Southampton City Council Business Survey 2006

Prepared for
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1.0 Introduction

This report presents the findings of a survey conducted by **how2**mrc Ltd on behalf of Southampton City Council. The study is intended to provide baseline information on companies in the Local Enterprise Growth Initiative (LEGI). The information will be used when preparing a joint bid with Portsmouth for the LEGI project.
The LEGI, which is available to areas eligible for the Neighbourhood Renewal Fund (NRF), was announced as an initiative by the Chancellor of the Exchequer in the 2005 Budget. Its purpose is to bring about long-term change by tackling market failures that inhibit growth in disadvantaged areas. The aim is to make changes that are sustained beyond the life of the policy. Parts of Southampton are eligible for NRF and therefore this programme is relevant to Southampton and offers the potential to secure on-going resources that could assist in implementing the Community Strategy and the Plan for Prosperity.
The 11 Neighbourhood Priority Areas in Southampton are:-

Central
Flowers Road, Hampton and Mansbridge
Freemantle and Polygon
Harefield
Lordshill
Outer Shirley
Portswood/St Denys
Shirley Estate
Thornhill
Townhill Park
Weston

More specifically, the market research objectives are to:-

- Understand more about businesses across the city: their situation, plans for the future, needs, fears and problems etc
- Analyse businesses within the 11 Neighbourhood Priority Areas of the city: their make-up and specific needs, compared to the city as a whole
- Remind the businesses about services provided by SCC

1.1 Research Methodology

A comprehensive list of all businesses across Southampton, a total of 6698, was provided by SCC.
This list was produced by Dunn and Bradstreet the world's leading provider of business information and included businesses of 1 employee upwards although it deliberately excluded some public bodies and organisations with a number of branches / offices within Southampton unless their main office was located there.

Initially a paper questionnaire, with a signed introduction from SCC Chief Executive, was posted out on the 16th/17th February to each of the businesses on the list.

In addition businesses had the option to complete the questionnaire online at www.invest-in-southampton.co.uk.

On the 3rd/6th March a reminder letter/questionnaire was sent out to all businesses who had not responded.

The survey was also promoted by the Economical Development Team at a local business exhibition, by sending out a mailing and an advertisement in a local paper.

If a questionnaire could not be delivered i.e. the company had gone out of business the questionnaire was returned to sender and the database amended.

In total there were 819 contacts on the initial Dunn and Bradstreet list found to be no longer in business (12% of the total) This was a slightly higher level than expected. However these businesses were not specific to any one area, as can be seen in the following table.

	Total contacts mailed to	% of total mailed to	Contacts No longer in business (deletes)	Total contacts less deletes	% of total contacts less deletes
Outside Neighbourhood Priority Areas	4138	61.7%	487	3651	62.2%
Central	1011	15.1%	124	887	15.1%
Flowers Road, Hampton and Mansbridge	175	2.6%	24	151	2.6%
Freemantle and Polygon	420	6.3%	66	354	6.0%
Harefield	47	0.7%	7	40	0.7%
Lordshill	49	0.7%	5	44	0.7%
Outer Shirley	379	5.7%	35	334	5.7%
Portswood/St Denys	233	3.5%	36	197	3.4%
Shirley Estate	95	1.4%	17	78	1.3%
Thornhill	81	1.2%	9	72	1.2%
Townhill Park	15	0.2%	2	13	0.2%
Weston	59	0.9%	7	52	0.9%
TOTAL	6698	100%	819	5879	100%

To ensure maximum response from businesses located in the Neighbourhood Priority Areas additional “booster” interviews were conducted by telephone, with businesses where there were telephone number, within the 11 Neighbourhood Priority Areas. Interviewing took place between 23rd and 30th March 2006.

These have been added to the postal and internet responses from the Neighbourhood Priority Areas to give a total of 618 interviews.

In addition 554 responses were received from businesses outside the Neighbourhood Priority Areas.

The Total Business Sample of 1172 is therefore biased towards those businesses in the Neighbourhood Priority Areas and so in order that the Total Business Sample is representative of Southampton businesses it has been reweighted.

	Total interviews	Weighted total	Weighted Total %
Outside Neighbourhood Priority Areas	554	728	62.1%
Central	196	177	15.1%
Flowers Road, Hampton and Mansbridge	52	31	2.6%
Freemantle and Polygon	100	71	6.1%
Harefield	11	9	0.8%
Lordshill	12 **618**	8	0.7%
Outer Shirley	98	67	5.7%
Portswood/St Denys	68	40	3.4%
Shirley Estate	40	15	1.3%
Thornhill	23	14	1.2%
Townhill Park	2	2	0.2%
Weston	16	10	0.9%
TOTAL	1172	1172	

1.2 Presentation & Interpretation

Views have been taken from a sample of businesses and not the entire population of Southampton businesses.

A sample of 1,172 provides a confidence level of +/- 2.97% at the 95% confidence level.
This means that if a survey finding gives for example a result of 48%, if every business in Southampton had been interviewed the figure would fall within the range of 45.03% and 50.97%. A further guide to statistical reliability is given below:-

Sample sizes	Confidence level
1172	**± 2.97%**
600	**± 4.00%**
550	**± 4.20%**
500	**± 4.40%**
400	**± 4.90%**
300	**± 5.70%**
200	**± 6.90%**
100	**± 9.80%**
50	**± 13.90%**

All results are subject to sampling tolerances, which means that not all differences are significant. The table below gives some indication on the difference required to be significant at the 95% confidence levels.

Approx Sample sizes	% difference
1100 & 600	5.0%
700 & 450	5.9%
600 & 500	5.9%
500 & 400	6.6%
400 & 300	7.5%
300 & 300	11.1%
250 & 250	8.8%
200 & 200	9.8%
100 & 250	11.6%
100 & 200	12%
100 &100	13.9%
50 & 50	19.6%

Throughout this report significant differences are denoted by * or higher, lower.

