | 235 | 4% | 42 | 7% | 39 | 6% |
| Whitchurch | 236 | 4% | 32 | 5% | 24 | 4% |
| ***NET: North*** | ***1520*** | ***28%*** | ***209*** | ***35%*** | ***171*** | ***28%*** |
| **Central** | | | | | | |
| Shrewsbury | 1790 | 33% | 110 | 18% | 153 | 25% |
| Shifnal | 152 | 3% | 24 | 4% | 38 | 6% |
| Pontesbury and Minsterley | 65 | 1% | 11 | 2% | 20 | 3% |
| Albrighton | 101 | 2% | 16 | 3% | 26 | 4% |
| ***NET: Central*** | ***2108*** | ***39%*** | ***161*** | ***27%*** | ***237*** | ***39%*** |
| **South** | | | | | | |
| Bishop's Castle | 203 | 4% | 30 | 5% | 31 | 5% |
| Bridgnorth | 563 | 11% | 63 | 10% | 55 | 9% |
| Broseley | 74 | 1% | 9 | 1% | 8 | 1% |
| Church Stretton | 146 | 3% | 28 | 5% | 21 | 4% |
| Cleobury Mortimer | 143 | 3% | 15 | 2% | 14 | 2% |
| Craven Arms | 119 | 2% | 20 | 3% | 18 | 3% |
| Highley | 42 | 1% | 4 | 1% | 5 | 1% |
| Ludlow | 344 | 6% | 48 | 8% | 36 | 6% |
| Much Wenlock | 97 | 2% | 14 | 2% | 7 | 1% |
| ***NET: South*** | ***1731*** | ***32%*** | ***231*** | ***38%*** | ***195*** | ***32%*** |
| **Base** | **5,888** | | **601** | | **601** | |

Note, that for PPA weighting was applied to correct the proportion of interviews in North, South and Centre (rather than by individual PPA).

A question was also included to explore how long businesses had been operating in the county and responses were as follows;

**Figure 4. Number of years operating in the county**

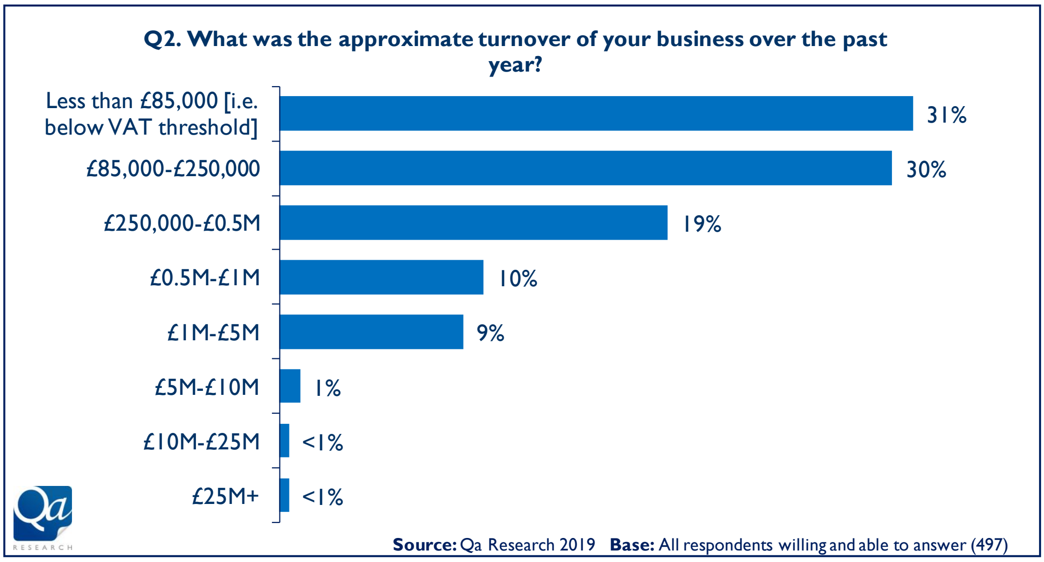



This data highlights that the majority of businesses had been operating within the county for more than 10 years. It's worth noting that newer businesses (those operating in the county for NET: up to 5 years) were most likely to operate in the SIC codes *I. Accommodation and Food Service Activities* (40%) and *M. Professional, Scientific and Technical Activities* (25%) as some differences are apparent throughout this report amongst businesses operating in *M. Professional, Scientific and Technical Activities* in particular.

## 5.2 Business Turnover

Questions were included to evaluate the performance of businesses in terms of turnover. Firstly, respondents were asked to provide the approximate turnover of their business and responses are detailed below. Although all respondents were asked this question, around 15% were unable or unwilling to give a response so these have been removed from the data shown below;

**Figure 5. Approximate turnover over the past year**

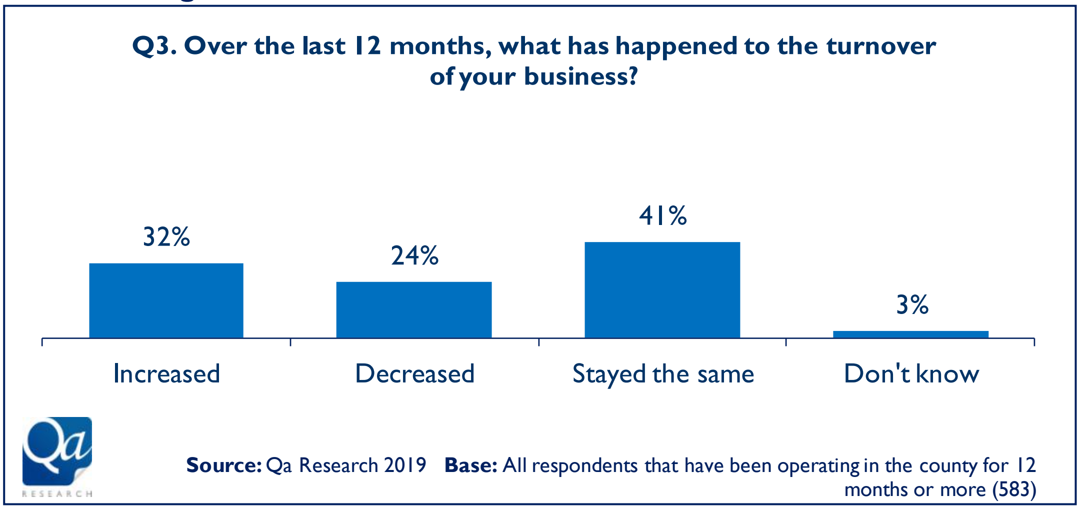


Given the predominance of smaller businesses in the county (and therefore the survey sample) it's perhaps no surprise that the majority of businesses indicated that their turnover in the previous 12 months was no more than £250,000.

Specifically, around a third of those giving a response here indicated that their turnover was below the VAT threshold of '*£85,000*' (31%), while a similar proportion indicated it was '*£85,000-£250,000*' (30%). Of the remainder, 29% had turnover between '*£250,000 and £1million*'. Only around 10% of businesses that gave a response to this question indicated a turnover above £1million and these were spread across different SIC codes.

Then, all businesses that had been operating in the county for 12 months or more were asked how their turnover had performed in the last 12 months, with responses as follows;

**Figure 6. Change in turnover over the last 12 months**




A variety of responses were recorded here reflecting different experiences amongst businesses in the county.

The largest proportion said that turnover had '*stayed the same*' (41%), but more than half of businesses had experienced some degree of variation.

On balance, businesses were more likely to indicate that they had seen an '*increase*' (32%) rather than having seen a '*decrease*' (24%).

The following sub-group differences are notable here;

- ***SIC -*** an '*increase*' was recorded amongst 53% of businesses operating in *M. Professional, Scientific and Technical Activities*. In contrast, a comparatively high proportion of businesses in *N. Administrative and Support Service Activities* indicated they'd experienced a '*decrease*' (39%)
- ***Size -*** businesses with *fewer than 10 employees* were significantly more likely than those with *10 or more* to have experienced a '*decrease*' (26% vs. 14%).
- ***Length of time in county*** – notably, businesses that have operated in the county for *10 years or less* were more likely to have experienced an '*increase*' than those that have been there longer (39% vs. 28%)
- ***Export 5% or more*** – businesses identified as deriving at least 5% of sales from exports were significantly more likely than other businesses to have experienced an '*increase*' (49% vs. 29%).

The table below shows the percentage increase in turnover amongst those businesses that had recorded an increase in the last 12 months;

**Figure 7. Approximate increase in turnover over the past year**

| Q4. By approximately what percentage has [TURNOVER] increased? | | |
|---|---|---|
| 1-10% | 103 | 55% |
| 11-20% | 36 | 19% |
| 21-50% | 24 | 13% |
| 51-99% | 1 | <1% |
| 100% or more | 8 | 4% |
| Prefer not to say | 1 | <1% |
| Don't know | 16 | 8% |
| **Base: All respondents with increased turnover (182)** | | |

It's evident from the data in this table that most businesses had only experienced a small increase in turnover (55% had seen a 1-10% increase). That said, some businesses had clearly experienced much greater improvement with 1 business (operating in *Information and Communication*) indicating a 500% increase and one (a *Construction* firm) a 600% increase.

These larger figures helped to produce a MEAN average increase in turnover of 28.6%, although the MEDIAN average recorded here was 10%, which is perhaps more reflective of the types of increase seen by businesses in the county.

Similarly, those businesses that had recorded a decrease were asked to outline by how much turnover had reduced;

**Figure 8. Approximate decrease in turnover over the past year**

| Q5. By approximately what percentage has [TURNOVER] decreased? ☐ | | |
|---|---|---|
| 1-10% | 36 | 25% |
| 11-20% | 31 | 21% |
| 21-50% | 43 | 30% |
| 51-99% | 10 | 7% |
| 100% (i.e. completely) | 1 | 1% |
| Prefer not to say | 0 | <1% |
| Don't know | 22 | 16% |
| **Base: All respondents with decreased turnover (137)** | | |

As outlined above, where businesses had experienced an increase in turnover this tended to be of no more than 20% and for most it was 10% or less. In contrast, businesses experiencing a decline in turnover were more likely to have experienced a more substantial reduction.

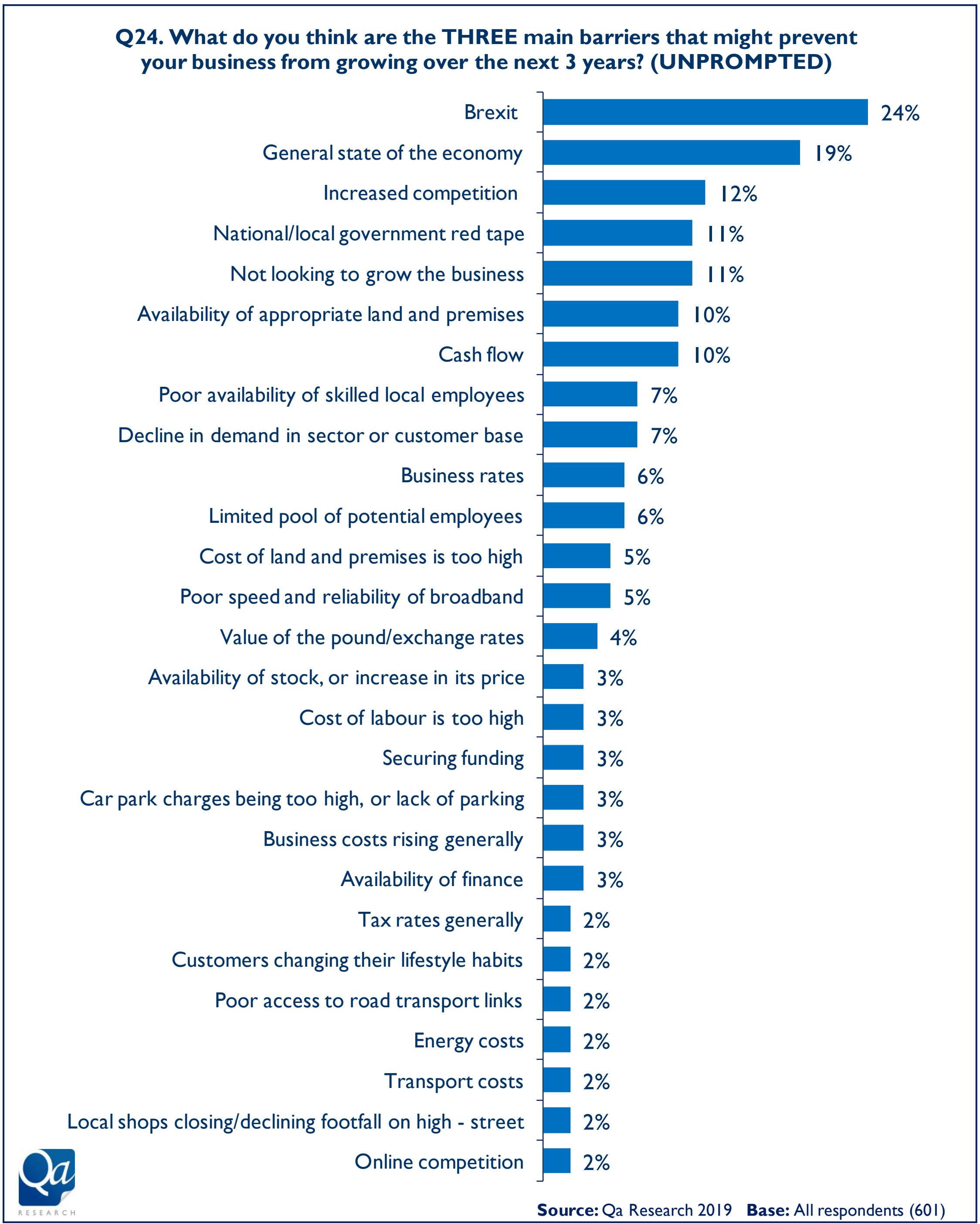
Specifically, 45% had seen a decrease of '*1-20%*', but almost a third (30%) has experienced a decline of '*21-50%*'. One business indicated that its turnover had declined by 100% in the last 12 month (although it was still trading).

Given that no business can record a decrease of more than 100% but businesses can (and did) record an increase of much more than this, it's no surprise that at 25.8% the MEAN average decline is lower than the MEAN average increase. A MEDIAN average of 20% highlights the difference in scale compared with businesses that have experienced an increase.

In summary, while fewer firms recorded a decrease in turnover over the last 12 months than recorded an increase, where a decline was recorded this was often more substantial than the increase experienced by those recording an uplift in turnover.

A question was included to explore what, if any, barriers to growth businesses felt they would face over the next 3 years.  This was unprompted question and similar responses have been coded into over-codes for analysis and these are shown below;

**Figure 9.    Main barriers to growth over the next 3 years**




No single barrier was mentioned overwhelmingly here and a range of different challenges to overcome were discussed.

One-in-four did make reference to *'Brexit'* (24%) and ore generally, a fifth referenced the *'general state of the economy'* (19%).

Comments were also made relating to considerations associated with simply managing a business of any type, such as *'increased competition'* (12%), *'cash flow'* (10%) and a *'decline in demand in sector or customer base'* (7%).

It's notable that some businesses also talked about regulation, including *'national/local government red tape'* (11%) and there was reference to *'business rates'* (6%) which is also a national issue that concerns businesses across the country (and not specific to Shropshire only).

Aside from these broad comments, references were made to barriers that more specifically relate to the county. In particular, one-in-ten mentioned *'availability of appropriate land and premises'* (10%) and more than one-in-twenty mentioned *'cost of land and premises is too high'* (5%). This is explored in more detail in Section 5.5. Concern was expressed about the availability of employees such as *'poor availability of skilled local employees'* (7%) and a *'limited pool of potential employees'* (6%), issues explored in more detail in Section 5.6.

Note that those businesses that said they were *'not looking to grow the business'* (11%) tended to be smaller businesses with low turnover and fewer employees.

There were some key points to note regarding responses at this question;

- Mentions of *'Brexit'* were greater amongst business operating in SIC codes *A. Agriculture, Forestry and Fishing* (38%) and *J. Information and Communication* (40%), strongly suggesting that this of most concern to these sectors in Shropshire. This was also mentioned more readily by those deriving 5% of more of their revenue from exports (35%).
- Mentions of *'national/local government red tape'* were highest amongst businesses for which *Planning* and *Building control* are an important aspects of the regulatory framework in which they operate (19% dealing with *Planning* mentioned *'red tape'* and 20% dealing with *Building control*). This suggests that it's these regulatory areas in particular that are of most concern in terms of *'red tape'*.
- Concerns around both the availability of land and premises and the availability of potential employees were noted significantly more amongst businesses that had recorded an increase in turnover in the last 12 months (12% said there was a *'limited pool of potential employees'* and 18% mentioned the *'availability of appropriate land and premises'* as a barrier to growth). Despite increased turnover, these businesses are no more likely than others to say they are likely to relocate in the county in the next 5 years perhaps suggesting that concerns around land and premises are preventing them from considering a move, although we can't be sure of this from this data.
- It's also worth noting that only 23% of businesses that said (later in the questionnaire) that they were likely to *'relocate their main business site in the county in the next 5 years'* actually mentioned *'availability of appropriate land and premises'* – this might suggest that the availability of land and premises is not a significant concern for all types of businesses or it might suggest that many that anticipate such a move have not yet attempted to find suitable premises and no yet encountered problems (if availability is in reality limited).
- Amongst those businesses that *disagreed* that their business's current broadband provision *'was fit for purpose for the next 3 years'*, only 10% made reference to *'poor speed and reliability of broadband'*, perhaps suggesting that despite their concerns inadequate broadband was not key barrier to growth.