% may not add up to 100% this could be due to rounding, the exclusion of 'don't know', single responses or multiple answers.

Findings throughout this document are reported on a number of levels.

Firstly the weighted total sample which is a representative sample of all businesses within Southampton and referred to as Total Business Sample (1172).

Secondly on the businesses in the Neighbourhood Priority Areas unweighted referred to as Neighbourhood Priority Areas (618).

The results of this survey have also been looked at by number of employees, date the business was set up and businesses main activity both in total and within the Neighbourhood Priority Areas:

under 5 employees	5-9 employees	10-49 employees	50+ employees

Set up last 2yrs	3-5 yrs	6-10 yrs	11-15 yrs	15+ yrs

Retail Wholesale Distribution	Fast food /Hotels /restaurants /pubs/ clubs/ Guest house	Business Services/ Finance/ Insurance	Other Trade industries	Manufacturing /construction/ Engineering Transport	Public admin Health Education	Miscellaneous services

Furthermore within Neighbourhood Priority Areas results have been looked at by individual areas. The sample sizes in some of the Neighbourhood Priority Areas are too small for individual inclusion and so for analysis purposes some of the areas have been joined together:

Central	Flowers Road, Hampton and Mansbridge	Freemantle and Polygon	Lordshill& Outer Shirley	Harefield/ Thornhill/ Townhill Park/ Weston	Portswood & St Denys	Shirley Estate
(196)	(52)	(100)	(110)	(52)	(68)	(40)

2.0 Executive Summary

Overview

1172 Southampton businesses took part in the Southampton City Council 2006 business survey. Results from this survey have been looked at by means of a total business sample representative of Southampton’s businesses and compared with results from businesses within the Neighbourhood Priority Areas.

The profile of businesses within the Neighbourhood Priority Areas was very similar to that of the total sample in terms of start up date, business activity, and number of employees.

The top 3 business sectors within Southampton at approx the 1 in 10 level are:

Retail/wholesale/distribution,
Business services
Fast-food /hotels/ restaurants /pubs/clubs/ guesthouses.

Overall businesses in the Neighbourhood Priority Areas were significantly less likely to mention national (lower % for rest of UK) or international clients/markets.

A third of businesses (in Total and within the Neighbourhood Priority Areas) experienced an increase in turnover over the last 12 months however the % increase experienced by businesses within the Neighbourhood Priority Areas was significantly lower than for businesses outside the priority areas.

Total Businesses and businesses within Neighbourhood Priority Areas were similarly optimistic about their future turnover for the next 3 years; with at least half saying they expect an increase, although the expected level of increase is significantly lower for businesses within the Neighbourhood Priority Areas than those outside the priority areas.

Businesses within the Neighbourhood Priority Areas are significantly more likely to just have the one type of premises and significantly less likely to work from home.

There did not appear to be any one problem with recruitment specifically and businesses within the Neighbourhood Priority Areas had no more or less of a problem than other firms. The main problem areas, although at a low level tended to be when looking for skilled tradesman, office admin support, Managers/Account directors and quality staff generally.

Half the businesses mentioned an external factor that they feel is specific to their location and that has a significant impact on their business. Crime/ fear of crime (22%) is mentioned as being a statistically significant negative factor for businesses within the Neighbourhood Priority Areas. It was a particular concern for the Retail sector (31%).

Business Profile (section 3.1 of report)

There was no difference in terms of:

main activity,
when established,
whether an extension of an existing business
location of main office

for businesses in the Neighbourhood Priority Areas compared with those from the representative sample of Southampton businesses (Total Business Sample).

The top 3 business sectors within Southampton at approx the 1 in 10 level are:

Retail/wholesale/distribution,
Business services
Fast-food /hotels/ restaurants /pubs/clubs/ guesthouses.

Half of all the businesses were set up more than 15years ago and just over a quarter more than 25years ago. 7% of businesses had been set up in the last 2 years i.e. new businesses.

More of the new businesses came from the main 3 business sectors though there was a difference in that Fast-food/hotel/restaurant/ pub/club/guesthouse sector (16%) and those providing Business services (19%) featured more in the Total new businesses sample whereas Business services (15%) and Retail/wholesale/distribution (15%) featured more in the Neighbourhood Priority Areas new businesses.

Businesses in Southampton were more likely (63%) to be a new start up rather than an expansion of an existing one.

Three quarters of the businesses saw the Southampton office as the main office / headquarters.

Business operations (section 3.2 of report)

Given the high proportion of Southampton main office businesses it is not surprising that the businesses markets/clients are also based in Southampton mentioned by over 80% of businesses for both samples.

Overall businesses in the Neighbourhood Priority Areas were significantly less likely to mention national (lower % for rest of UK) or international clients/markets.

Supplier locations were very similar for both the total sample and businesses within the Neighbourhood Priority Areas 57% of businesses have suppliers in Southampton, just under half have national suppliers(rest of UK) and a third international suppliers.

As businesses get larger not only are their markets/clients located further a field so are their suppliers. Larger businesses (10+ employees) have more suppliers than smaller businesses with significantly higher mentions for all locations other than Southampton.

A third of businesses (in Total and within the Neighbourhood Priority Areas) experienced an increase in turnover over the last 12 months however the % increase experienced by businesses within the Neighbourhood Priority Areas was significantly lower than for businesses outside the priority areas.

The 2nd most prevalent business sector Fast-food/ hotels/ restaurants /pubs/clubs/guesthouses in Neighbourhood Priority Areas saw a significant decline in turnover by 1 in 2 businesses.