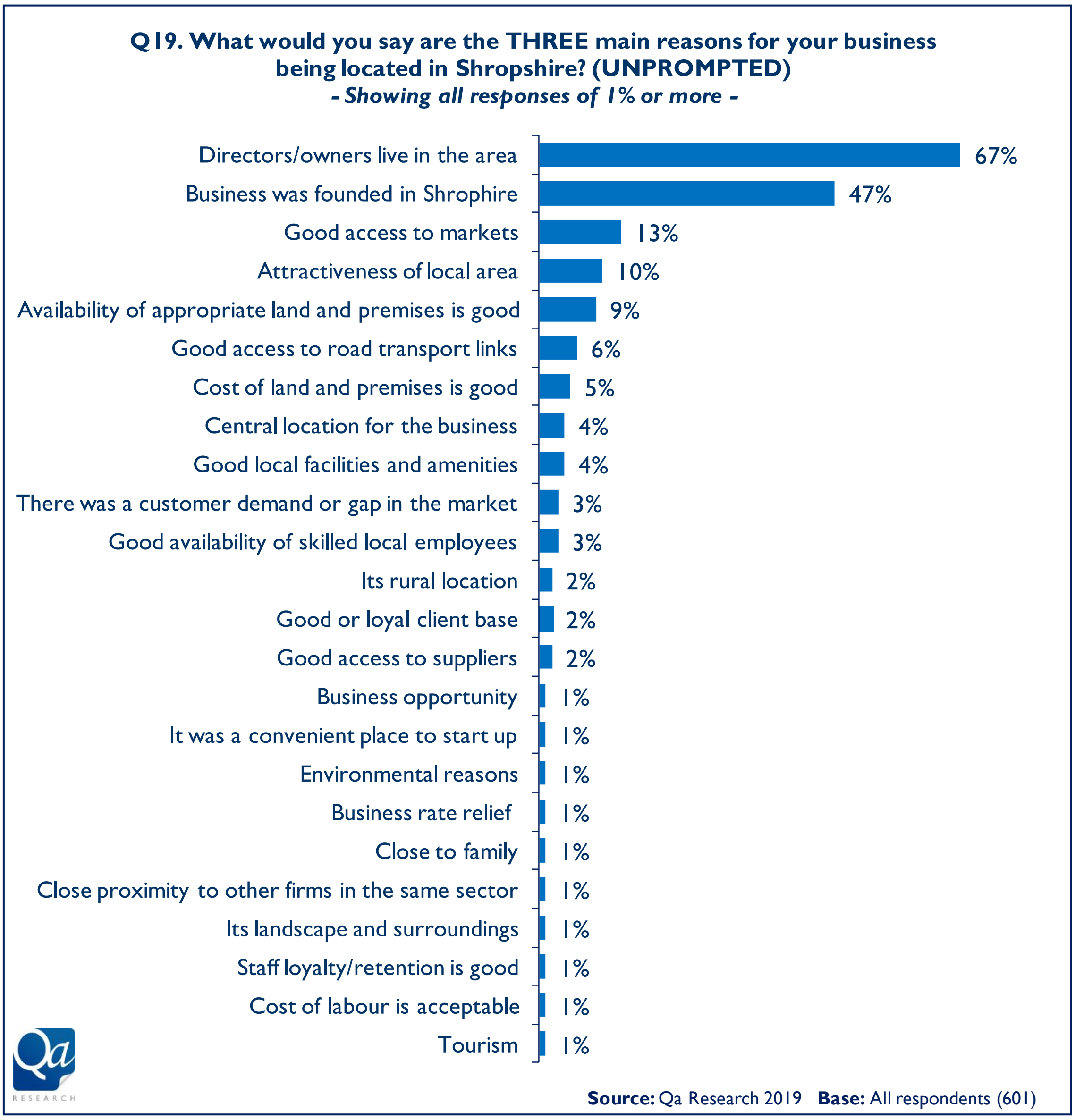
## 5.3 Operating a Business in the County

This section explores the views of businesses towards actually operating in the county.

### 5.3.1 Main reason for being located in Shropshire

Firstly, all businesses were asked what the main reasons were for them being located in Shropshire and responses were as follows. This was an unprompted question and respondents were able to give up to 3 reasons, with similar responses coded into over-codes for analysis.

**Figure 10. Main reasons for being located in Shropshire**




This question, when asked on business surveys such as this, usually produces similar findings which reflect the predominance of smaller businesses in the sample, many of which were set-up in the local area.

Consequently, the main responses given here are typical of similar surveys, with businesses most likely to say that their *'directors/owners live in the area'* (67%) and that the *'business was founded in Shrophire'* (47%). Moreover, one-in-ten mentioned the *'attractiveness of the area'* (10%) generally.

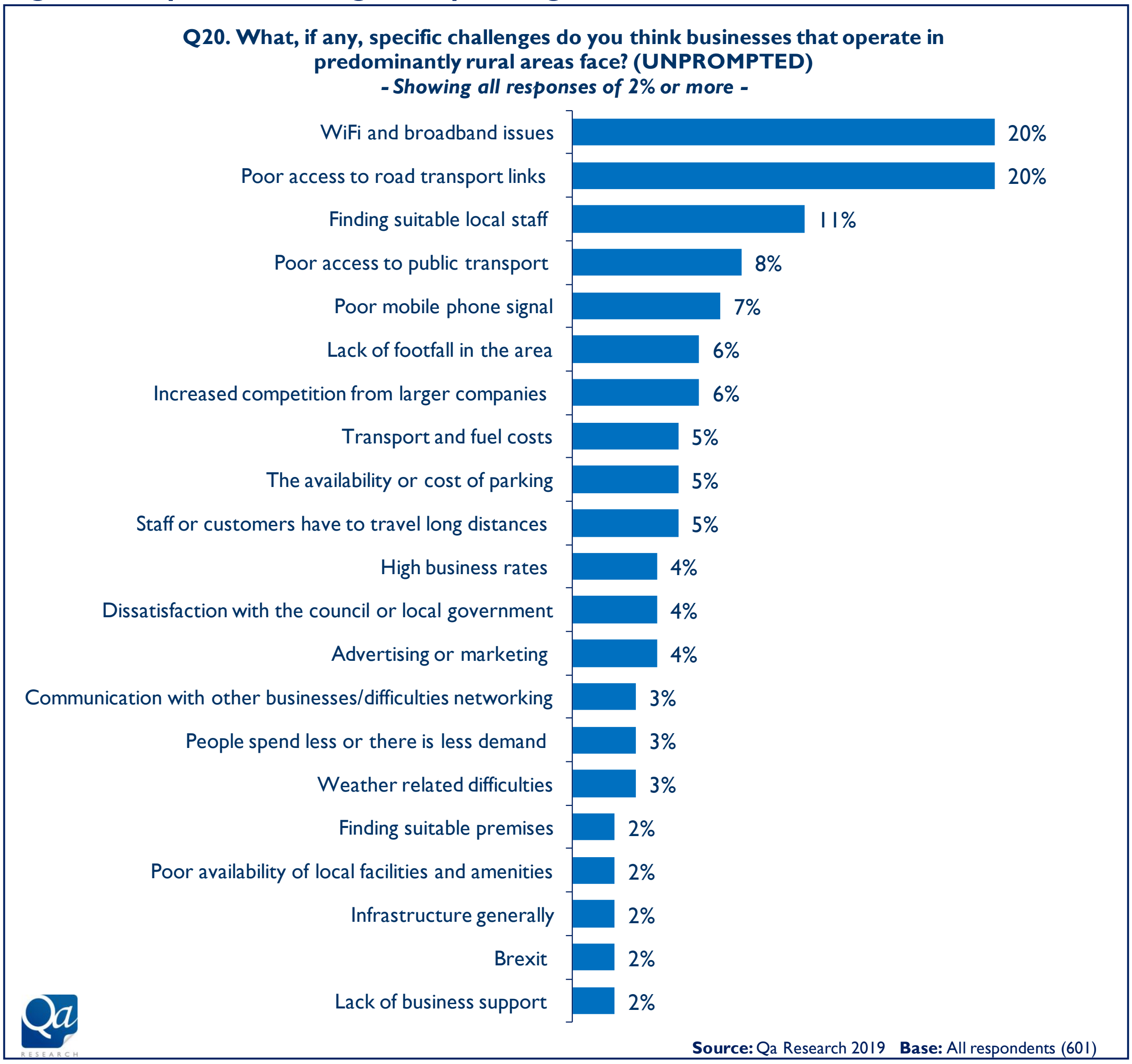
Aside from this, some more tangible reasons were also mentioned; this included mentions of access including both *'good access to markets'* (13%) and *'good access to road transport links'* (6%). It also included references to land and premises such as the *'availability of appropriate land and premises is good'* (9%) and that the *'cost of land and premises is good'* (5%).

Many other reasons were also noted, some related to running the business and some to the personal circumstances of employees/owners.

### 5.3.2 Challenges of operating in predominantly rural area

A question was included to explore if businesses felt that there were specific challenges associated with operating a business in a rural area, given the generally rural nature of the county (66% of businesses that completed the survey were located in a Rural area based in the Rural/Urban Classification). This was a completely open question and similar responses have been coded into over-codes for analysis and these are shown below;

**Figure 11. Specific challenges of operating in a rural area**




A range of different challenges were mentioned here, but a fifth mentioned *'Wifi and broadband issues'* (20%). This proportion increased to 32% amongst those businesses that *disagreed* (when asked later in the questionnaire) whether that their business's current broadband provision was *'fit for purpose for the next 3 years'*.

Transport also featured prominently, with a fifth making reference to *'poor access to road transport links'* (20%) and more than one-in-twenty making reference to *'poor access to public transport'* (8%). Also, concerns were raised about *'transport and fuel costs'* (5%), the *'availability and costs of parking'* (5%) and *'staff and customers having to travel long distances'* (5%).

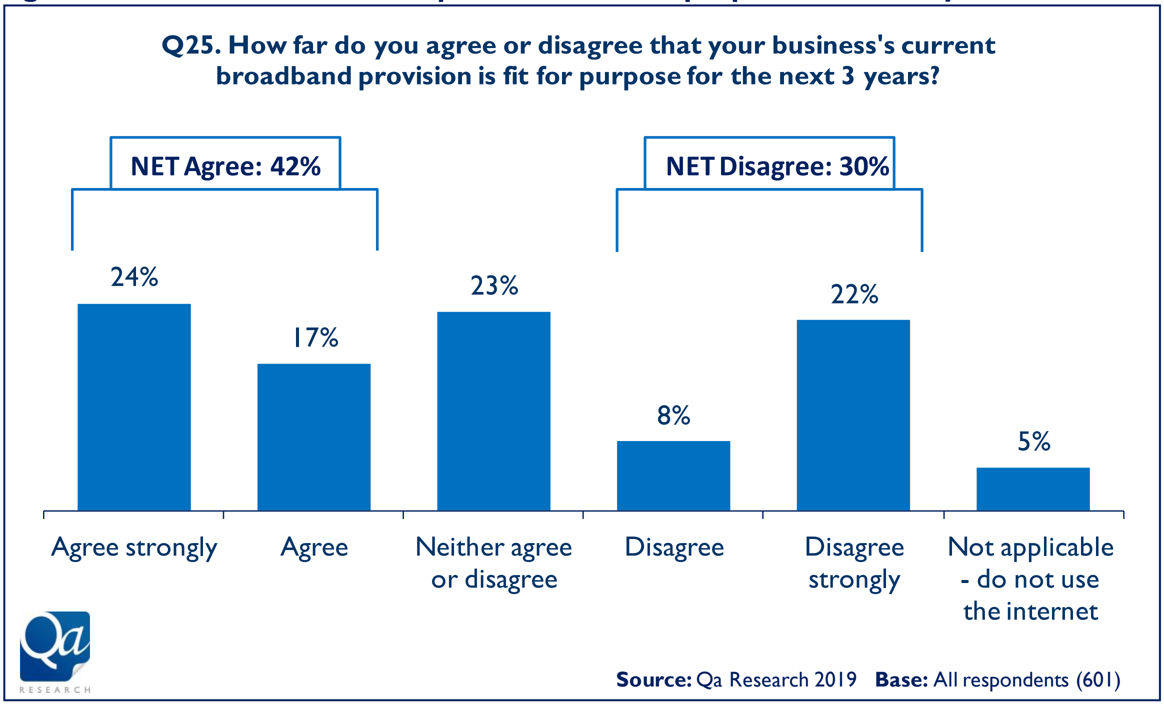
A further issue was *'finding local staff'* (11%), something explored in more detail in Section 5.6.

Another key issue was considered to be *'poor mobile phone signal'* (7%).

### 5.3.3 Adequacy of broadband provision in the next 3 years

To specifically explore views towards local broadband provision, a question was included which asked if the business's current broadband provision was fit for purpose for the next 3 years and responses are shown below;

**Figure 12. Whether broadband provision is fit for purpose for next 3 years**




Responses to this question were polarised, with many businesses clearly viewing their existing broadband provision as likely to be sufficient but others expressing concern. On balance, businesses were more likely to *NET: Agree* than *NET: Disagree* that it would be fit for purpose (42% vs. 30%); it's notable that almost the same proportions said they *'agree strongly'* (24%) and *'disagree strongly'* (22%) highlighting how polarising this infrastructure consideration is.

The proportion indicating they *NET: Disagree* was highest amongst the following sub-groups;

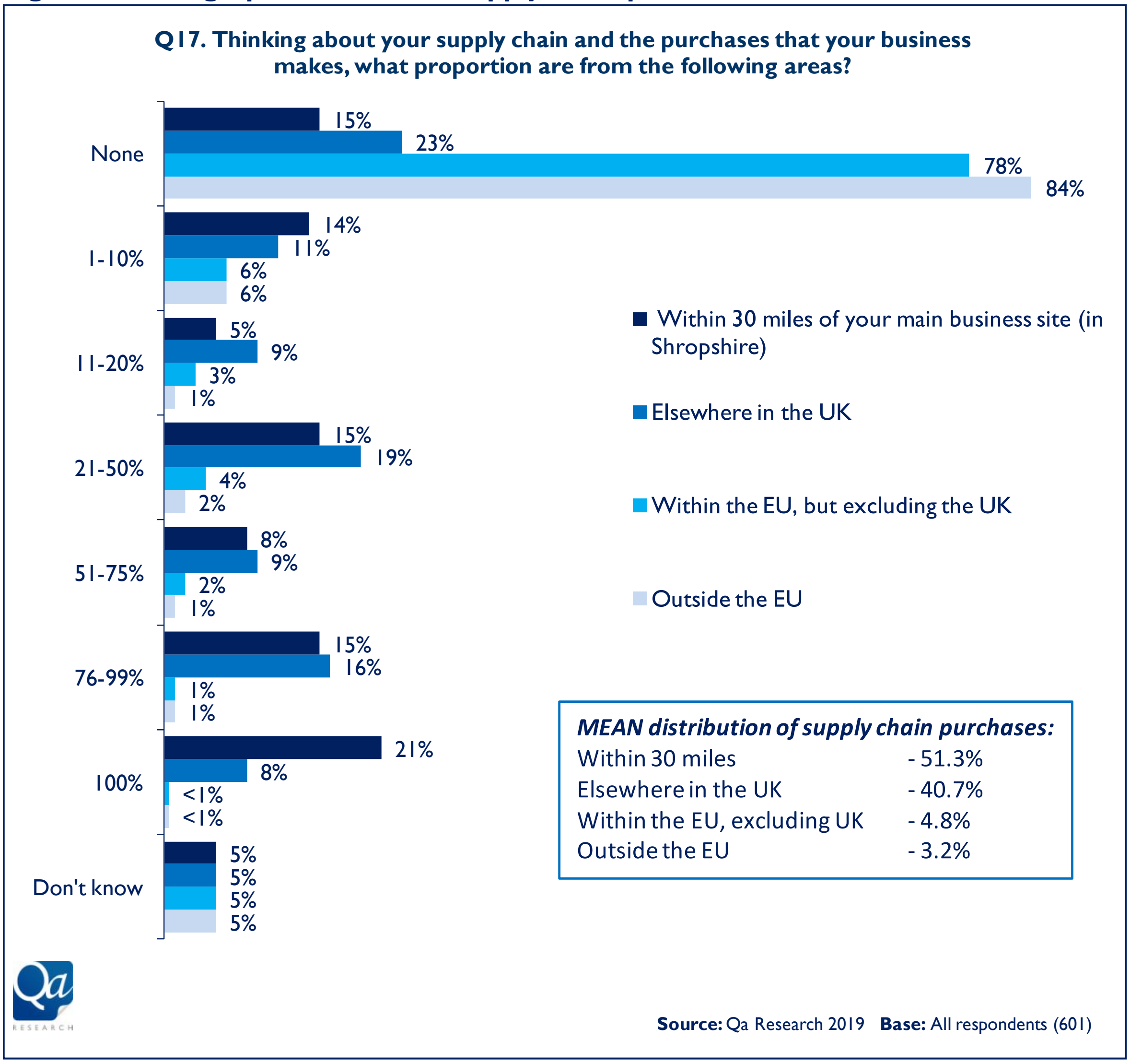
- ***SIC*** - businesses operating in SIC code *A. Agriculture, Forestry and Fishing,* where 47% said they *NET: Disagree*, almost twice the proportion that *NET: Agree* (25%).
- ***Length of time in county*** - businesses that have operated in the county for *'over 20 years'*, where 36% said they *NET: Disagree*, almost the same proportion as *NET: Agree* 37%.
- ***Increase in turnover in last 12 months*** – those with a *'decrease'* in turnover in the last 12 months were also as likely to *NET: Disagree* as *NET: Agree* (38% vs. 39%).
- ***Rural/Urban Classification*** – a third (33%) of businesses operating in Rural areas disagreed that their broadband would be sufficient, compared with 23% of those in Urban areas, which explains to a degree why agricultural business are especially concerned.

## 5.4 Supply Chain and Customers

Questions were included to understand the degree to which businesses have customers and a supply chain that extends beyond the area *within 30 miles* of their main business site in Shropshire.

Firstly, businesses were asked to proportion the purchases they make as part of their supply chain between those sourced *'within 30 miles of your main business site (in Shropshire)'* and those bought from *'elsewhere in the UK'*, *'within the EU, but excluding the UK'* and *'outside the EU'*. The chart below summarises responses;

**Figure 13. Geographical source of supply chain purchases**




The table entitled *'MEAN distribution of supply chain purchases'* shows the MEAN average proportion that businesses said they purchased from each location.

It tells us that on average Shropshire businesses purchase 51.3% of their supply chain from *'within 30 miles'* and a further 40.7% from *'elsewhere in the UK'*. The remaining locations only acocunt for 8% of supply chain purchases, with a slightly more coming from *'within the EU'* (4.8%) than *'outside the EU'* (3.2%).

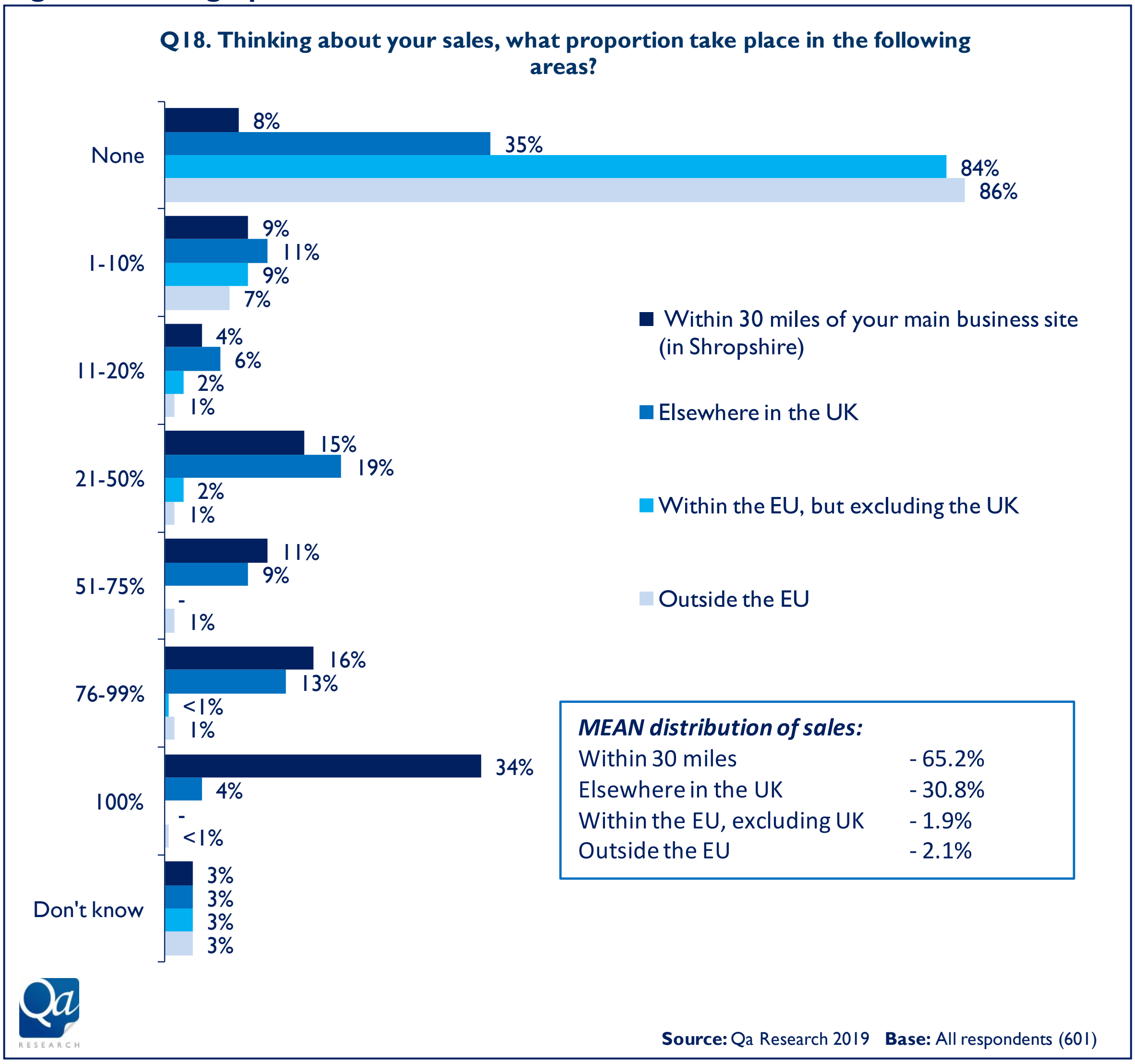
Essentially, these averages highlight the importance of local suppliers to businesses in the county. That said, the detail provided in the chart shows that the picture is more mixed than the MEAN averages might suggest.