Total Businesses and businesses within Neighbourhood Priority Areas were similarly optimistic about their future turnover for the next 3 years; with at least half saying they expect an increase, although significantly more businesses in the Neighbourhood Priority Areas made no comment about it. However the expected level of increase is significantly lower for businesses within the Neighbourhood Priority Areas than those outside the priority areas.

Within the different business sectors Business services/finance was the most optimistic with 71% expecting an increase in turnover whilst Fast-food/ hotels/ restaurants /pubs/clubs/guest houses the least.

Business Workforce (Section 3.3 of report)

There were no strong differences between the Total business sample and the Neighbourhood Priority Areas for size of business in terms of number of employees.

The majority of businesses (92%) had below 50 employees, 68% had below 10 employees.

The majority of staff were full time, although a few businesses (6%) had only part time staff, this was in addition to sole traders.

Over 70% of businesses employed part time staff, it was at its most prevalent in the Fast-food/ hotels/ restaurants /pubs/clubs/guesthouses and Retail/wholesale sectors - both of which have a strong presence in Southampton.

Very few businesses (13%-15%for businesses in the Neighbourhood Priority Areas) employed shift workers, though the % of shift workers increases as the number of employees increases.

On the whole levels of employment in the last 12 months were constant with two thirds saying “stayed the same” for both total businesses and businesses in the Neighbourhood Priority Areas.

Larger companies tended to have increased staff levels more than smaller ones especially in the Neighbourhood Priority Areas.

Although just over half of the businesses sampled in Southampton expect their turnover to increase over the next 3 years, only a third (32%) expect their workforce to increase over that same period. The majority, 6 out of 10 expect their workforce numbers to stay the same. Findings did not differ for businesses in the Neighbourhood Priority Areas

Increases in staffing levels are expected especially amongst larger companies (10+ employees) and businesses in the Business Services/banking/finance sectors again.

There did not appear to be any one problem with recruitment specifically and businesses within the Neighbourhood Priority Areas had no more or less of a problem than other firms. The main problem areas, although at a low level tended to be when looking for skilled tradesman, office admin support, Managers/Account directors and quality staff generally.

On the whole, these skills shortages tended to be met by in house training or advertising-especially by larger firms.

Two thirds of businesses had staff living within 3 miles of work both for total businesses and Neighbourhood Priority Areas, with a quarter of all businesses claiming all its employees lived within this distance.

Business Premises (Section 3.4 of report)

Retail and Office were the two main business premises used in Southampton.

Businesses within the Neighbourhood Priority Areas are significantly more likely to just have the one premises type and significantly less likely to work from home.

It would seem awareness of the size of ones current premises is limited.
Those in industrial premises or warehousing seem more aware of the size than those in offices or retail premises with retail being the lowest.

The majority of businesses had not changed the size of their premises in the last year and were unlikely to change it in the next 3 years which ties in with the fact they don't expect a change in their workforce numbers.
Those businesses (1in 7) that were likely to increase tended to be larger companies (10-49 employees).

Businesses in Priority areas were less likely to know if they were going to increase sq footage compared to non priority areas.

A fifth of all businesses were likely to relocate in the next 3 years, especially those with 10-49 employees, businesses set up 3-5 years ago and businesses from the Business Services/banking/finance sector.

Offices in Southampton/M27 were the most popular type of premises likely to be looked for as well as combined warehouse and offices in various locations.

Business Services (Section 3.5 in report)

Just under half of the businesses had been in touch with Southampton City Council in the last 12 months.
Businesses within the Neighbourhood Priority Areas were slightly more likely to have contacted SCC in the last 12 months 49% compared to businesses outside the Neighbourhood Priority Areas at 45%.

The larger the business the more likely it was to have contacted SCC.

Reasons for contacting the council were varied however there was high correlation with the type of business and the department contacted i.e Fast-food/ hotels/ restaurants /pubs/clubs/guesthouses contacting licensing department, Business Services/banking/finance sector contacting the planning department.

The one exception was refuse, a department equally contacted by all business sectors.

The top 4 SCC business services aware of were;-
Trading standards, Health & Safety,
Trade waste service
Building regulations
for both Total and Neighbourhood Priority Areas.

Just over half the businesses mentioned an external factor specific to their location that they feel has a significant impact on their business.

Crime/fear of crime (22%) was a significant negative factor for businesses within the Neighbourhood Priority Areas; it was a particular concern for the Retail sector (31%).

Provide better/more affordable parking mentioned by close to 1 in 10 businesses was the single most mentioned improvement followed by reducing business rates both for total businesses and businesses within the Neighbourhood Priority Areas.

Area differences
The results of this survey were broken down by area and the table below indicates those characteristics that stand out as being significantly different to other areas.

Central	Flowers Road, Hampton and Mansbridge	Freemantle and Polygon	Lordshill& Outer Shirley	Harefield/ Thornhill/ Townhill Park/ Weston	Portswood & St Denys	Shirley Estate
Business services16% ship builders 7%	Highest % business Expansions (44%)	Photographer 4%	Cons-Truction 12% Plumbers 4%	Newsagent 6%	Banking Finance 9%	Retail 28%
Extensive Located Client base	Employs More shift workers 30%	More experienced decrease in turnover than increase	Higher % Branches 25%	Lowest % Business Expansions 23%	More experienced decrease in turnover than increase	Operating Full Capacity 28%
41% Increased turnover	Employs local workers 87%	Parking an issue 23%	Use Suppliers Far East 16%	Lowest % Local Employees		15% expect Increase employees
34% skills shortage	High concern of Crime in Area-37%		Parking less of an issue 2%	High % Contact SCC-54%		Want police activity 8%
High % Contact SCC 54%			Average 15 employees	Average 6 employees		Want crime reduction Initiatives 13%
28% likely relocate			Southampt Client Base95%			Parking an issue15%
37% expect increase employees						low % Contact SCC 34%
Parking an issue13%						
-ve Impact Football 4%						
62% expect Increase turnover Next 3 yrs						

3.0 Main Sample Findings

3.1 Business Profile

3.1.1 Business activity

In order to gain greater insight into the types of businesses within Southampton results have been looked at beyond the standard groupings particularly as a large number of businesses would fall under Distribution/retail or Miscellaneous services so they have split these out more. Findings are summarised in the chart below.