While we might expect a high proportion of businesses to source nothing from *'within the EU, but excluding the UK'* (78%) and *'outside the EU'* (84%), it's notable that 15% said they source nothing from *'within 30 miles...'*.

Additionally, a handful of businesses source more than 75% of their purchases from *'within the EU, but excluding the UK'* and/or *'outside the EU'*.

The chart below shows similar data for sales;

**Figure 14. Geographical source of sales**




Looking at the table showing *'MEAN distribution of sales'*, it's evident that the main market for most Shropshire businesses is *'within 30 miles'* (on average, 65.2% of sales come from within this area).

Almost all of remaining sales come from *'elsewhere in the UK'* (30.8% on average) within only a small proportion from outside the UK, split equally between sales *'within the EU, excluding the UK'* (1.9%) and sales *'outside the EU'* (2.1%).

Reflecting the MEAN average proportions, businesses were more likely to say they derived *none* of their sales from *'within the EU, excluding the UK'* or *'outside the EU'* than they were to say they derived none of their supply chain purchases. In essence, this confirms that sales are more localised than the sourcing of supplies.

The businesses most likely to derive sales from outside the UK were those operating in the following SIC codes;

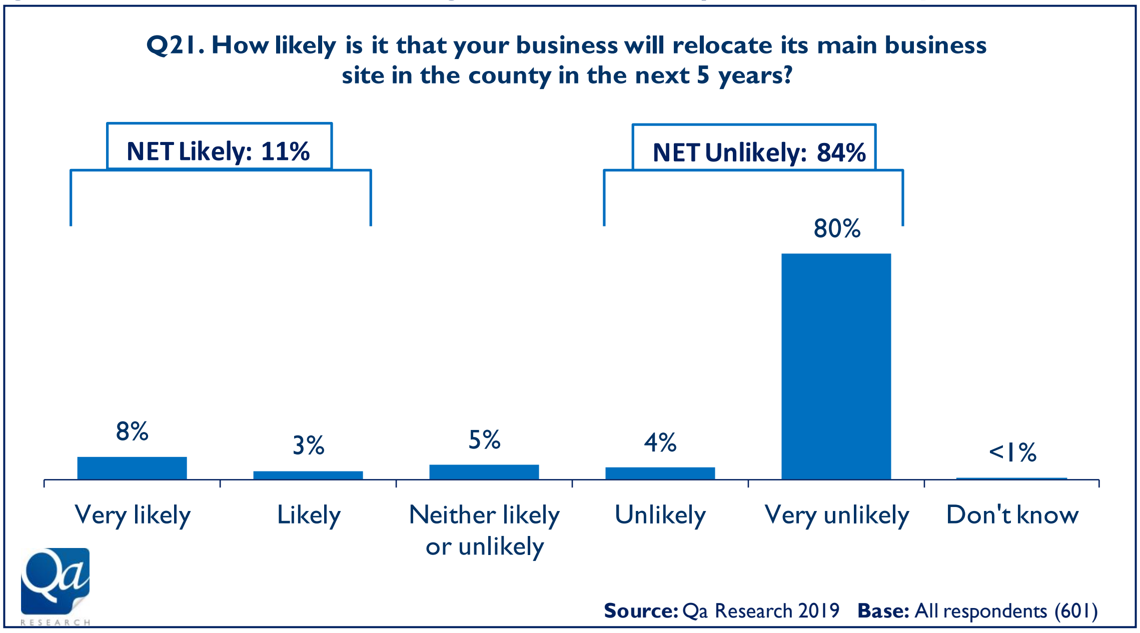
- *C. Manufacturing* - on average, 8.7% from *'within the EU, excluding the UK'* and 4.3% from *'outside the EU'*
- *N. Administrative and Support Service Activities* - on average, 3.8% from *'within the EU, excluding the UK'* and 7.4% from *'outside the EU'*.

Also, businesses that said they were *'very likely'* to relocate their main business site in the county in the next 5 years tended to derive a comparatively high proportion of their sales from *'within the EU, excluding the UK'* (4.4%) and from *'outside the EU'* (9.1%).

## 5.5 Relocating the Business

A question was included to understand how likely businesses were to relocate their main business site in the county in the next 5 years and responses were as follows;

**Figure 15. Likelihood of relocating main site in Shropshire in next 5 years**




Around one-in-ten businesses thought this was *NET: Likely* (11%), and most of these actually thought this was *'very likely'* (8%).

More specifically, amongst the following sub-groups;

- ***SIC*** - 18% of businesses operating in SIC code *M. Professional, Scientific and Technical Activities* thought this was *'very likely'*
- ***Length of time in county*** - the proportion answering *'very likely'* was highest amongst businesses operating from their main site in the county for 6-10 years (18%).
- ***Change in turnover in last 12 months*** – where businesses had experienced either an *increase* or *decrease* in turnover in the last 12 months (as opposed to this simply having *stayed the same*) they were more inclined to indicate that a move was *'very likely'* (13% and 11% respectively).

- ***Increase in staff numbers in last 12 months*** - 17% of businesses that had experienced an *increase* in staff numbers in the last 12 months said they'd be *'very likely'* to move.
- ***Place Plan Area*** - businesses based in the *Central* Place Plan Areas were significantly more likely to say they'd be *'very likely'* (15%) to relocate than those in either the North (3%) or South (4%). For reference, Central includes Shrewsbury, Shifnal, Pontesbury and Minsterley and Albrighton.

The 84 businesses that said they were *NET: Likely* to relocate were asked why this was the case. This was an unprompted question and similar responses have been detailed below;

**Figure 16. Reasons why likely to relocate in the next 5 years**

| Q22. Why likely to relocate main business site in the county in the next 5 years? (UNPROMPTED) | | |
|---|---|---|
| | *n* | % |
| Current premises too small | 34 | 35% |
| Lifestyle/personal reasons | 22 | 23% |
| Cost of current premises too high | 11 | 12% |
| Gain access to new markets | 9 | 10% |
| Business growth and expansion | 7 | 8% |
| To be closer to existing customers | 6 | 7% |
| Current premises too big | 5 | 6% |
| Due to the current political situation | 5 | 6% |
| Increased business costs | 5 | 5% |
| Better parking facilities | 4 | 4% |
| To benefit from better transport links | 3 | 3% |
| To access better broadband | 3 | 3% |
| High business rates | 3 | 3% |
| Gain access to skilled and affordable labour | 2 | 2% |
| To be closer to suppliers | 2 | 2% |
| Our building is up for sale | 2 | 2% |
| To move into more modern premises | 2 | 2% |
| We are approaching the end of our tenancy | 1 | 1% |
| The site could be redeveloped | 1 | 1% |
| Other | 6 | 7% |
| BASE: All 'likely' or 'neither likely nor unlikely' to relocate (84) | | |

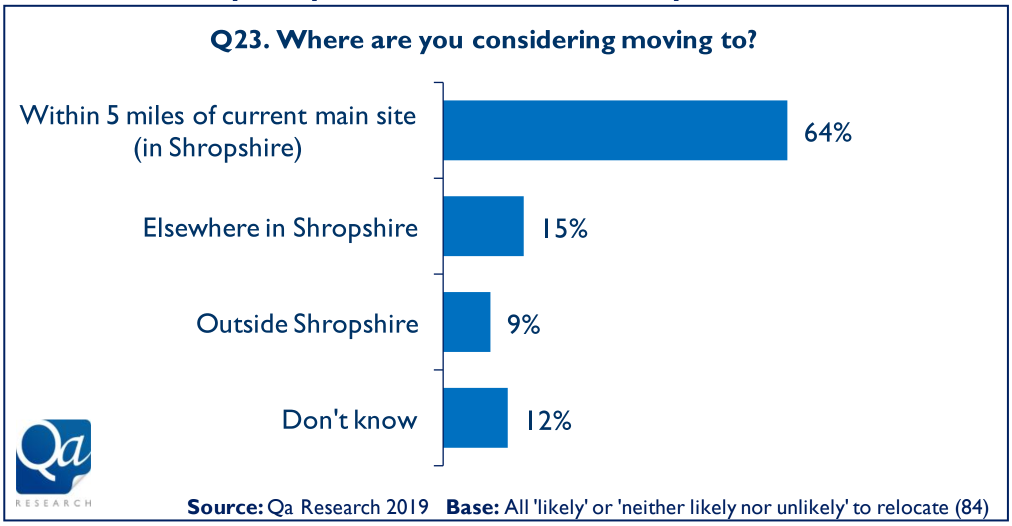
Two of the main drivers of relocation were that the current premises are *'...too small'* (35%) or the costs are *'...too high'* (12%).

By way of context, similar business surveys have highlighted these as key reasons; for example, the 2017 Greater Manchester Combined Authority business survey highlighted that amongst those considering relocation 40% felt their premises were *'too small'* and 18% that the costs was *'too high'* and these were the two most frequently mentioned reasons.

Another important consideration is that one-in-four of those *NET: Likely* to relocate said that this would be for *'lifestyle/personal reasons'* (23%), reflecting the predominance of smaller businesses in the county and how entwined they are with the lives of owners and directors.

Finally, as the table below summarises, most business considering relocation expect that this will be *'within 5 miles'* (64%) and only one-in-ten anticipated moving *'outside Shropshire'* (9%);

**Figure 17. Reasons why likely to relocate in the next 5 years**



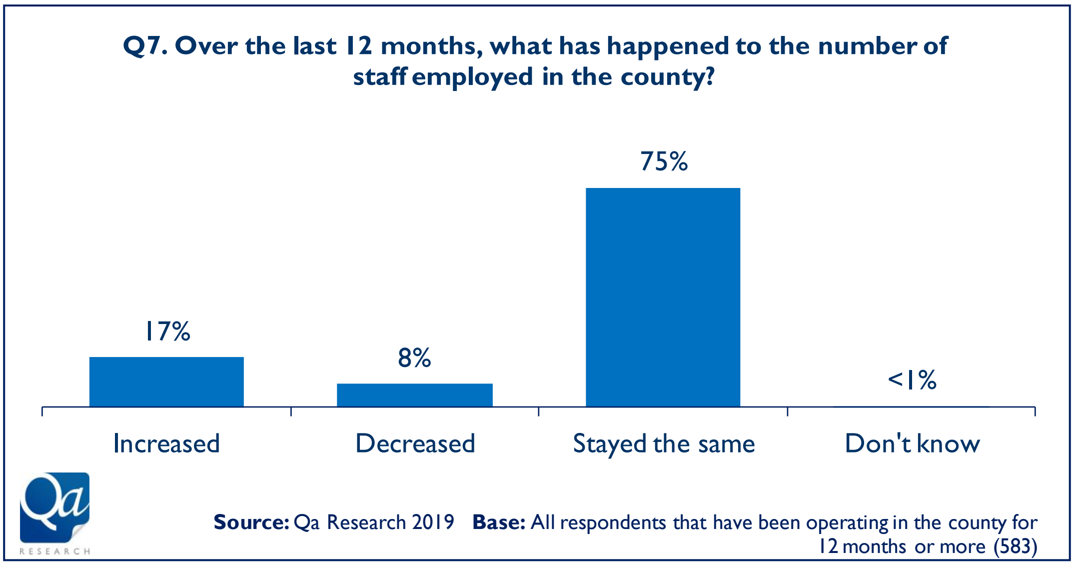
## 5.6 Staffing and Skills

A range of questions were included in the survey to explore how businesses view the labour market in the county and to identify and skills gaps/needs they may have.

### 5.6.1 Employee levels over the last 12 months

All businesses that had been operating in the county for 12 months or more were asked what had happened to the number of employees over the last 12 months, with responses as follows;

**Figure 18. Change in employee numbers over the last 12 months**




As the chart above demonstrates, the majority of businesses had not seen any change in headcount over the last 12 months with three-quarters indicating that it had *'stayed the same'* (75%). Consequently, this means that businesses are less likely to have recorded a change in staff numbers than a change in turnover (see Section 5.2) over the previous 12 months.

On balance, businesses were more likely to have experienced an *'increase'* (17%) than a *'decrease'* in staff (8%).

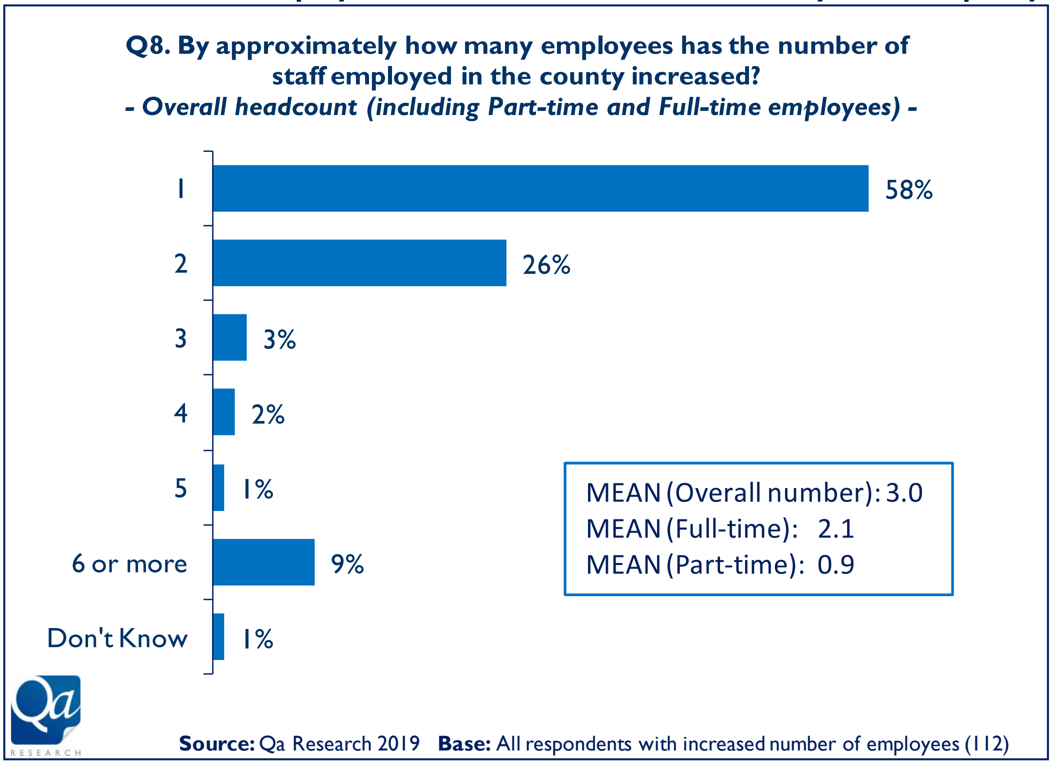
The following sub-groups differences are notable here;

- ***SIC*** – businesses operating in *A. Agriculture, Forestry and Fishing* were the most likely to say that staff numbers had *'stayed the same'* (88%). In contrast, an *'increase'* was recorded amongst a comparatively high proportion of businesses operating in *Q. Human Health and Social Work Activities* (46%) while a *'decrease'* was most likely to be recorded amongst businesses operating in *G. Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles* (16%).
- ***Size*** **-** businesses with *10 or more* employees were significantly more likely than those with *fewer than 10* to have experienced a change in staff numbers and usually an *'increase'* (34% vs. 15%). These smaller businesses were significantly more likely to say that staff numbers had simply *'stayed the same'* (77% vs. 56%).
- ***Length of time in county*** – notably, businesses that have operated in the county for *10 years or less* were more likely to have experienced an *'increase'* than those that have been there longer (23% vs. 13%) - as noted in Section 5.2, a similar situation was with regard to turnover. Together, these findings suggest that growth is more likely amongst newer businesses to the county (which may or may not be newer businesses per se, in terms of date since incorporation).

- ***Increase in turnover in last 12 months*** – amongst businesses that had experienced an *increase* in turnover in the last 12 months, 29% said they had also experienced an *'increase'* in staff numbers - this is a greater proportion than amongst those that have seen turnover *decrease* (75% has staff numbers that had *'stayed the same'*) and those whose turnover had *stayed the same* (82% has staff numbers that had *'stayed the same'*). These figures do highlight that not all businesses that have experienced an uplift in turnover have also seen staff numbers increase.
- ***Place Plan Area*** – businesses operating in *Central* PPAs were significantly more likely to have seen an *'increase'* in staff (22%) than those in North (14%) or South (11%). In fact, compared with *Central*, in both *North* and *South* businesses were more inclined to stay staff numbers had *'stayed the same'* (67% vs. 75% and 83% respectively).
- ***Skills needs/gaps*** – where a business has substantial skills needs/gaps it is more likely to have experience a *'decrease'* when compared to businesses without these challenges (12% vs. 5%) – of course, these measures are connected as skills needs/gaps are likely to be driven (at least in part) by the loss of key staff.

The chart below shows the number of additional employees that businesses that had recorded an *increase* in the last 12 months said they recruited;

**Figure 19. Number of employees staff number have increased by over the past year**

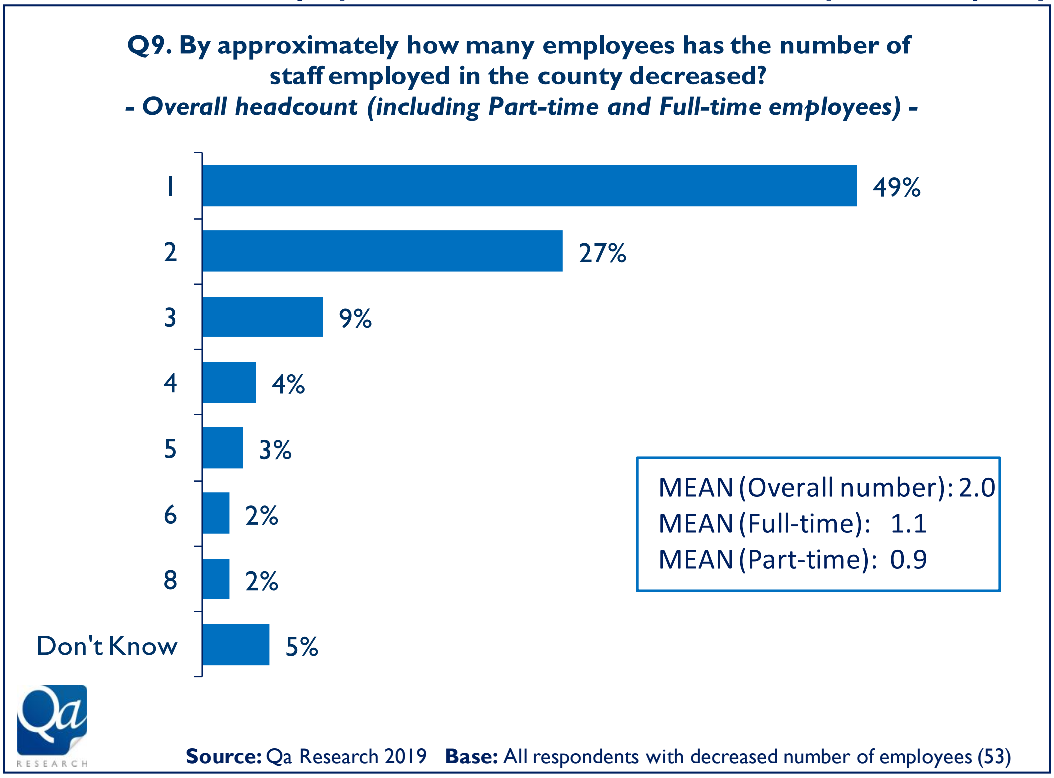



The figures shown above are for headcount, rather than FTE. On this basis, businesses that had seen an *'increase'* in staff numbers had recruited a MEAN average of 3.0 additional employees – this was made up of a MEAN average of 0.9 Part-time employees and 2.1 full-time. The MEDIAN average number recruited was 1.0, highlighting that within these figures was one business that said headcount had increased by 200 in the last 12 months.

Within this, it should be noted that almost half (48%) of those that had experienced an *'increase'* said they didn't recruit any part-time employees and around two-thirds (40%) didn't recruit any full-timers.

In total, 8% of businesses said they had experienced a *'decrease'* in staff numbers over the last year and the number of employees they had lost is summarised below;

**Figure 20. Number of employees staff number have decreased by over the past year**




A comparison of Figures 20 and 21 highlights that the MEAN average number of employees lost was lower (2.0) than the MEAN average number added amongst those businesses that had experienced an *'increase'* (3.0).

Therefore, this means that not only were businesses in the county generally more likely to say that staff numbers had increased rather than decreased in the last 12 months, business adding headcount tended to add more employees (on average) than were lost by businesses reducing numbers.

In absolute terms (and it makes most sense to look at this figures unweighted) in total respondents said they had added 509 new staff and lost 106 staff in the last 12 months.

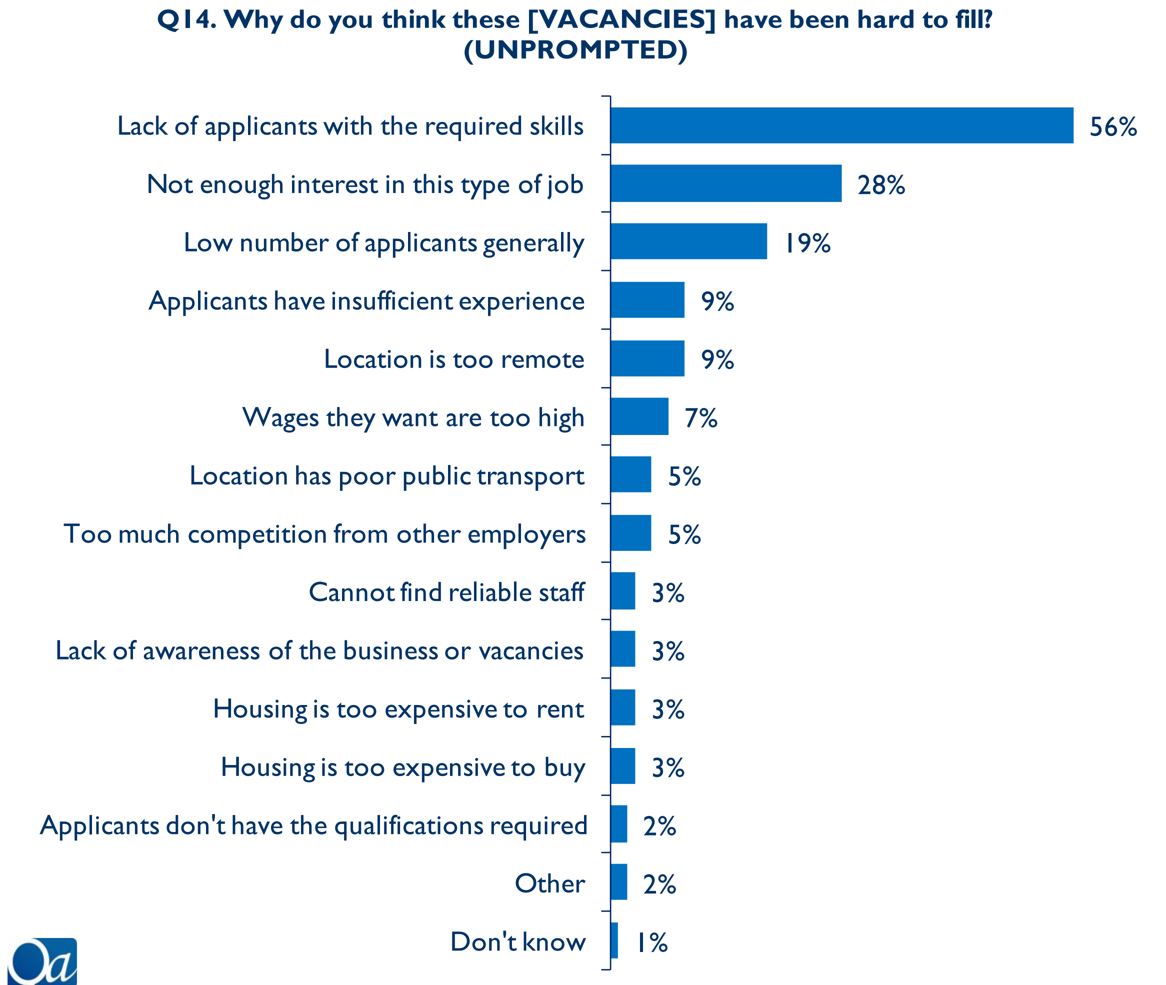
### 5.6.2 Recruitment of employees

Respondents were asked if they currently have any vacancies that are proving hard to fill. In total, 12% said that was the case.

This proportion was greater amongst businesses operating in *F. Construction* (20%) and *Q. Human Health and Social Work Activities* (25%). It was also greater amongst businesses with 10 or more employees (24%).

Those that did have outstanding vacancies were asked why they thought they were hard to fill. This was an unprompted question and responses have been coded into over-codes and are shown below;

**Figure 21. Reasons why vacancies are hard to fill**



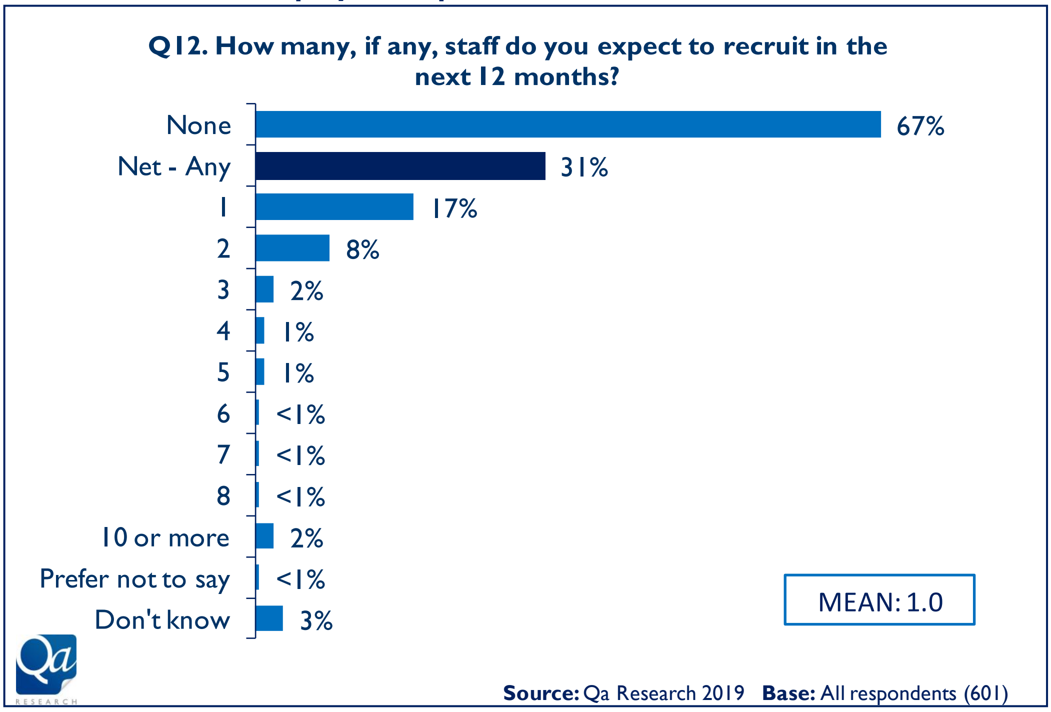

**Source:** Qa Research 2019 **Base: A**ll with vacancies that are hard to fill (85)

The main barrier mentioned here was simply a *'lack of applicants with the required skills'* (56%), compounded by there being *'not enough interest in this type of job'* (28%) and *'low numbers of applicants'* (19%).

Responses here didn't offer too much detail as to why applicants were thin on the ground but almost one-in-ten did feel their *'location is too remote'* (9%) and one-in-twenty that it has *'poor public transport'* (5%).

All respondents were asked if they were likely to undertake recruitment in the next 12 months and responses were as follows;

**Figure 22. Number of employees expect to recruit in next 12 months**




It's notable that virtually all businesses were willing and able to provide a figure at this question, with only a small number responding that they *'prefer not to say'* or *'don't know'*. This is notably because of the level of uncertainty in the UK economy at the moment driven mostly by Brexit (something flagged by respondents in Figure 9 when asked to highlight barriers to growth in the next 3 years).

Most that did respond said they didn't expect to add any new staff members (67%). A third (31%), however, did expect to do so with a MEAN average of 1.0 employee expected. Of course, some of this recruitment is likely to be necessary to replace leavers, while some will be to add to existing headcount.

Some differences by key sub-groups were evident here;

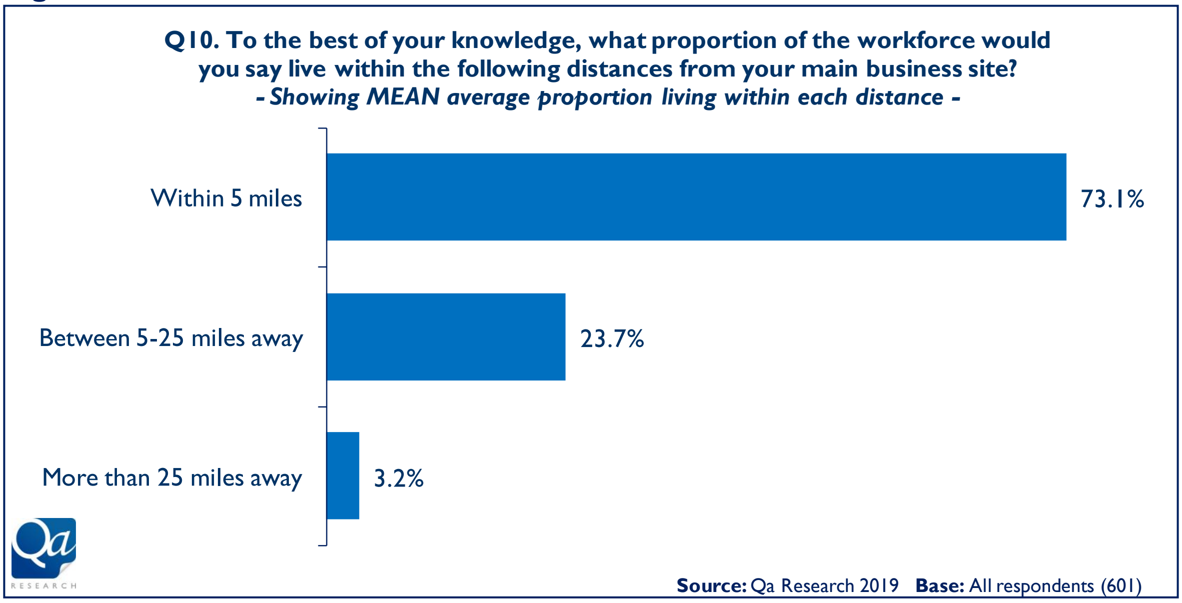
- ***SIC*** - businesses operating in certain sectors were more likely to say they'd be undertaking recruitment in the next 12 months to recruit at least 1 employee, particularly those in SIC codes *I. Accommodation and Food Service Activities* (37%, with an average of 2.6 recruited), *M. Professional, Scientific and Technical Activities* (36%, with an average of 0.7 employees to be recruited) and *Q. Human Health and Social Work Activities* (54%, with an average of 3.0 to be recruited).
- ***Size*** – unsurprisingly, businesses with 10 or more employees were significantly more likely than those with fewer than 10 to undertake recruitment in the next 10 years (56% vs. 28%).
- ***Increase in turnover in last 12 months*** – recruitment was more likely amongst those that had experienced an *'increase'* in turnover in the last 12 months (43%) compared with those where it has *'stayed the same'* (27%) and those experiencing a *'decrease'* (15%).
- ***Skills needs/gaps*** – perhaps it's to be expected that where a business has substantial skills needs/gaps it is more likely to expect to undertake recruitment in the next 12 months than those without this challenge (42% vs. 17%).

### 5.6.3 Location of current workforce

Two questions were included to understand where businesses felt their employees lived.

Firstly, respondents were asked what proportion of their workforce was based *'within 5 miles of this main site'*, *'between 5-25 miles of it'* and *'more than 25 miles away'*. The chart below shows the MEAN average proportion given by all businesses for these three locations;

**Figure 23. Distance workforce lives from main business site**




It's evident from this data that most businesses rely on a workforce from *'within 5 miles'* of their business site. On average, businesses said that 73.1% of their employees came from this location, while most of rest came from *'between 5-25 miles away'* (23.7%) with only a small proportion living *'more than 25 miles away'*.

The table below shows more detail on the distribution of percentages given by businesses for each of the 3 locations;

**Figure 24. Distance workforce lives from main business site - by location**

| Q10. To the best of your knowledge, what proportion of the workforce would you say live within the following distances from your main business site? | | | |
|---|---|---|---|
| | Within 5 miles | Between 5-25 miles away | More than 25 miles away |
| None | 9% | 55% | 91% |
| 1-10% | 2% | 4% | 2% |
| 11-20% | 2% | 3% | 1% |
| 21-50% | 16% | 20% | 3% |
| 51-75% | 10% | 5% | 1% |
| 76-99% | 7% | 4% | <1% |
| All employees (100%) | 53% | 8% | 1% |
| Don't know | <1% | <1% | <1% |
| BASE: All respondents (601) | | | |

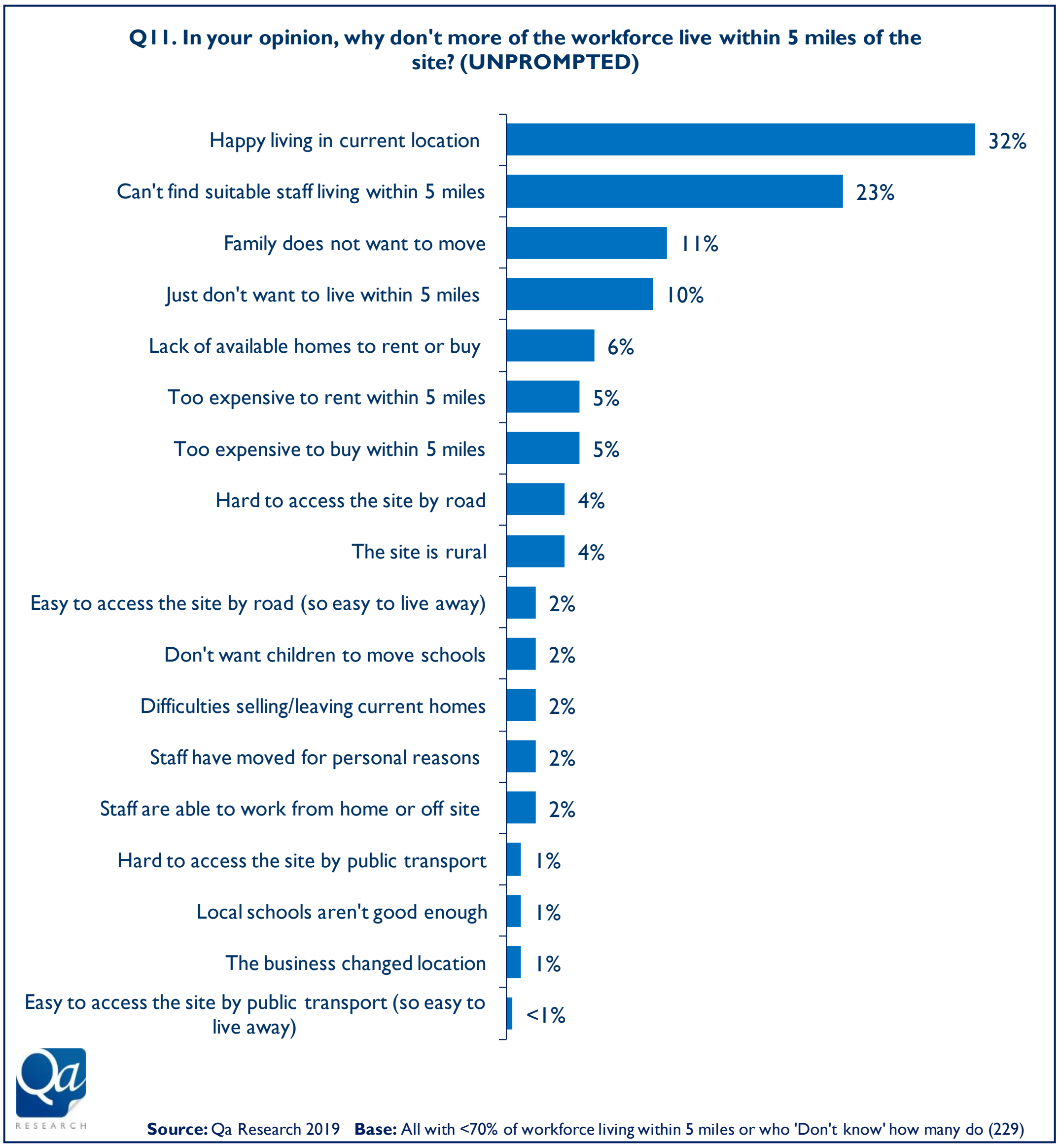
Seemingly, not all businesses employee someone living *'within 5 miles'* as 9% said zero% as this question, although more than half only employ people within this distance (53% said 100%).

Additionally, some firms employ a high proportion of employees from much further away – for example, 5 said that all their employees were based *'more than 25 miles away'*.