Q2 What is the main activity of your company?

	Total Business Sample (1172*)	**Neighbourhood Priority Areas (618)**
Retail/wholesale/distribution	12%	14%
Business services	12%	9%
Fast-food/pub/club/restaurant/guest house	10%	10%
Construction/building/carpenter	6%	6%
Other services	5%	5%
Garages/repairs/car dealers	5%	5%
Engineering	6%	3%
Hairdressers & beauty	4%	3%
Banking finance insurance	3%	3%
Travel/tourism/leisure	3%	2%
Transport/shipping	3%	2%
Dentist/doctors/opticians/health	3%	2%
Graphic design/software IT	3%	2%
Education	2%	3%
Charities/church	2%	3%
Public admin	2%	2%
Residential care homes	2%	3%
Timber/furniture	2%	2%
Chemical/allied industries	2%	2%
Arts/entertainment	2%	1%
Plumbers/domestic gas services	2%	1%
Ship building	2%	2%
Manufacturing	2%	3%

The top 3 business sectors within Southampton at approx 1 in 10 levels are Retail/wholesale, Business services and Fast-food/hotels/restaurants/pubs/clubs/ guesthouses. This was also the case for businesses within Neighbourhood Priority Areas.

In fact there was no difference in the types of businesses in terms of their main activity, between those within the Neighbourhood Priority Areas and those in the Total representative sample.

Furthermore the direct comparison with those within and those outside the Neighbourhood Priority Areas reveals there are still very few differences other than there being significantly fewer businesses in travel/tourism/leisure within the Neighbourhood Priority Areas (1% versus 4%).

Significantly more graphic design/software/IT companies were set up 3-5 years ago both for Total Sample and within the Neighbourhood Priority Areas.
(Total Sample 3% versus set up 3-5 yrs ago 8%and Neighbourhood Priority Areas 2% versus set up 3-5 yrs ago 8%)

Certain business types were more prevalent than others within the individual Neighbourhood Priority Areas namely:-

Shirley Estate - Significantly more Retail/wholesale/distribution (28%)

Lordshill/ Outer Shirley- Significantly more Construction/building in (12%) & Plumbers/domestic gas heating (4%)

Central - Significantly more Business Services (16%) & Shipbuilding/Marine Engineering(7%)

Portswood & St Denys- Significantly more Banking &Finance insurance (9%)

Harefield/Thornhill/Townhill Park/Weston- Significantly more Newsagents in (6%)

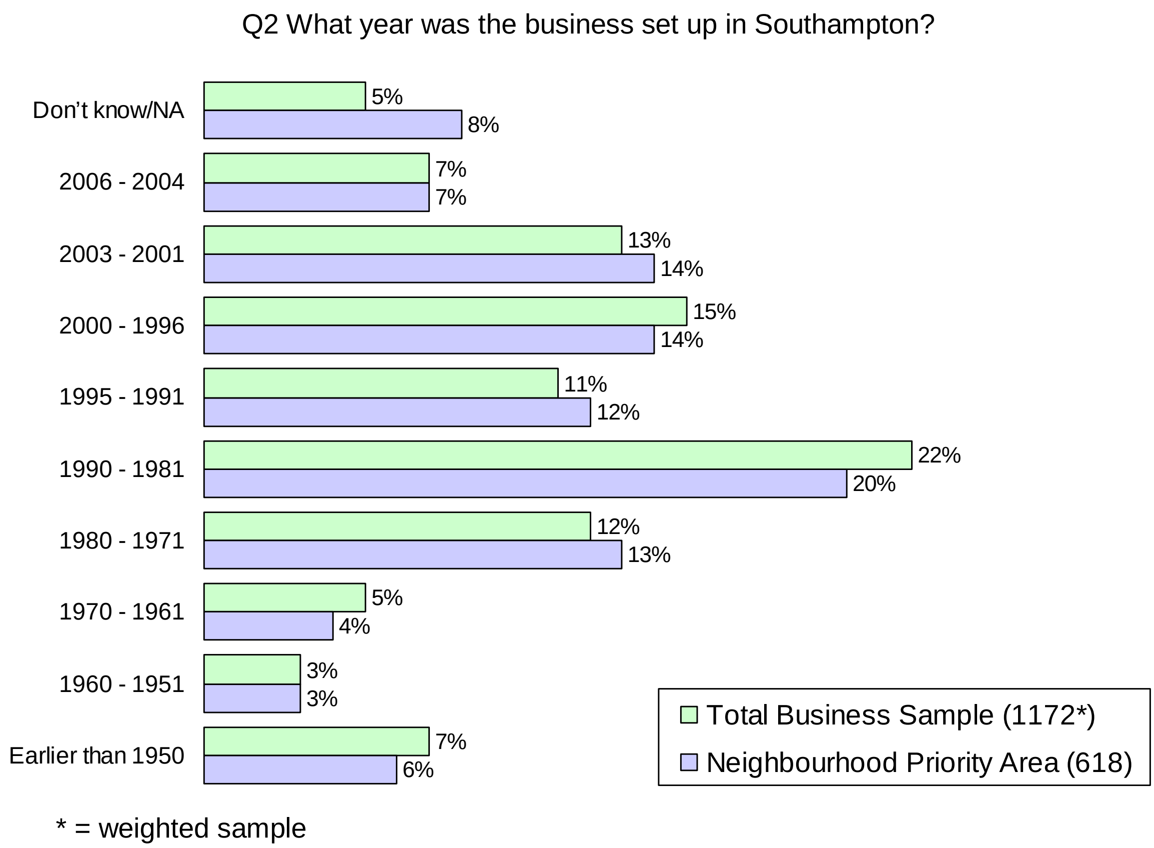
Freemantle & Polygon- Significantly more Photographers in (4%)

As mentioned in the section on Presentation & Interpretation the results of this survey have been looked at by business Sectors. The following shows which of the businesses main activities fall in which sectors.