It should be remembered that not all employees will need to travel into the business's main site to perform their duties, although in many instances this will be the case. The types of business with a comparatively high proportion of employees living *'more than 25 miles away'* included those operating in SIC codes *F. Construction* (5.8% on average) and *M. Professional, Scientific and Technical Activities* (5.0% on average). This proportion was also greater amongst those businesses that had operated in the county for the least number of years (8.7% amongst those operating for *'up to 5 years'*), which may explain why employees live further away.

Businesses that indicated that less than 70% of their employees lived *'within 5 miles'* were asked why they thought this was the case. This was an unprompted question and similar responses have been coded into themes and are shown below;

**Figure 25. Reasons why more employees don't live within 5 miles of business site**



The challenge of finding suitable staff within this proximity of their business site was outlined here, as it had been amongst those with unfilled vacancies (see Section 5.6.2), as almost a quarter said that they just *'can't find suitable staff living within 5 miles'* (23%).

Aside from this, the main reasons given related mostly to the circumstances of employees rather than problems with the local area. For example, a third of respondents felt that their employees were simply *'happy living in current location'* (32%), while one-ten felt their *'family does not want to move'* (11%) and a similar proportion that *'they just don't want to live within 5 miles'* (10%).

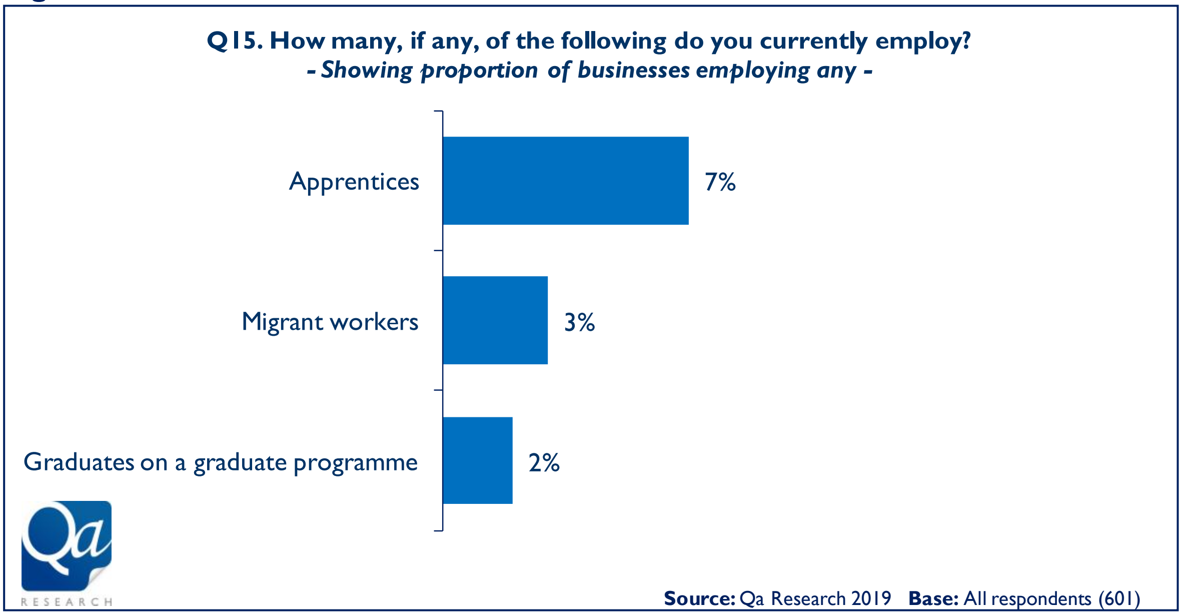
The main problems highlighted with the local area related to the costs and availability of housing, with businesses talking about the *'lack of available homes to rent or buy'* (6%) and that it's *'too expensive to rent within 5 miles'* (5%) and *'too expensive to buy within 5 miles'* (5%).

Aside from this, there were also references to accessibility including that it's *'hard to access the site by road'* (4%) and that *'the site is rural'* (4%).

### 5.6.4 Types of employees

Questions were included to understand what proportion of businesses employ 3 different types of workers and the chart below summarises responses;

**Figure 26. Location of current workforce**




Although 7% of businesses overall employ at least one *'apprentice'*, this proportion was 23% amongst those with 10 or more employees (some of which may pay the Apprenticeship Levy).

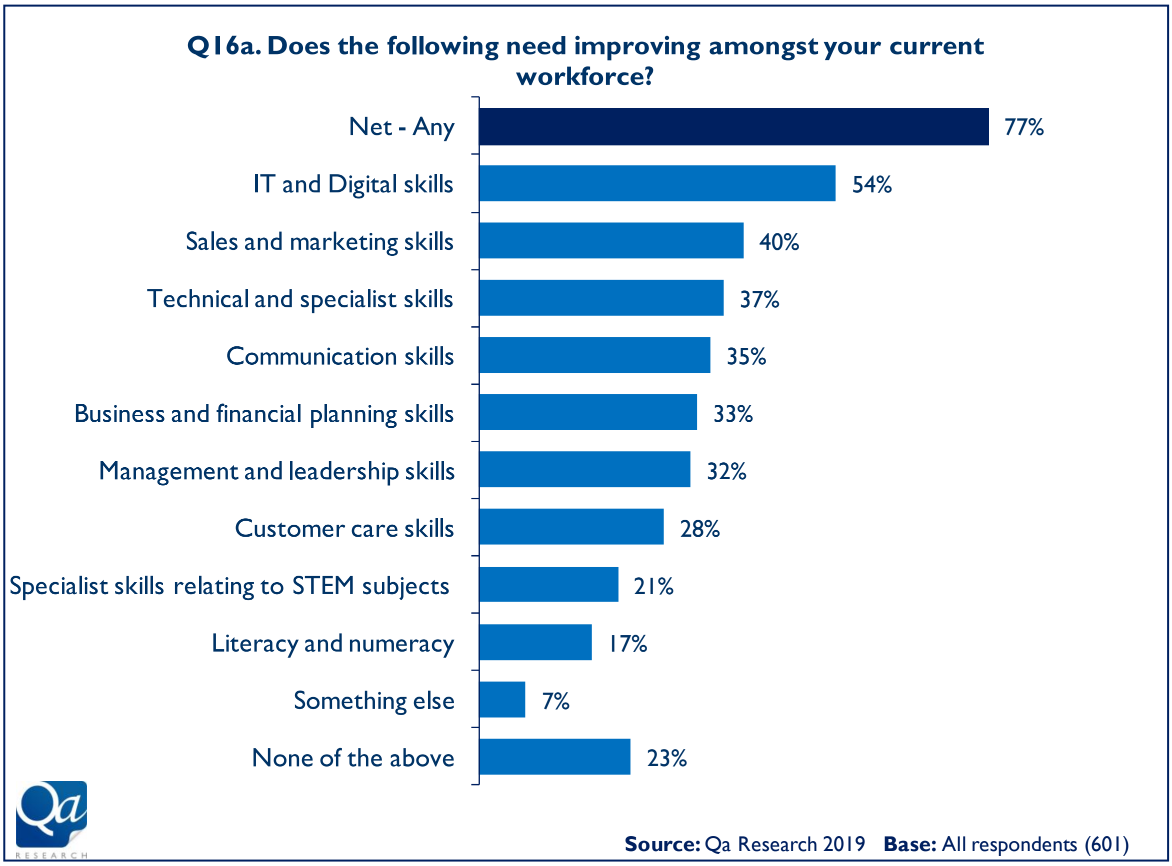
Only a handful of businesses said they employ *'migrant workers'* (3%) and/or *'graduates'* (2%) and these were spread across businesses of different sizes and sectors.

## 5.7 Skills Gaps and Needs

This section explores the degree to which businesses felt their current workforce needed improvement in 9 different types of skills and competencies and also whether they felt these would be in greater demand for their business over the next few years.

The chart below shows the proportion of businesses that felt each type of skills and competencies needed improvement, essentially flagging where skills gaps currently exist;

**Figure 27. Skills and competencies that need improving in current workforce**




Most businesses (77%) could identify at least one of these areas that requires improvement and on average (MEAN) businesses said this was the case for 3.0 of these 9 skills and competencies.

Only one area was chosen by the majority of businesses and this was *'IT and Digital Skills'* (54%).

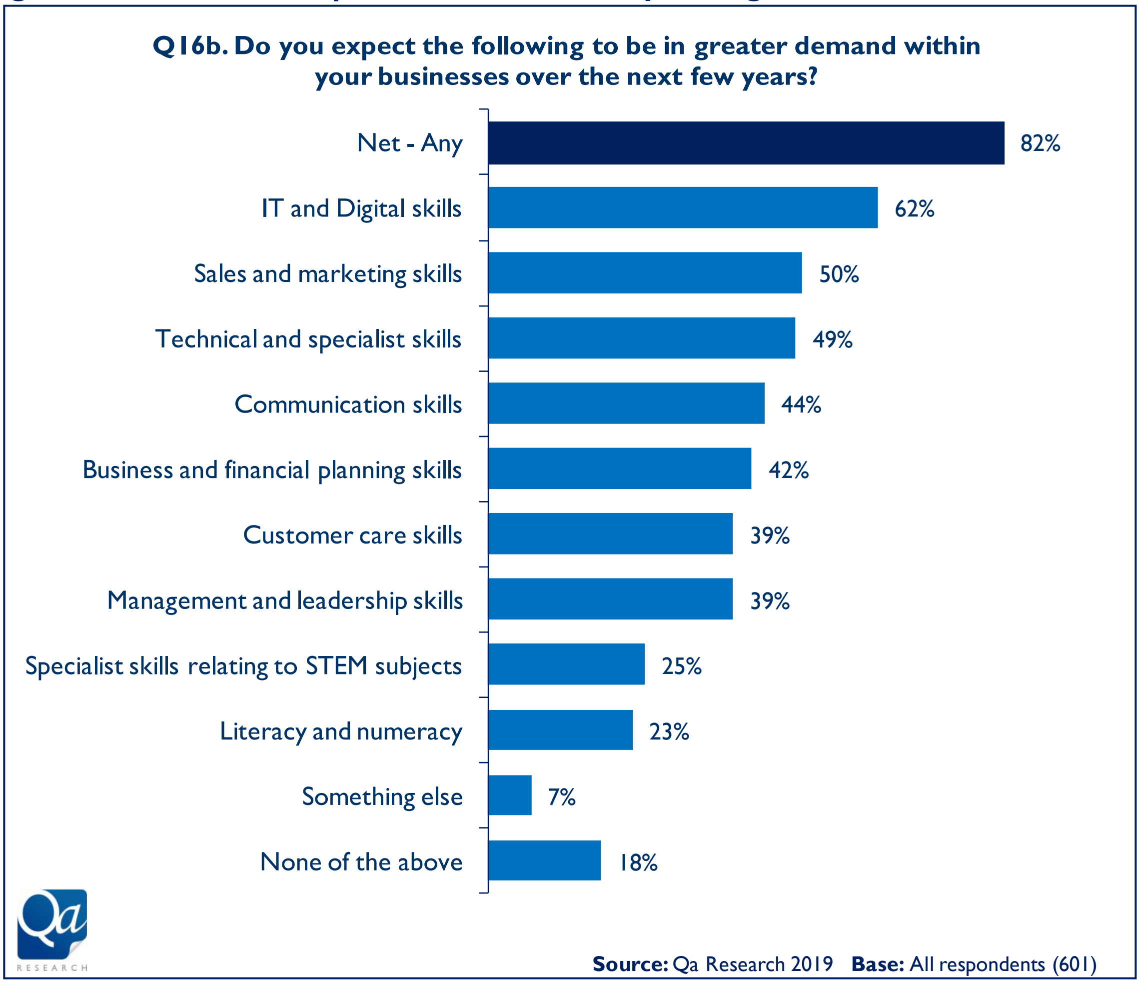
Around a third selected the other areas with references highest for *'sales and marketing skills'* (40%), *'technical and specialist skills'* (37%) and *'communication skills'* (35%). Of least concern were *'literacy and numeracy'* (17%).

Note that a quarter (25%) of respondents said that *'specialist skills relating to STEM subjects'* were *'not applicable'* to them. If these are removed from responses and figures re-percentaged for this area then 28% said that these skills need improving in their current workforce.

Around one-in-twenty mentioned *'something else'* (7%) here and this was mainly references to *'specific skills'* (1%) relevant to their business, such as *'window dressing skills', 'forklift truck driving'* and *'sausage knitting'* (mentioned by a butcher).

The chart below shows the proportion of businesses that expected that each of these 9 areas would be in greater demand within their business in future;

**Figure 28. Skills and competencies that are likely to be greater demand**




Overall, businesses were more likely to mention each of these skills and competencies as likely to be more important to them in future than they were to say there is a need for improvement in them within their current workforce.

Generally, though, the list shown above mirrors the hierarchy of skills currently needed within the workforce with *'IT and digital skills'* (62%) viewed as most likely to be in demand, followed by *'sales and marketing skills'* (50%) and *'technical and specialist skills'* (49%).

In contrast, fewer than one-in-four (23%) of businesses felt that *'literacy and numeracy skills'* would be greater demand in future, perhaps reflecting the importance of these skills already.

Again, 25% said that *'specialist skills relating to STEM subjects'* were *'not applicable'* to them, and responses for this area are re-percentaged to remove these respondents then 33% of businesses thought that *'specialist skills relating to STEM subjects'* would be more important to them in future.

Some differences by key sub-groups were evident here with regard to improvements amongst the current workforce;

- ***SIC –***
  - *'IT and digital skills'* is an area that businesses operating with SIC code *M. Professional, Scientific and Technical Activities* were significantly more likely to say needed improvement within their current workforce (67%). These businesses were also more likely to mention a need to improve *'business and financial planning skills'* (47%) and *'specialist skills relating to STEM subjects'* (38%).
  - businesses operating in SIC code *Q. Human Health and Social Work Activities* were significantly more likely to mention a need to improve *'management and leadership skills'* (50%)
- ***Turnover over the last 12 months*** – businesses that had experienced a *decrease* in turnover in the past year were more likely to mention a need to improve *'business and financial planning skills'* (41%)
- ***Change in staff numbers in the last 12 months*** – regardless of whether staff numbers had *increased* or *decreased*, where a business had experienced a change in staff numbers they were more likely to recognise existing skills needs than those where numbers had *stayed the same*. Specifically, 90% experiencing an *increase* and 86% experiencing a *decrease* were able to mention as least one area for improvement compared with 73% amongst those with staff numbers that have *stayed the same*. Evidently, a changing workforce brings with it challenges around skills.

Differences were also evident amongst sub-groups in relation to the demand for skills going forward;

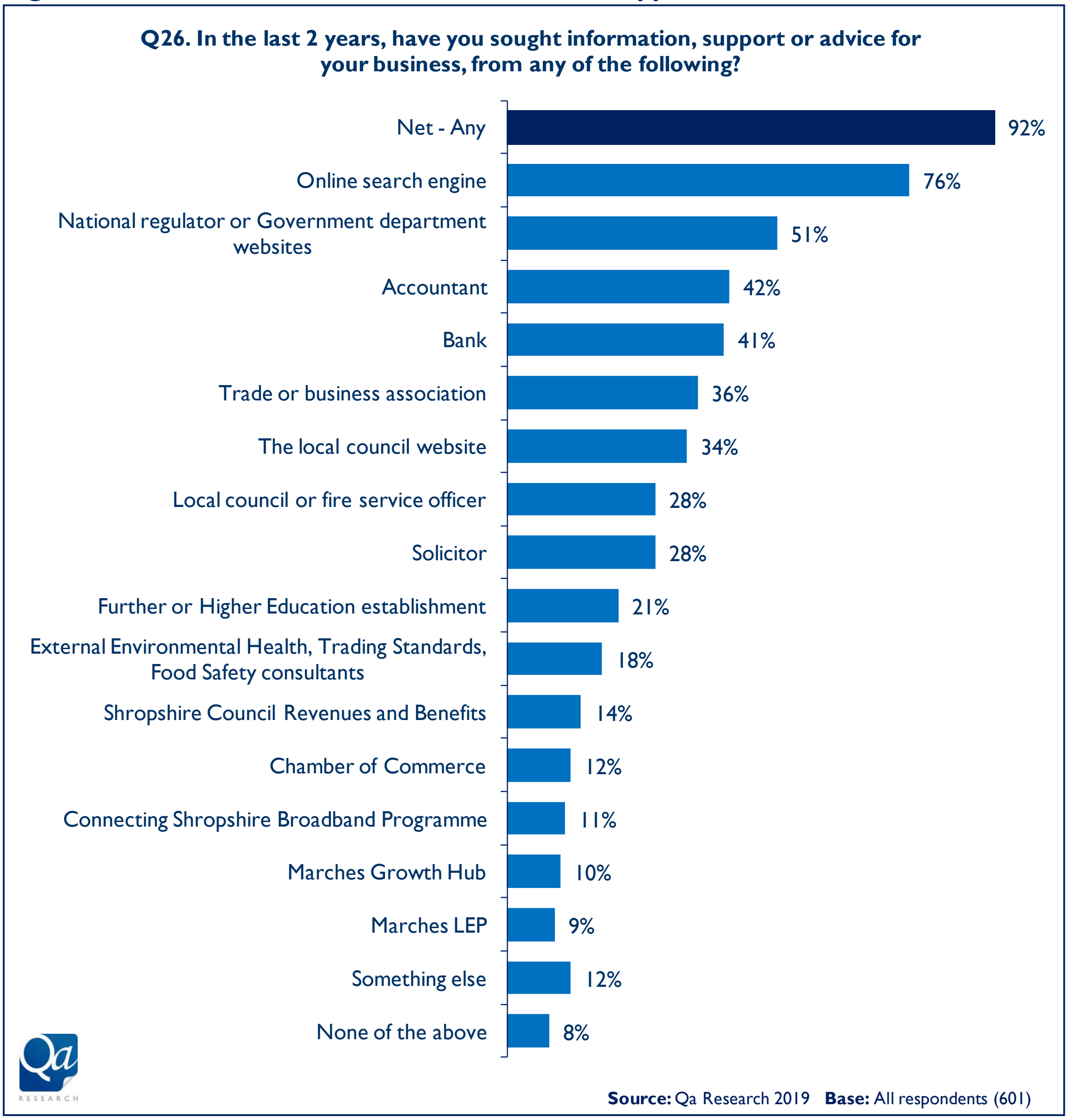
- ***SIC –***
  - businesses operating in *A. Agriculture, Forestry and Fishing* were significantly more likely to mention greater demand for *'technical and specialist skills'* (57%), *'business and financial planning skills'* (46%), *'specialist skills relating to STEM subjects'* and *'literacy and numeracy'* (27%). As these businesses were more likely than others to highlight *'Brexit'* as a potential threat to growth over the next 3 years, it's possible that this recognition of the greater importance of all these skills reflects expectations about doing businesses after leaving the EU.
  - businesses operating in *F. Construction* also more readily mentioned a range of skills here particularly *'technical and specialist skills'* (58%), *'management and leadership skills'* (48%) and *'specialist skills relating to STEM subjects'* and *'literacy and numeracy'* (33%).
  - as noted above, existing skills needs were mentioned readily by businesses operating in SIC code *M. Professional, Scientific and Technical Activities* and going forward these firms were more likely than others to expect greater demand in *'specialist skills relating to STEM subjects'* and *'literacy and numeracy'* (40%).
- ***Turnover over the last 12 months*** – those businesses that had experienced an *increase* in turnover were significantly more likely than those experiencing a *decrease* to expect greater demand for *'IT and digital skills'* (71% vs. 53%) and *'communication skills'* (50% vs. 39%). Evidently, ensuring these skills needs are met will be important to the continued growth of these businesses.

## 5.8 Business Support

### 5.8.1 Sources of information, support and advice

A series of questions were included to understand the support sought by businesses. Firstly, respondents were asked if their business had ever sought information, support or advice from a range of different sources and responses are summarised below;

**Figure 29. Sources used to look for information, support and advice**




Almost all businesses (92%) were able to highlight at least one source here and, in fact, businesses mentioned 4.4 different sources on average (MEAN). The majority simply used an *'online search engine'* (76%) or more specifically *'national regulator or Government department websites'* (51%) and *'the local council website'* (34%).

Business service providers are also a key source of help, including referring to an *'accountant'* (42%), *'bank'* (41%), *'solicitor'* (27%) or *'external Environmental Health, Trading Standards, Food Safety consultants'* (18%).

Aside from this, help has been sourced from more specialist, somethimes industry specific, organisations including a *'trade or business association'* (36%), a *'local council or fire service officer'* (28%) or a *'Further or Higher Education establishment'* (21%).

Mentions were more limited of *'Marches Growth Hub'* (10%), *'Marches LEP'* (9%) *and 'Connecting Shropshire Broadband Programme*' (11%).

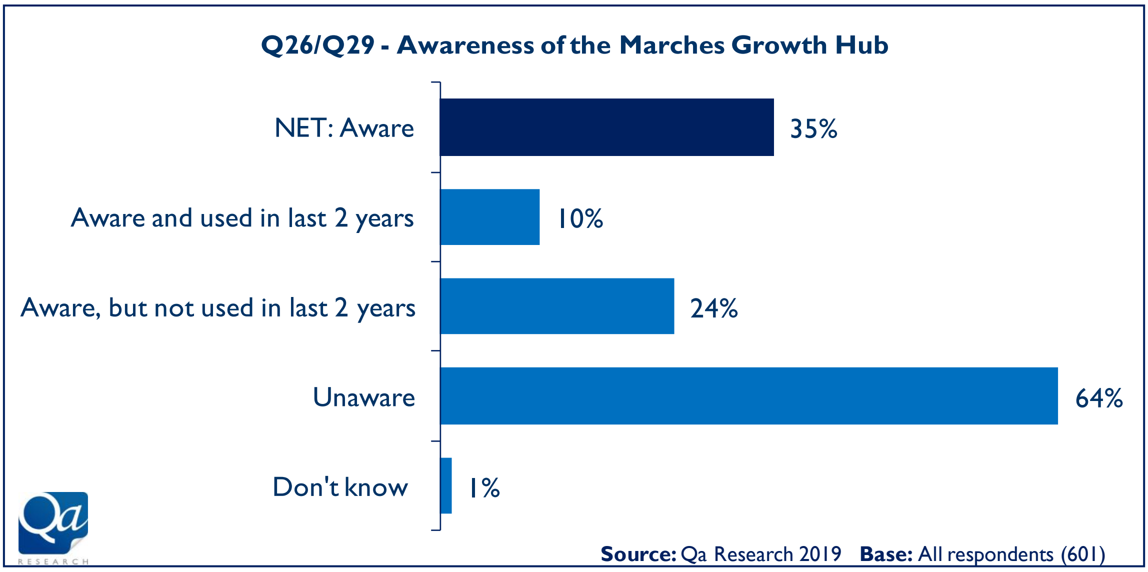
Sources useed vary between different types of organisation and there are too many differnces to list here, however it's worth noting the folloiwing;

- ***'Marches LEP'*** was mentioned more often by businesses opertaing in SIC code *M. Professional, Scientific and Technical Activities* (15%)
- ***'Marches Growth Hub'*** was also mentioned more often by businesses opertaing in SIC code *M. Professional, Scientific and Technical Activities* (24%) – notably, businesses in this SIC code were generally the most likely to mention having sought information, support and advice from these sources. The Growth Hub was also mentioned significantly more by organisations that have been operating in the county for *10 years or fewer* (15%), compared with those operating there for *more than 10 years* (8%)
- ***'Local council website'*** was mentioned significantly more by businesses working in *A. Agriculture, Forestry and Fishing* (46%) and those in *Q. Human Health and Social Work Activities* (58%).

### 5.8.2 The Marches Growth Hub

As noted in the previous section, 10% of respondents said their business had sought information, support or advice from the Marches Growth Hub in the last 2 years. Those that said they had not were asked if they had heard of the Marches Growth Hub before the interview and responses from both questions have been combined to show the proportion of the overall sample that was aware of the Growth Hub and are shown below;

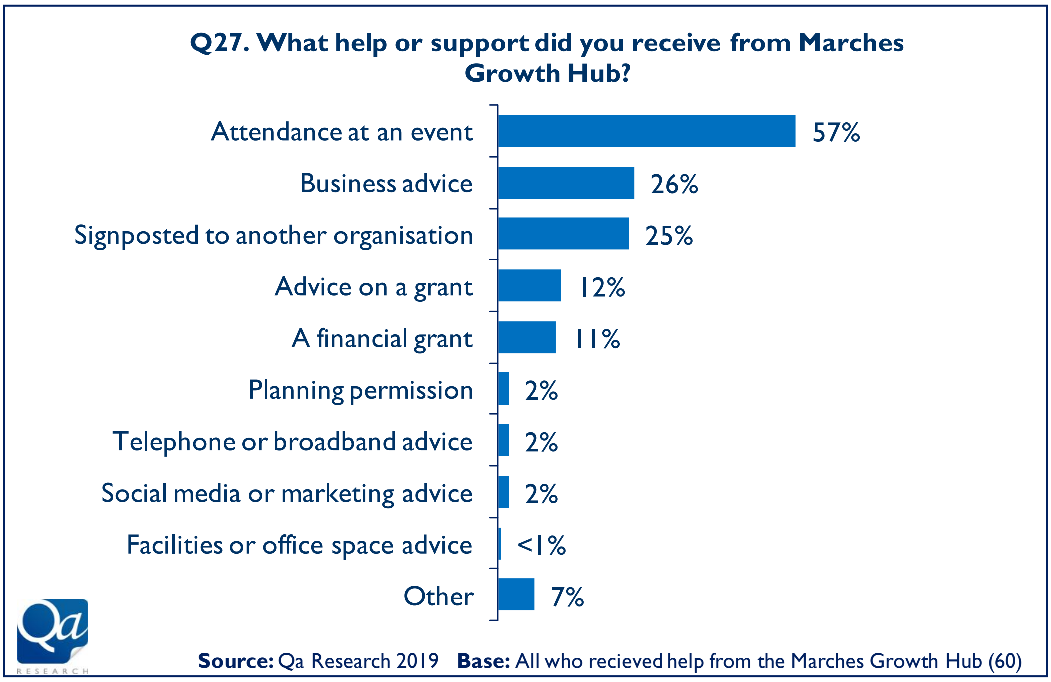
**Figure 30. Awareness of the Marches Growth Hub**




One-in-three organisations is aware of the Growth Hub (35%) and within this, one-in-three of those aware (10% of the total sample) have accessed the Hub in the last 2 years to receive information, support or advice.

The 60 businesses that have approached the Marches Growth Hub for help in the last 2 years were asked what help and support they received and responses were as follows;

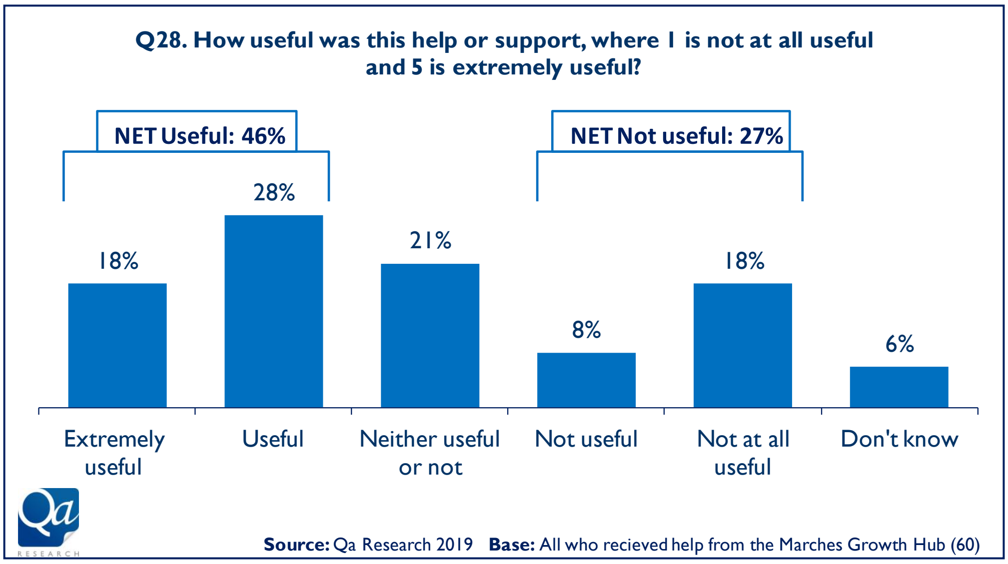
**Figure 31. Type of support received from Marches Growth Hub in last 2 years**




Most frequently, respondents reported having *'attended an event'* (57%), presumably hosted or organised by the Growth Hub, while 25% mentioned being *'signposted to another organisation'*. In total, 34% of those who have sought help from the Growth Hub in the last 2 years made some reference to getting advice and this was most frequently *'business advice'* (26%) or *'advice on a grant'* (12%). One-in-ten said they'd received *'a financial grant'* (11%).

Whether the help received was considered to be useful or not is shown below;

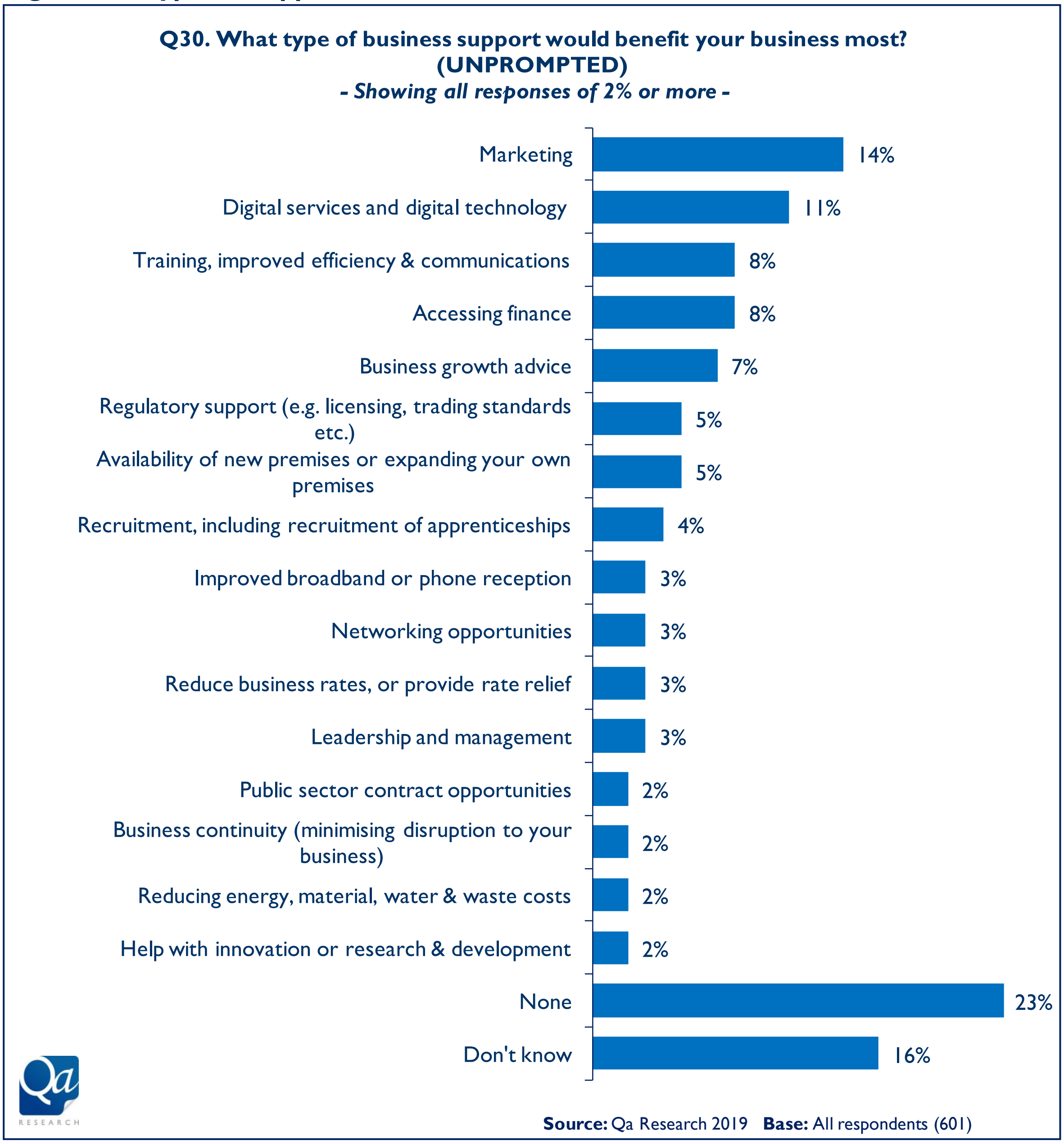
**Figure 32. Usefulness of the help received from Marches Growth Hub**




Although some mixed findings were evident here, respondents were more likely to consider the help and support as being *NET: useful* (46%) rather than *NET: not useful* (27%).

Finally, all respondents were asked what type of business support they felt would benefit their business. This was an unprompted question and similar responses have been coded into themes for analysis and these are detailed below;

**Figure 33. Types of support that would benefit the business most**




Around two-fifths were unable to identify any support that they felt would be of benefit with 23% responding *'none'* and 16% that they *'don't know'*.

The type of support that was mentioned as being potentially helpful varied and nothing was mentioned overwhelmingly.

Instead, the support required covered the range of considerations a business has including *'marketing'* (14%), *'digital services and technology'* (11%), *'training...'* (8%), *'accessing finance'* (8%) and *'business growth advice'* (7%).

Not a lot of variation was recorded here, but some differences were evident amongst key sub-groups, as follows;

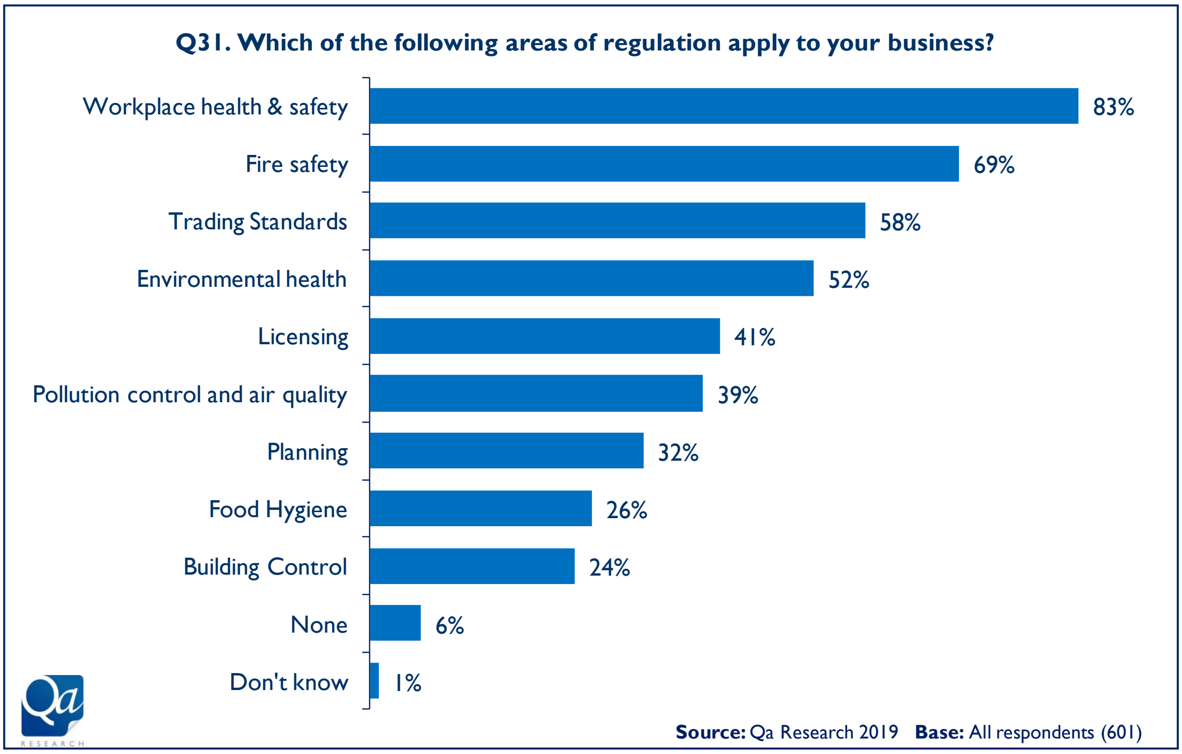
- ***Size*** – businesses with *fewer than 10 employees* were significantly more likely than those with *10 or more* to mention *'digital services and digital technology'* (11% vs. 2%).
- ***Turnover over the last 12 months*** – businesses that had experienced a *decrease* in turnover in the past year were more likely to mention needing help with *'marketing'* (22%) than those that had seen an *increase* (12%) or turnover that had *stayed the same* (12%).
- ***Current broadband provision*** – support with *'digital services and digital technology'* was mentioned more readily by businesses that *NET: Disagree* that their current broadband provision was *'fit for purpose for the next 3 years'* compared with those that *NET: Agreed* (17% vs. 8%).
- ***Skills needs/gaps*** – as might be expected, businesses identified as currently having substantial skills gaps/needs were significantly more likely than those without to mention a range of areas here including *'digital services and digital technology'* (14% vs. 6%), *'marketing'* (18% vs. 10%), *'training, improved efficiency & communications'* (12% vs. 4%) and *'recruitment, including recruitment of apprenticeships'* (6% vs. 2%).