Retail/wholesale/distribution/news agents/florists	Retail/wholesale/distribution
Business services	Business Services/Finance/Insurance
Fast-food/pub/club/restaurant/guest house	Fast-food/pub/club/restaurant/guest house
Construction/building/carpenter	Manufacturing/construction/Engineering/Transport
Other services	Miscellaneous services
Garages/repairs/car dealers	Miscellaneous services
Engineering	Manufacturing/construction/Engineering/Transport
Hairdressers & beauty	Miscellaneous services
Banking finance insurance	Business Services/Finance/Insurance
Travel/tourism/leisure	Miscellaneous services
Transport/shipping	Manufacturing/construction/Engineering/Transport
Dentist/doctors/opticians/health	Public admin/Health/Education
Graphic design/software IT	Business Services/Finance/Insurance
Education	Public admin/Health/Education
Charities/church	Miscellaneous services
Public admin	Public admin/Health/Education
Residential care homes	Public admin/Health/Education
Timber/furniture	Other Trade industries
Chemical/allied industries	Other Trade industries
Arts/entertainment	Miscellaneous services
Plumbers/domestic gas services	Miscellaneous services
Ship building /marine engineering	Manufacturing/construction/Engineering/Transport
Manufacturing	Manufacturing/construction/Engineering/Transport

3.1.2 Business set up date

Businesses were asked to say the year the business was set up in Southampton and the chart below summaries their replies.



It is clear that there was very little difference in the dates businesses were set up between Total Businesses Sample and those within the Neighbourhood Priority Areas.

Even looking at the direct comparison of businesses both within and outside Neighbourhood Priority Areas there were no significant differences, although twice as many businesses in the Neighbourhood Priority Areas were unable to say when the business was set up (8% Neighbourhood Priority Areas versus 4% outside Neighbourhood Priority Areas).

Overall half of all the businesses spoken to were set up more than 15 years ago, with a quarter, 27% more than 25 years ago.

A similar number of new businesses (those set up within the last 2 years) existed within Neighbourhood Priority Areas as in the Total sample at 7%.

Fast-food/hotels/restaurants/ pubs/clubs/guesthouses (16%) and those providing Business services (19%) featured more in the Total Sample new businesses whereas Business services (15%) and Retail/wholesale/distribution (15%) featured more in the Neighbourhood Priority Areas new businesses.

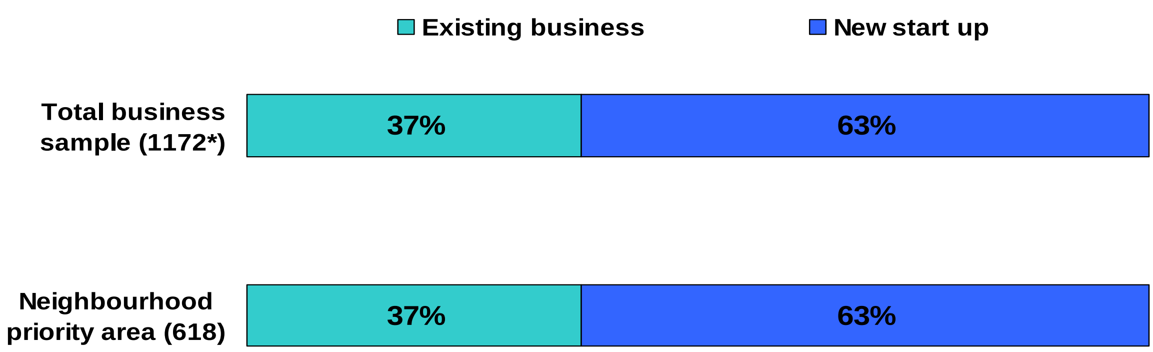
	Total Business Sample		**Neighbourhood Priority Areas**	
	Total %	**New Business %**	**Total %**	**New Business %**
Fast-food/hotels/restaurant/ pubs/clubs/guesthouses	10	16	10	13
Business services	12	19	9	15
Retail/wholesale/distribution	12	7	14	15
Construction/building/ carpenter	6	10	6	5

3.1.3 Existing business or new start up

Businesses in Southampton were more likely to be new start ups (63%) rather than an expansion of an existing business.

There was no difference between the Total Sample and businesses within the Neighbourhood Priority Areas furthermore there was even no differences between those businesses within the Neighbourhood Priority Areas and those outside the area.

Q3 Was this the expansion of an existing business or a new start up?



* = weighted sample

There were significantly more expansions of existing businesses within the Retail/wholesale sector both for the Total Business Sample-46%, and the Neighbourhood Priority Areas-51% than any sector.

Results across the individual Neighbourhood Priority Areas reveal some differences with Harefield, Thornhill, Townhill Park and Weston having the highest percentage of new start ups, Flowers Road, Hampton and Mansbridge the lowest.