## 5.9 Regulation

### 5.9.1 Experiences of working with local regulators

The chart below shows the areas of regulation that apply to respondents' businesses;

**Figure 34. Areas of regulation that apply to the respondent's business**



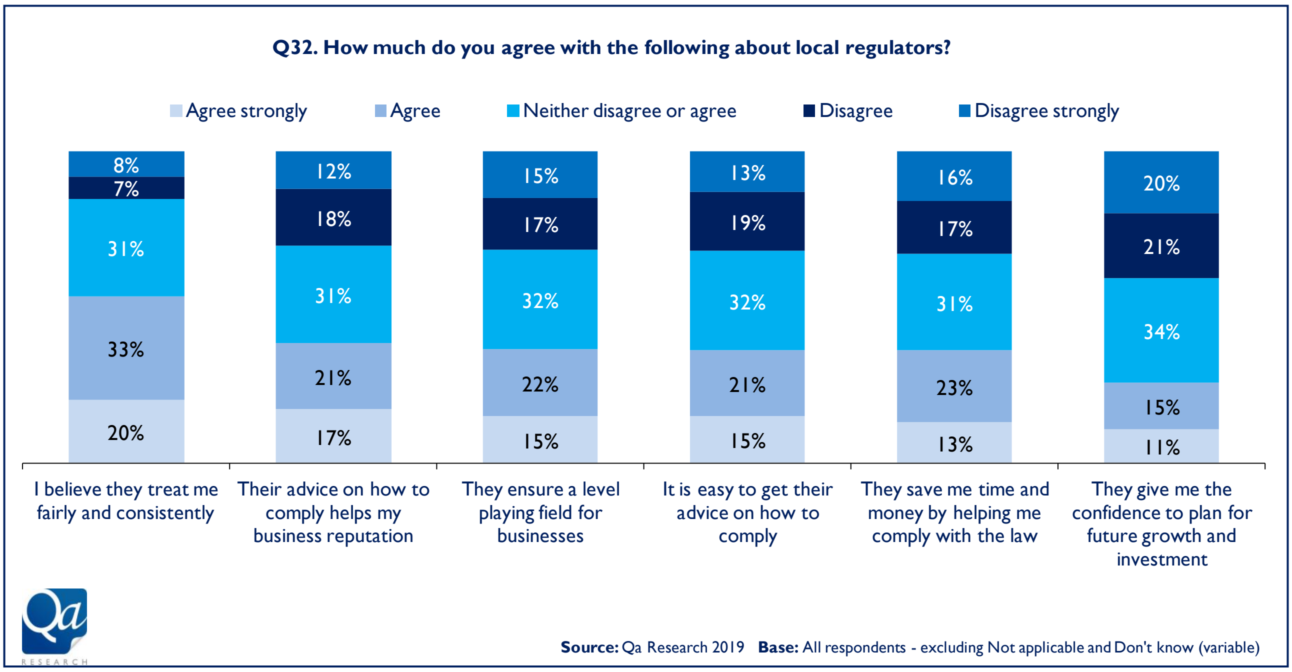

As quotas were set on recruitment of the survey sample to ensure that it was representative and that businesses from all sectors were included, it's no surprise that all these types of regulation were mentioned. This was a multi-code question and on average (MEAN) respondents indicated that their business was covered by 4.2 of these different areas of regulation.

Respondents were asked to say how far they agreed or disagreed with a series of statements about local regulators. The following explanation was read to all respondents before they answered this section of questions;

> *"The next few questions are about local regulators. By this we mean environmental health, trading standards, licensing, planning, building control, fire service officers amongst others."*

The chart below shows levels of agreement. Respondents answering either *'don't know'* or *'not applicable'* for each statement have been removed from the calculations and responses re-based;

**Figure 35. Agreement with statements about local regulators**




Generally, for each of these statements around a third said they *'neither agree nor disagree'*, perhaps indicating that these respondents didn't feel they had sufficient experience of local regulators to give an opinion either way. This is in addition to around a fifth of respondents who responded either *'don't know'* or *'not applicable'* for each statement and have been removed from the figures above.

The level of *NET: Agree* (that is, the proportion answering either *'agree strongly'* or *'agree'*) was highest for the statement *'I believe they treat me fairly and consistently'* (53%).

Broadly similar proportions (around a third) agreed with the other statements;

- *'Their advice on how to comply helps my business reputation'* (38%)
- *'They ensure a level playing field for businesses'* (37%)
- *'It is easy to get their advice on how to comply'* (36%)
- *'They save me time and money by helping me comply with the law'* (35%).

The clear exception here is the statement *'they give me the confidence to plan for future growth and investment'* which only a quarter (25%) of respondents agreed was the case – this was the only statement that a recorded a greater proportion for *NET: Disagree* (that is, the proportion answering either *'disagree strongly'* or *'disagree'*) at 41% than *NET: Agree*. It would seem that businesses are more likely to feel that this is not the case with local regulators than they are to feel this is something they provide.

There is value is trying to identify differences in response to these statement between businesses covered by each of the different areas of regulation. Of course, businesses are covered by more than one area of regulation so the sub-groups below are not mutually exclusive, but we can use responses as an indicator of any differences.

Given the response pattern, the data is more revealing when looking at *NET: Disagree* rather than *NET: Agree*, so the table below outlines the proportion of respondents that indicated that they *NET: Disagree* with each statement, split out by businesses covered by each type of regulation;

**Figure 36. Agreement with statements about local regulators – by regulation**

| Q31. Which of the following areas of regulation apply to your business? | Food Hygiene | Workplace health & safety | Pollution control and air quality | Trading Standards | Licensing | Planning | Building Control | Fire safety | Environ-mental health |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | *NET: Disagree* | | | | |
| I believe they treat me fairly and consistently | 8% | 13% | 12% | 14% | 10% | 14% | 13% | 13% | 14% |
| Their advice on how to comply helps my business reputation | 25% | 27% | 30% | 28% | 25% | 27% | 28% | 28% | 26% |
| They ensure a level playing field for businesses | 25% | 31% | 34% | 30% | 26% | 33% | 32% | 30% | 27% |
| It is easy to get their advice on how to comply | 28% | 31% | 39% | 32% | 26% | 35% | 36% | 32% | 31% |
| They save me time and money by helping me comply with the law | 30% | 33% | 36% | 33% | 29% | 37% | 33% | 32% | 32% |
| They give me the confidence to plan for future growth and investment | 40% | 39% | 39% | 42% | 34% | 49% | 45% | 41% | 40% |
| **Base: All covered by each type of regulation - excluding DK and NA (variable - max base size shown)** | **188** | **508** | **205** | **344** | **260** | **185** | **133** | **451** | **335** |

Few clear differences were evident here, but the following are notable;

- Businesses covered by ***Pollution control and air quality*** were a little more likely to *disagree* that *'it is easy to get their advice on how to comply'* (39%)
- Almost half (49%) of businesses covered by ***Planning*** indicated that they *disagreed* that local regulators *'...give me the confidence to plan for future growth and investment'*. Similarly, 45% of those covered by ***Building control*** *disagreed* with this statement.
- Businesses covered by ***Food hygiene*** and/or by ***Licensing*** were generally the least likely to *disagree*, particularly with the statement *'I believe they treat me fairly and consistently'*.

Some statistically significant differences by key sub-groups were also evident;

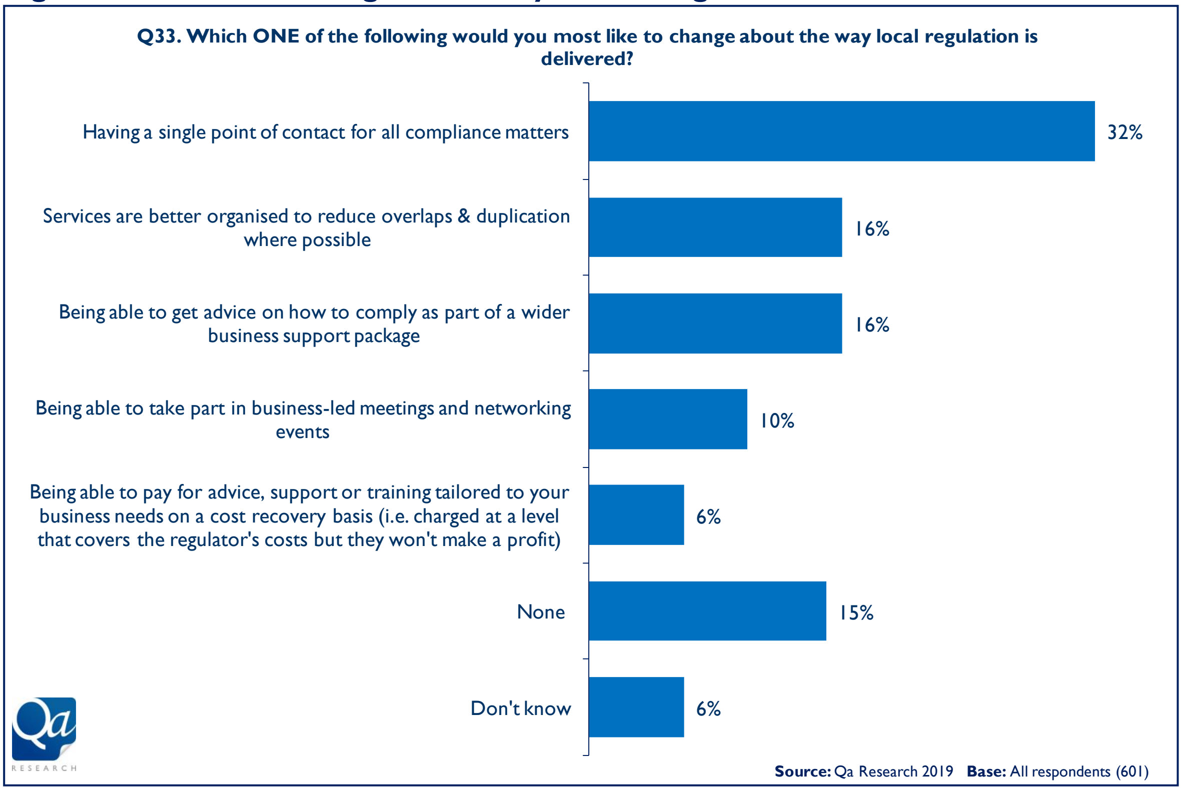
- **SIC** –
  - businesses operating in *I. Accommodation and Food Service Activities* were significantly more likely to *NET: Agree* that *'it is easy to get their advice on how to comply'* (56%)
  - businesses operating in *M. Professional, Scientific and Technical Activities* were significantly more likely to *NET: Agree* that *'they ensure a level playing field for businesses'* (52%).
- ***Turnover over the last 12 months*** – higher levels of *NET: Disagree* were recorded for some of these statements amongst businesses that had experienced a *decrease* in turnover in the last 3 years compared with those experiencing an *increase* or turnover that had *stayed the same*; this included *'it is easy to get their advice on how to comply'* (42% vs. 32% and 28% respectively) and *'I believe they treat me fairly and consistently'* (25% vs. 12% and 13% respectively), perhaps suggesting that issues with regulation may have impacted (at least in part) on the turnover of some businesses.

- ***Skills needs/gaps*** – businesses identified as currently having substantial skills gaps/needs were significantly more likely than those without to *NET: Disagree* that *'it is easy to get their advice on how to comply'* (36% vs. 27%) from local regulators and that *'they give me the confidence to plan for future growth and investment'* (46% vs. 35%). It's difficult to be certain of a clear link between having skills needs/gaps and difficulties with local regulators, but it's possible that businesses find it harder to work with regulators if their own staff lack the appropriate skills and knowledge.

### 5.9.2 Preferred change about the way local regulation is delivered

A list of possible changes to the way local regulation is delivered was read to respondents and they were asked to choose the one they would most like to see implemented. Responses were as follows;

**Figure 37. Preferred change to delivery of local regulation**




All these potential changes are of interest, but one suggested change in particular is of interest to businesses in the county and that is *'having a single point of contact for all compliance matters'* (32%) – choice of this change increased significantly amongst businesses operating in SIC code *M. Professional, Scientific and Technical Activities* (43%).

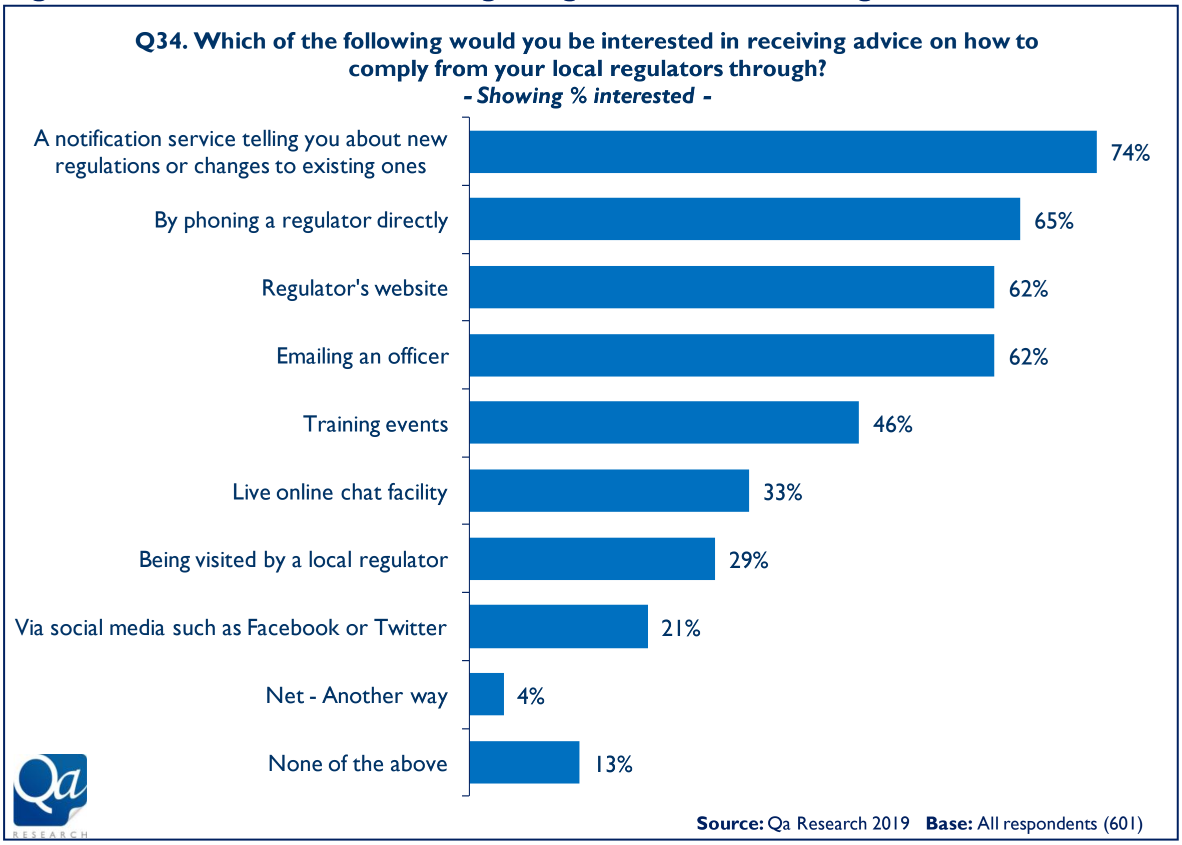
Aside from this, there was interest in all of these potential changes with equal proportions (16%) selecting *'services are better organised to reduce overlaps & duplication where possible'* and *'being able to get advice on how to comply as part of a wider business support package'*. Notably, businesses in *A. Agriculture, Forestry and Fishing* were more likely to select better organised services (26%), while those operating in *F. Construction* were significantly more likely to choose '*...advice on how to comply as part of a wider business support package'* (this was actually the most selected change amongst construction firms, chosen by 36%).

Of less interest was *'being able to take part in business-led meetings and networking events'* (10%) and *'being able to pay for advice, support or training tailored to your business needs...'* (6%). Presumably due to assumptions around accessibility, businesses based in Urban areas were significantly more likely than those based in Rural areas to select *'...business-led meetings and networking events'* (14% vs. 8%).

### 5.9.3 Interest in channels for getting advice from local regulators

Finally, a question was included to explore interest in a range of channels that could be introduced to allow businesses to receive advice from local regulators. The chart below simply outlines the proportion interested in each method and those interested in none;

**Figure 38. Interest in channels for getting advice form local regulators**




Interest was expressed in both unsolicited methods - particularly *'a notification service...'* (74%) but also to a lesser extent *'being visited by a local regulator'* (29%) - and also those that involved proactively contacting regulators as and when required, such as *'phoning a regulator directly'* (65%) visiting a *'regulator's website'* (62%) or *'emailing an officer'* (62%).

Note, that being able to *'phone a regulator directly'* was of most interest to businesses operating in *A. Agriculture, Forestry and Fishing* (77%) and *M. Professional, Scientific and Technical Activities* (73%).

Around one-in-two would be interested in *'training events'* (46%), although this is a channel that varied between businesses from different SIC codes with significantly higher levels of interest amongst those operating in *A. Agriculture, Forestry and Fishing* (51%), *M. Professional, Scientific and Technical Activities* (53%) and *Q. Human Health and Social Work Activities* (66%).

Some of the web based channels included here had comparatively low levels of interest especially *'via social media...'* (21%) but also a *'live online chat facility'* (33%).

# 6. Conclusions

This research provides a **robust assessment of the views of the business community in Shropshire** amongst a representative sample of firms from all sectors.

The data highlight a **substantial degree of stability amongst the Shropshire business community**, with most businesses having operated in the county for more than 5 years. Historically, Shropshire is where they were established and for two-thirds that is where owners and directors currently live. Consequently, the majority of the businesses interviewed had not made a conscious choice to relocate or expand into Shropshire and c.90% said they were unlikely to relocate in the next 5 years (either within Shropshire or further afield).

This **stability seems to extend to headcount** as well (at least at the current time) with three-quarters having seen staff numbers remained the same in the last 12 months and two-thirds not expecting to undertake any recruitment in the next 12 months (and most of those that will expect to look for only 1-2 people).

There is clear evidence that **some businesses struggle to find suitable employees** with around one-in-ten highlighting that they have unfilled vacancies, usually driven by a lack of applicants with the required skills. **Skills gaps were also evident amongst the existing workforce** and firms were readily able to highlight where improvement would benefit their organisation (particularly around IT and Digital skills, but more general skills were also required such as marketing and communication). As **businesses tend to employee staff that live no more than 25 miles from their business site**, it seems likely that some of the limitations with recruitment are indicative of having a limited pool from which to recruit. Of course, in urban areas with greater connectivity firms are able to draw from a wider area than firms operating in more rural areas such as Shropshire.

The **localised nature of businesses extents to the customer base** with businesses indicating, on average, that around two-thirds of their sales come from an area *'within 30 miles'* of their main business site. Additionally, most don't export at all and only 13% derive 5% or more of their revenue from outside the UK.

While headcounts have generally stayed the same over the last 12 months, turnover has been more varied with the **majority of businesses reporting a change in turnover**; this is more often an increase than a decrease and was driven more by exporters, those operating in SIC code *M. Professional, Scientific and Technical Activities* and businesses that have operated in the county for fewer than 10 years.

**Businesses tend to reference national issues when identifying potential barriers to growth**, such as the state of the UK economy generally and Brexit, as well as red tape (especially those dealing with planning and building control). Evidence certainly exists of specific challenges with operating in the county, but these don't appear to pose overwhelming limitations on businesses as a whole. In particular, **issues with wi-fi and broadband are a concern for some businesses** (especially those operating in rural areas and within Agriculture, Forestry and Fishing), but on balance businesses are more likely to consider their existing broadband provision as likely to be sufficient for the next 3 years.

A range of sources are used to access business support, but the internet is the most readily used channel. A **third of businesses are aware of the Marches Growth Hub** and around a third of these have accessed support from it in the last 2 years (most often through attendance at an event). Where support has been accessed, this has generally been seen to be useful, but the data suggest that there's perhaps more that could be done to maximise the benefit businesses feel they derive from the support they receive from the Growth Hub.

# 7. Appendix – Questionnaire

**Good morning/afternoon. My name is xxxx and I'm calling from Qa Research. We have been commissioned by Shropshire Council to carry out a survey amongst businesses in the county.**

**The survey asks about your experiences of running a business or similar organisation in Shropshire. Your participation is important for ensuring that the needs of organisations like yours are fully considered in the policy making process.**

**The findings will help the council and other organisations responsible for the area to continue to support businesses in future, in terms of growth, skills, productivity, innovation, marketing and the supply of suitable land and premises.**

**May I speak to a senior person, such as an owner, director, or manager?**

**WHEN PUT THROUGH TO A POTENTIAL RESPONDENT ……..**

***Repeat the intro.***

**Can I just check that you are an appropriate senior person to discuss overall issues about your organisation for your main business site?**

**INTERVIEWER INSTRUCTION (IF REQUIRED): You should be able to answer detailed questions about the organisation and its operations, and provide information on recent and future trends in employment and trading activity.**

**We would really appreciate it if you would be able to spare some time to participate in this research. The interview should take no more than 15 minutes depending on your answers. Would it be convenient to conduct the interview now?**

**INTERVIEWER (IF REQUIRED): If you would like to speak to someone at the council about this research you can contact Emma Smith, Economic Growth Specialist on 01743 258532 or at** emma.smith@shropshire.gov.uk

**This interview will be carried out according to the Market Research Society's Code of Conduct and all your answers and information you provide will be treated as confidential in accordance with the Data Protection Act and GDPR legislation.**

**Your answers will not be linked to your company.  The call may be recorded for quality purposes. Is that ok?**

**The legal basis for this research is 'public task' and if you'd like to see a copy of the Privacy Information Document that accompanies this survey you can visit Qaresearch.co.uk. This details the background to this research, how your data will be kept securely and your rights.**

**SCREENERS**

**First, we just need to ask you a few questions to ensure we speak to a good cross-section of local businesses and organisations.**

**S1. What is your position within the organisation?  PROMPT AS NECESSARY**
***SINGLECODE***
Owner
Partner
MD/CEO (Managing director/Chief Executive Officer)
Company Secretary

Most senior onsite role (Write in)
Finance Director
Senior Executive
Other (Write in)

**S2. We have the name of your business or organisation as (*TEXT SUB FROM SAMPLE*), is that correct?**
***SINGLECODE***
Yes
No (PROBE AND WRITE IN)
***CODES OPEN***

**S3. Please could you confirm the postcode of your main business site?**
**INTERVIEWER (IF REQUIRED): If your organisation operates from more than one site in the county please think about the main site or biggest site.**
**INTERVIEWER (IF REQUIRED): We will only use your postcode for analysis purposes to understand how organisations in different areas answer.**
***WRITE IN***
***CHECK POSTCODE AGAINST DATABASE FROM PAF***

**S4. Can I just check, are you a private business, a public sector organisation or a voluntary/non profit-making business?**
***SINGLECODE***
A private business
A public sector organisation
A social enterprise
A voluntary or community organisation **– THANK & CLOSE**

***SHOW IF 'A public sector organisation' AT S4:***
**Just to say that in the following questions I will refer to 'your business', but I note that your organisation is actually a public sector organisation.**

**S5. I have *[IMPORT 'Primary UK SIC (2007)' FIELD FROM SAMPLE]* as a general classification for your business. Does this sound right?**
***SINGLECODE***
Yes
No

***ASK S6 IF 'No' AT S5, OTHERS GOTO S7.***
**S6. What is your main business activity at this site?**
**PROMPT: What is the main product or service of this business?**
***CODES OPEN***

***CODE TO SIC 2007 AS FOLLOWS:***
A. Agriculture, Forestry and Fishing
B. Mining and Quarrying
C. Manufacturing
D. Electricity, Gas, Steam and Air Conditioning Supply
E. Water Supply; Sewerage, Waste Management and Remediation Activities
F. Construction
G. Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles
H. Transportation and Storage
I. Accommodation and Food Service Activities
J. Information and Communication
K. Financial and Insurance Activities
L. Real Estate Activities
M. Professional, Scientific and Technical Activities
N. Administrative and Support Service Activities

O. Public Administration and Defence; Compulsory Social Security
P. Education
Q. Human Health and Social Work Activities
R. Arts, Entertainment and Recreation
S. Other Service Activities

***ASK ALL***
**S7. Including yourself, how many people does the organisation employ in the county? If you have multiple sites in the county then please tell me the total number across all those sites.**
**INCLUDE FULL AND PART TIME**
**INCLUDE TEMPORARIES/CASUALS, BUT NOT AGENCY STAFF**
**INCLUDE OWNERS/PARTNERS AND OTHER DIRECTORS**
**EXCLUDE SELF-EMPLOYED**
***NUMERICAL RESPONSE***

**CODE TO BANDS BELOW**
1–9
10–49
50–199
200–249
250+
Don’t know

## SECTION 1: Turnover in the business

**Firstly, I’m going to ask about your turnover.**

**Q1. How many years has your business been operating from your main business site in the county? PROBE FOR AN ANSWER**
***SINGLECODE***
Less than 12 months
1 up to 2 years
Over 2 up to 3 years
Over 3 up to 5 years
6 to 10 years
11 to 20 years
Over 20 years
Don’t know

**Q2. What was the approximate turnover of your business over the past year? PROMPT FOR AN APPROXIMATION**
***SINGLECODE***
Less than £85,000 [i.e. below VAT threshold]
£85,000–£250,000
£250,000–£0.5M
£0.5M–£1M
£1M–£5M
£5M–£10M
£10M–£25M
£25M+
Don’t know
Unwilling to answer

***IF ‘Less than 12 months’ AT Q1, GOTO Q10***
**Q3. Over the last 12 months, has the turnover of your business...? READ OUT**
***SINGLECODE***
Increased

Decreased
Stayed the same
Don't know

***ASK Q3 IF 'Increased' AT Q2***
**Q4. By approximately what percentage has it increased?**
**PROMPT FOR AN APPROXIMATION**
***NUMERICAL RESPONSE***
Prefer not to say (DO NOT READ OUT)
Don't know

***ASK Q5 IF 'Decreased' AT Q2***
**Q5. By approximately what percentage has it decreased?**
**PROMPT FOR AN APPROXIMATION**
***NUMERICAL RESPONSE***
Prefer not to say (DO NOT READ OUT)
Don't know

***IF 'Less than 12 months' AT Q1, GOTO Q10***
**SECTION 2: Employees in the business**

**The next few questions are about your employees.**

**Q7. Over the last 12 months has the number of staff employed in the county...? READ OUT**
***SINGLECODE***
Increased
Decreased
Stayed the same
Don't know

***ASK Q8 IF 'Increased' AT Q7***
**Q8. By approximately how many employees has it increased? Please give me the number of part-time employees and then the number of full-time employees? PROMPT FOR AN APPROXIMATION**
Part-time
***NUMERICAL RESPONSE***
Full-time
***NUMERICAL RESPONSE***
Prefer not to say (DO NOT READ OUT)
Don't know

***ASK Q9 IF 'Decreased' AT Q7***
**Q9. By approximately how many employees has it decreased? Please give me the number of part-time employees and then the number of full-time employees? PROMPT FOR AN APPROXIMATION**
Part-time
***NUMERICAL RESPONSE***
Full-time
***NUMERICAL RESPONSE***
Prefer not to say (DO NOT READ OUT)
Don't know

***ASK ALL***
**Q10. To the best of your knowledge, what proportion of the workforce would you say live within 5 miles of this main site, between 5-25 miles of it and more than 25 miles away?**
***ENSURE PERCENTAGES ADD TO 100%***
Within 5 miles of main business site
***NUMERICAL RESPONSE***
Between 5-25 miles
***NUMERICAL RESPONSE***
More than 25 miles away
***NUMERICAL RESPONSE***
Don't know

***ASK Q11 IF 'Within 5 miles of main business site' AT Q10 <70%, OTHERS GOTO Q12***
**Q11. In your opinion, why don't more of the workforce live within 5 miles of the site? DO NOT READ OUT**
***MULTICODE***
Workforce – can't find suitable staff living within 5 miles
Housing – too expensive to buy within 5 miles
Housing – too expensive to rent within 5 miles
Housing – difficulties selling/leaving current homes
Housing – lack of available homes to rent or buy
Schools – don't want children to move schools
Schools – local schools aren't good enough
Transport – hard to access the site by road
Transport – easy to access the site by road (so easy to live away)
Transport – hard to access the site by public transport
Transport – easy to access the site by public transport (so easy to live away)
Family – family does not want to move
Other – happy living in current location
Other – just don't want to live within 5 miles
Some other reason (please tell us what)
Don't know

***ASK ALL***
**Q12. How many, if any, staff do you expect to recruit in the next 12 months?**
**INCLUDE FULL AND PART TIME**
**INCLUDE TEMPORARIES/CASUALS, BUT NOT AGENCY STAFF**
**INCLUDE OWNERS/PARTNERS AND OTHER DIRECTORS**
**EXCLUDE SELF-EMPLOYED**
***NUMERICAL RESPONSE***
None
Prefer not to say (DO NOT READ OUT)
Don't know

**Q13. Do you currently have any vacancies that are proving hard to fill?**
***SINGLECODE***
Yes
No
Don't know
Prefer not to say (DO NOT READ OUT)

***ASK Q14 IF 'Yes' AT Q13, OTHERS GOTO Q15***
**Q14. Why do you think these have been hard to fill? DO NOT READ OUT, BUT PROBE IF REQUIRED**
***MULTICODE***
Job roles - wages they want are too high
Job roles - too much competition from other employers
Job roles - not enough interest in this type of job

Skills – lack of applicants with the required skills
Applicants – low number of applicants generally
Applicants – insufficient experience
Applicants – don't have the qualifications required
Location - too remote
Location – poor public transport
Housing – too expensive to buy
Housing – too expensive to rent
Housing – lack of available homes to rent or buy
Other (please specify)
Don't know

***ASK ALL***
**Q15. How many, if any, of the following do you currently employ?**
Migrant workers
***NUMERICAL RESPONSE***
Graduates on a graduate programme
***NUMERICAL RESPONSE***
Apprentices
***NUMERICAL RESPONSE***
None to all
Don't know

**I'm going to read out a short list of different types of skills and for each one please tell me...**
**Q16a. ...firstly if it needs improving amongst your current workforce and**
**Q16b. ...secondly if you expect it to be in greater demand within your businesses over the next few years.**
***MULTICODE***
Yes
No
Not applicable
Don't know

***LOOP – RANDOMISE ORDER***
**Management and leadership skills**
**IT and Digital skills**
**Business and financial planning skills**
**Communication skills**
**Specialist skills relating to STEM subjects (Science, technology, engineering & Mathematics)**
**Sales and marketing skills**
**Customer care skills**
**Technical and specialist skills**
**Literacy and numeracy**
**Something else (Write in)**

## SECTION 3: Supply Chains and Customers

**Q17. Thinking about your supply chain and the purchases that your business makes, what proportion are from the following areas? Please ignore sundry items that you need to manage your business such as stationery, toiletries and cleaning products unless they are a core part of your business.**
**READ OUT**

***ENSURE PERCENTAGES ADD TO 100%***
Within 30 miles of your main business site (in Shropshire)
***NUMERICAL RESPONSE***
Elsewhere in the UK

***NUMERICAL RESPONSE***
Within the EU, but excluding the UK
***NUMERICAL RESPONSE***
Outside the EU
***NUMERICAL RESPONSE***
Don't know

**Q18. Thinking about your sales, what proportion take place in the following areas? READ OUT**
***ENSURE PERCENTAGES ADD TO 100%***
Within 30 miles of your main business site (in Shropshire)
***NUMERICAL RESPONSE***
Elsewhere in the UK
***NUMERICAL RESPONSE***
Within the EU, but excluding the UK
***NUMERICAL RESPONSE***
Outside the EU
***NUMERICAL RESPONSE***
Don't know

## SECTION 4: Growth & Opportunities

**The next few questions are about the running a business in Shropshire.**

**Q19. What would you say are the THREE main reasons for your business being located in Shropshire? DO NOT READ OUT, BUT PROBE IF REQUIRED**
***MULTICODE – MAX 3***
Historic – business was founded in Shrophire
Directors/owners – live in the area
Access – good access to markets
Access – good access to suppliers
Access – close proximity to other firms in the same sector
Transport – good access to road transport links
Transport – good access to public transport
Premises - availability of appropriate land and premises is good
Premises - cost of land and premises is good
Employees - cost of labour is acceptable
Employees – wide selection of potential employees to choose from
Employees – good availability of skilled local employees
Employees - staff loyalty/retention is good
Amenity - attractiveness of local area
Amenity – good local facilities and amenities
Infrastructure – good speed and reliability of broadband
Infrastructure – good mobile signal
Infrastructure – near educational facilities
Other (Write in)
Don't know

**Q20. What, if any, specific challenges do you think businesses that operate in predominantly rural areas face?**
***CODES OPEN***

**Q21. How likely is it that your business will relocate its main business site in the county in the next 5 years, on a scale of 1-5 where 1 means it's very unlikely and 5 means it's very likely?**
***SINGLECODE***
5 – Very likely
4
3
2
1 – Very unlikely
Don't know

***ASK Q22-Q23 IF CODES 3-5 AT Q21, OTHERS GOTO Q24***
**Q22. Why is that? DO NOT READ OUT**
***MULTICODE***
Current premises too small
Current premises too big
Cost of current premises too high
Gain access to new markets
Gain access to skilled and affordable labour
To be closer to suppliers
To be closer to existing customers
To be closer to companies in my industry/sector
To benefit from better transport links
Reduce impact of crime and anti-social behaviour
Lifestyle/personal reasons
Other (write in)
Don't know

**Q23. Where are you considering moving to? PROMPT AS NECESSARY. *SINGLECODE***
Within 5 miles of current main site (in Shropshire)
Elsewhere in Shropshire
Outside Shropshire
Don't know

***ASK ALL***
**Q24. What do you think are the THREE main barriers that might prevent your business from growing over the next 3 years? DO NOT READ OUT**
***MULTICODE***
Employees – cost of labour is too high
Employees – limited selection of potential employees to choose from
Employees – poor availability of skilled local employees
Employees – hard to retain staff
Costs – transport costs
Costs – energy costs
Economy – general state of the economy
Economy – Brexit
Economy – value of the pound/exchange rates
Economy – increased competition
Economy – national/local government 'red tape'
Finance – cash flow
Finance – business rates
Finance – tax rates generally
Finance – availability of finance
Premises – availability of appropriate land and premises
Premises – cost of land and premises is too high
Infrastructure – poor speed and reliability of broadband
Infrastructure – poor mobile signal
Transport – poor access to road transport links

Transport – poor access to public transport
Transport – congestion
Other (Write in)
Don't know

**Q25. How far do you agree or disagree that your business's current broadband provision is fit for purpose for the next 3 years, on a scale of 1-5 where 1 is disagree strongly and 5 is agree strongly?**
***SINGLECODE***
5 – Agree strongly
4
3
2
1 – Disagree strongly
Not applicable – do not use the internet
Don't know

## SECTION 5: Contact with local organisations

**The next few questions are about your recent contact with the local council and other agencies.**

**Q26. In the last 2 years, have you sought information, support or advice for your business, from any of the following? READ OUT**
***SINGLECODE***
Yes
No
Don't know

***LOOP – RANDOMISE ORDER OF ASKING***
**Accountant [apart from for bookkeeping/auditing or statutory/regulatory purposes]**
**Bank**
**Solicitor [apart from for bookkeeping/auditing or statutory/regulatory purposes]**
**Trade or business association**
**Chamber of Commerce**
**Marches Growth Hub**
**Marches LEP (Local Enterprise Partnership)**
**Shropshire Council Revenues and Benefits**
**A further or Higher Education establishment**
**Local council (e.g. Environmental Health, Trading Standards) or fire service officer**
**The local council website (e.g. Environmental Health, Trading Standards) or fire service website**
**National regulator or Government department websites (such as HSE, Food Standards Agency, .GOV)**
**Online search engine (such as Bing or Google)**
**External Environmental Health, Trading Standards, Food Safety consultants**
**Connecting Shropshire Broadband Programme**
**Something else (please specify)**

**ASK Q27-Q28 IF 'Marches Growth Hub' AT Q26, OTHERS GOTO Q29**
**Q27. What help or support did you receive from Marches Growth Hub?**
**READ OUT**
**MULTICODE**
A financial grant
Business advice
Attendance at an event
Signposted to another organisation
Something else (write in)
Don't know

**Q28. How useful was this help or support, where 1 is not at all useful and 5 is extremely useful?**
**SINGLECODE**
1 – Not at all useful
2
3
4
5 – Extremely useful
Don't know

**ASK Q29 IF 'Marches Growth Hub' NOT MENTIONED AT Q 26**
**Q29. Before today, had you heard of the Marches Growth Hub?**
**SINGLECODE**
Yes
No
Don't know

**ASK ALL**
**Q30. What type of business support would benefit your business most?**
**DO NOT READ OUT**
**MULTICODE**
Accessing finance
Marketing
Leadership and management
Recruitment, including recruitment of apprenticeships
Digital services and digital technology
Exporting
Training, improved efficiency & communications
Availability of new premises or expanding your own premises
Help with innovation or research & development
Business growth advice
Manufacturing
Reducing energy, material, water & waste costs
Business continuity (minimising disruption to your business)
Public sector contract opportunities
Regulatory support such as licensing, trading standards, environmental health and safety or planning
Other (Write in)
None
Don't know

## SECTION 6: Local Regulators

**The next few questions are about local regulators. By this we mean environmental health, trading standards, licensing, planning, building control, fire service officers amongst others.**

**Q31. Which of the following areas of regulation apply to your business? READ OUT**
***MULTICODE***
Food Hygiene
Workplace health & safety
Pollution control and air quality
Trading Standards
Licensing
Planning
Building Control
Fire safety
Environmental health

None
Don't know

**Q32. I am going to read some statements about local regulators. For each one, please tell me how far you agree or disagree giving your answer on a scale of 1-5, where 1 means you disagree strongly and 5 means you agree strongly.**
***SINGLECODE***
1 – Disagree strongly
2
3
4
5 – Agree strongly
Not applicable
Don't know

***LOOP - RANDOMISE ORDER OF ASKING***
**It is easy to get their advice on how to comply**
**I believe they treat me fairly and consistently**
**They save me time and money by helping me comply with the law**
**Their advice on how to comply helps my business reputation**
**They give me the confidence to plan for future growth and investment**
**They ensure a level playing field for business**

**Q33. Which ONE of the following would you most like to change about the way local regulation is delivered? READ OUT**
***SINGLECODE***
Having a single point of contact for all compliance matters
Services are better organised to reduce overlaps & duplication where possible
Being able to get advice on how to comply as part of a wider business support package
Being able to pay for advice, support or training tailored to your business needs on a cost recovery basis (i.e. charged at a level that covers the regulator's costs but they won't make a profit)
Being able to take part in business-led meetings and networking events
None
Don't know

**Q34. Would you be interested in receiving advice on how to comply from your local regulators through the following methods?**
***SINGLECODE***
Interested
Not interested
Don't know

***LOOP - RANDOMISE ORDER***
By phoning a regulator directly
Emailing an officer
Being visited by a local regulator
Regulator's website
Via social media such as Facebook or Twitter
Training events
A notification service telling you about new regulations or changes to existing ones
Live online chat facility
Another way (please specify)

**Q35. Do you have any other comments that you'd like to make about the issues we've talked about today?**
***CODES OPEN***

## SECTION 7: Consent to Re-contact

**The final question asks for your consent to re-contact you.**

**D1. Would you be happy to be re-contacted by someone at Qa Research or Shropshire Council for research purposes and to talk to you in a little more detail about doing business in Shropshire?**
**If you give your consent, your contact details and business name may be passed to the Council. You may be contacted to be invited to take part in further research.**
**None of your answers will be provided to the Council and your responses will remain confidential at all times.**
***SINGLECODE***
Yes
No

***IF 'Yes' AT D1 ASK D2, OTHERS THANK & CLOSE***
**D2. Can I take some contact details please?**
***Name:***
***Phone:***
***Email:***
***Business Name: POPULATE FROM S2***

**Thank you for taking the time to complete this survey.**