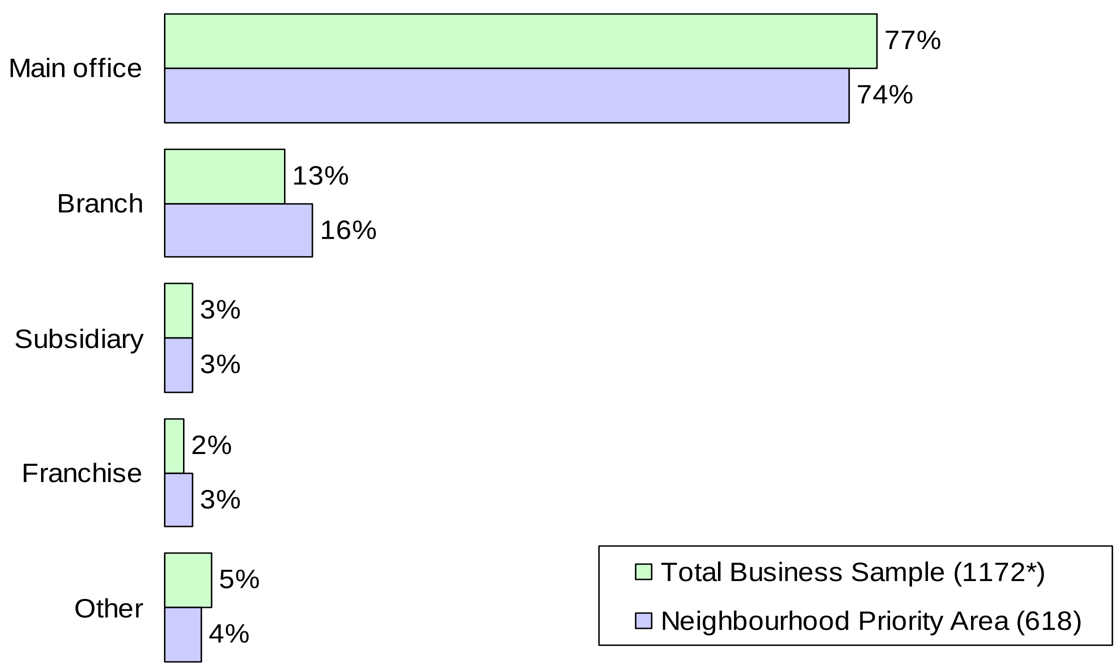
	Central (196) %	Flowers Road, Hampton and Mansbridge (52) %	Freemantle and Polygon (100) %	Lordshill& Outer Shirley (110) %	Harefield/ Thornhill/ Townhill Park/ Weston (52) %	Portswood & St Denys (68) %	Shirley Estate (40) %
New start up	68	56	60	62	77	57	58
Extensions	32	44	40	38	23	43	43

3.1.4 Main office or not

The majority of businesses (77%) claimed the Southampton business was the “main office/headquarters”.

It was 3% lower (74%) for businesses within the Neighbourhood Priority Areas and even when looking at the direct comparison of businesses within the Neighbourhood Priority Areas and those outside, where there was a difference of 5%, it is still not statistically significant.

Q4 Is the business based in Southampton the main office, A subsidiary, a branch, franchise or other?



* = weighted sample

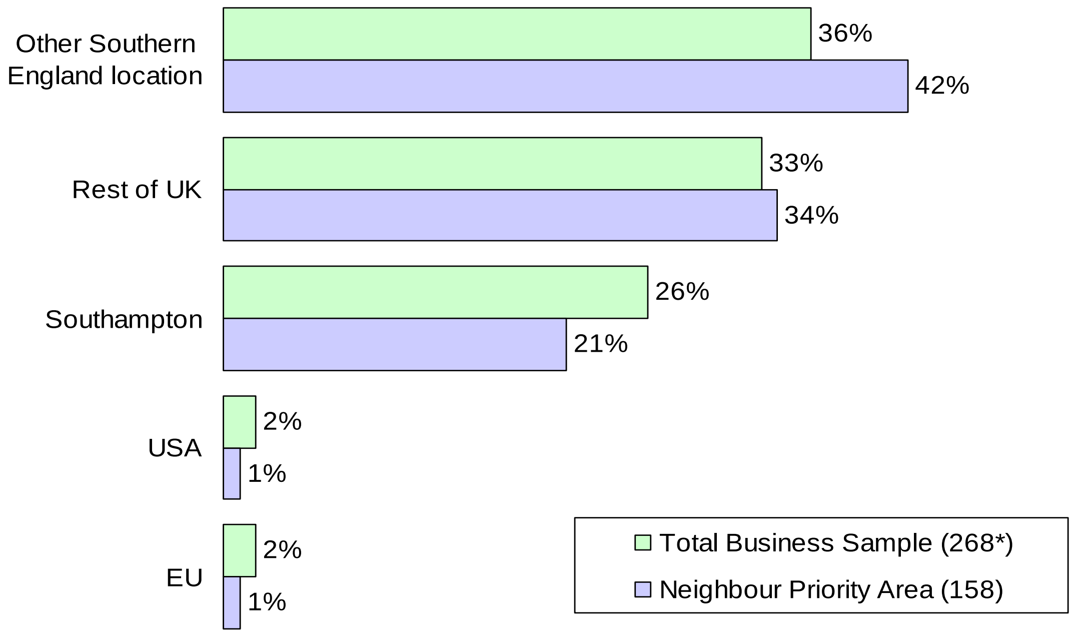
There was however a slightly higher number of “branches” within the Neighbourhood Priority Areas at 16% compared with 13% for the Total Business Sample, and 12% for businesses outside Neighbourhood Priority Areas.

Looking at results within the Neighbourhood Priority Areas there was significantly higher mentions of “branches” in Lordshill/Outer Shirley (25%) than in other areas.

New start up businesses (85%) and businesses with less than 5 employees (85%) were significantly more likely to claim the Southampton business is the “main office”.

The minority of businesses where it was not the main office/head quarters were asked to say where the head office was actually located, the answers are summarised below.

Q5 Where is the head office/headquarters' located?
Base: if subsidiary/branch/franchise or other



* = weighted sample

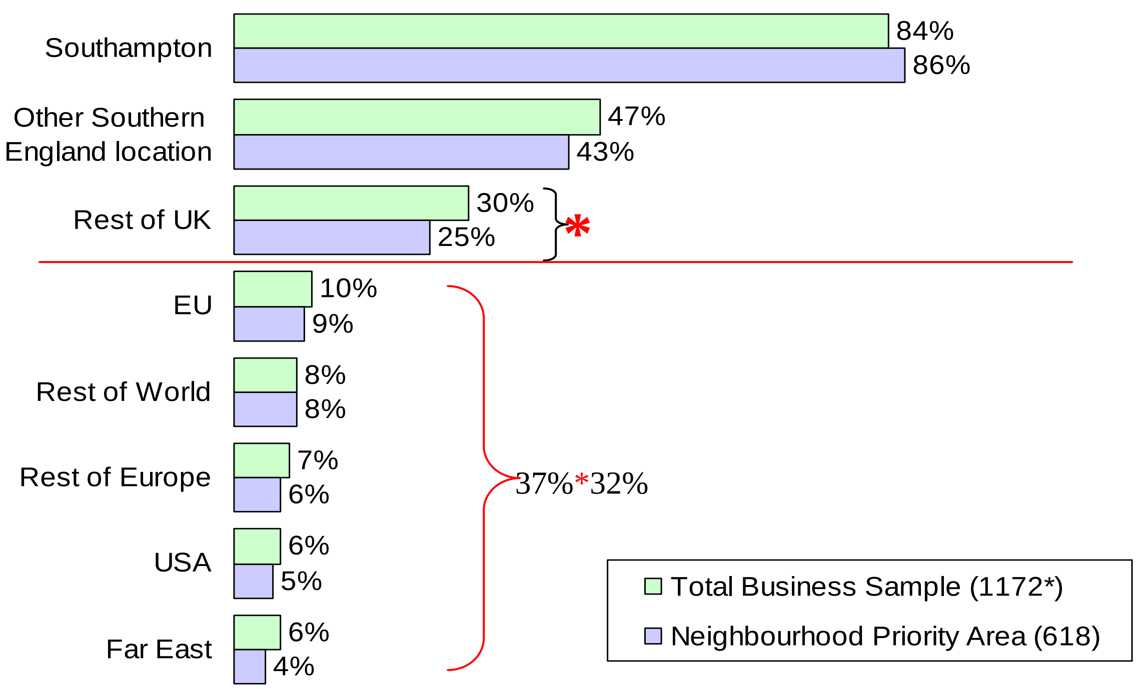
“Other Southern England locations” received the highest level of mentions at 36% for Total Business Sample and slighter higher 42% for Neighbourhood Priority Areas. Approx a third of businesses (both Total Business Sample and Neighbourhood Priority Areas) said “rest of UK”.

“Other Southampton locations” come in at third place, mentioned by between 1 in 4 and 1 in 5 in businesses.

3.2 Business Operation

3.2.1 Markets/Clients

Q6a Where would you say your markets (or clients) are located?



* = weighted sample

Given the high proportion of Southampton main office businesses it is not surprising that their markets/clients are also based in Southampton as mentioned by over 80%.

Overall businesses in the Neighbourhood Priority Areas were significantly less likely to mention national (lower % for rest of UK) or international clients/markets.

Location of market/clients also differed by type of business within the Total Business Sample:-

Fast-food/hotels/ restaurants/pubs/clubs/guesthouses and Miscellaneous services drawing significantly more on the local area (Southampton) for business.

Business services/banking relied more on “other Southern England location” (57%) and “rest of UK” (43%).

Manufacture/construction/transport businesses had significantly more markets including those further a field ie EU 18%, rest of Europe 12%, rest of World 15%, USA 11% and Far East 13%.

These similar trends are present for the different Businesses types within the Neighbourhood Priority Areas though to a lesser extent.

As businesses get larger their market/clients are located further a field – with significantly higher mentions for all aspects other than Southampton:

Total Business Sample

	Southampton	Other SE Location	Rest of UK	EU	Rest of World	Rest of Europe	USA	Far East
Under 10	86	40	24	7	5	4	5	4
10+	82	57*	39*	16*	12*	10*	8*	9*

This was also the case for businesses within Neighbourhood Priority Areas though to a lesser extent.

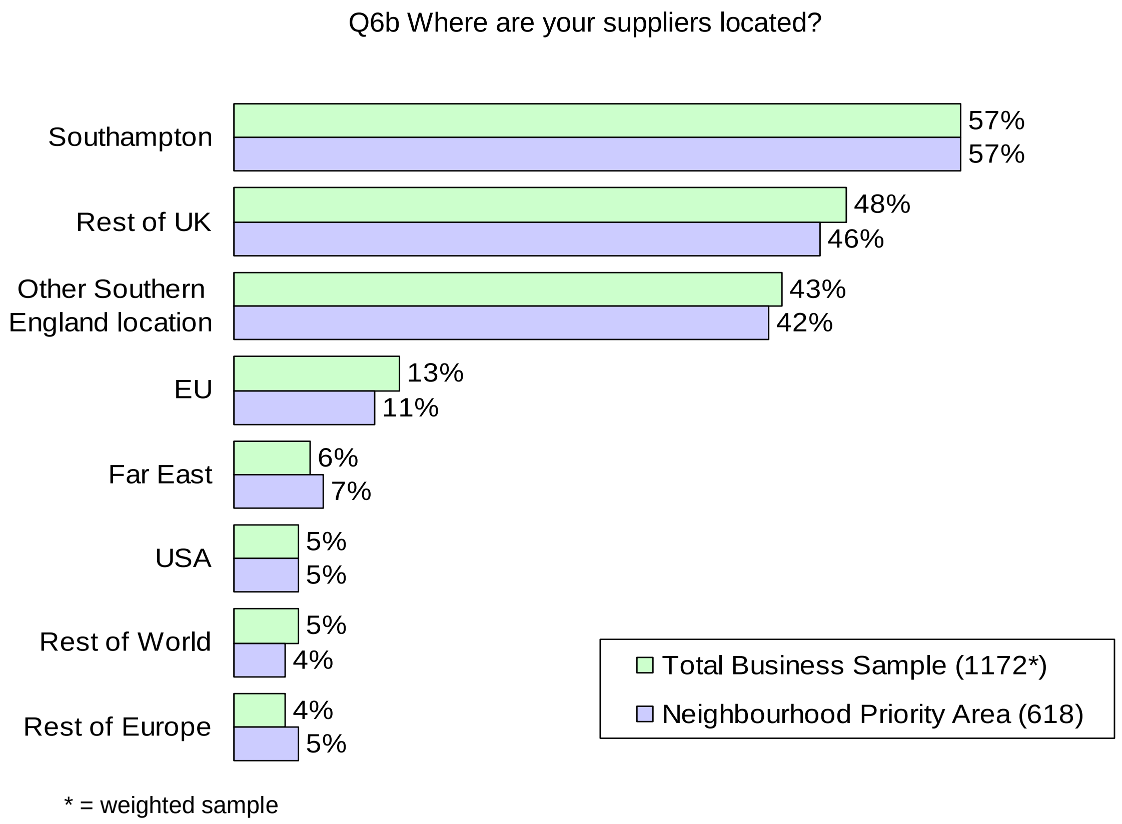
Neighbourhood Priority Sample

	Southampton	Other SE Location	Rest of UK	EU	Rest of World	Rest of Europe	USA	Far East
Under 10	86	39	21	6	6	4	4	3
10+	86	52*	33*	14*	12*	8	6	7

Results show that within the Neighbourhood Priority Areas Central businesses have a significantly wider client base with higher mentions for “other Southern England locations” (54%), “rest of UK” (35%) and “rest of World” (13%).
The reverse can be said about Lordshill/Outer Shirley businesses who had a more local client base with significantly higher mentions for “Southampton” 95%.

3.2.2 Suppliers

Overall findings were very similar for both Total Business Sample and businesses with Neighbourhood Priority Areas.



The top three locations for businesses suppliers were more evenly spread than businesses markets/clients.

As with markets/clients Southampton receives the highest level of mentions (though at a lower level 57%) as being the location of suppliers for both Total Business Sample and businesses within Neighbourhood Priority Areas.

Compared to market location, “other Southern England location” and “rest of UK” switched order, with “rest of UK” taking second place though this time there is no significant difference between Total Business Sample and Neighbourhood Priority Areas for “rest of UK”.

One third of businesses had international suppliers.

Looking at findings within the Neighbourhood Priority Areas the biggest difference is that businesses within Lordshill/Outer Shirley were significantly more likely to use suppliers from the “Far East” at 16%.

As businesses get larger not only are their markets/clients located further a field so are their suppliers. Larger businesses (10+ employees) have more suppliers than smaller businesses with significantly higher mentions for all locations other than Southampton.

Total Business Sample

	Southampton	Other SE Location	Rest of UK	EU	Rest of World	Rest of Europe	USA	Far East
Under 10	56	37	43	9	4	3	3	5
10+	55	55*	57*	19*	8*	9*	9*	10*

Businesses with Neighbourhood Priority Areas were consistent with this finding.

Neighbourhood Priority Areas

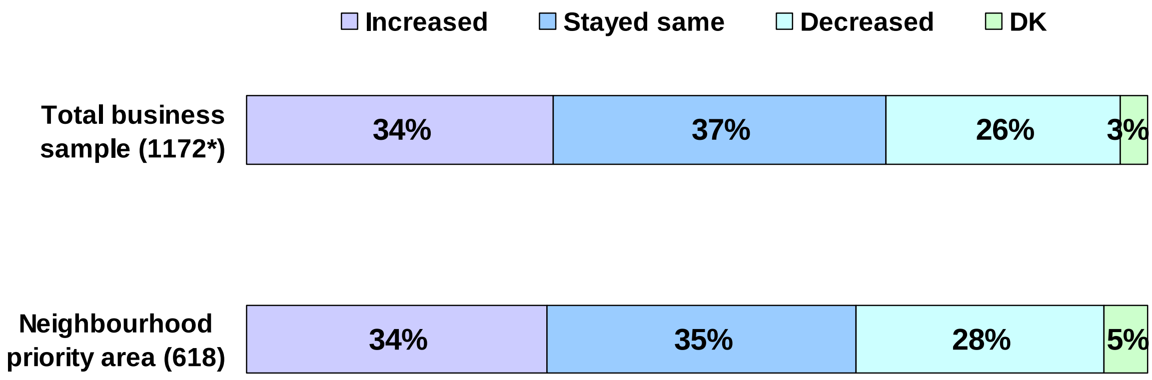
	Southampton	Other SE Location	Rest of UK	EU	Rest of World	Rest of Europe	USA	Far East
Under 10	58	37	42	8	3	3	3	5
10+	53	52*	54*	18*	7*	9*	8*	9*

3.2.3 Turnover level

A third of businesses felt their turnover had increased in the last 12 months with no differences between Total Business Sample, those within Neighbourhood Priority Areas and those outside.

Furthermore slightly more businesses were saying their turnover had increased rather than decreased.

Q7 Over the last 12 months would you say the turnover of your business based in Southampton has increased, decreased or stayed the same?



* = weighted sample

Given that 34% of businesses claim their turnover had increased in the last 12 months, with confidence levels of + 2.97% we can be certain that for all businesses in Southampton the number of businesses who perceive they have an increased turnover is within the range 31% and 37%.

A similar calculation for the Neighbourhood Priority Areas with confidence levels of + 4.0% we can be certain that for all businesses in the Neighbourhood Priority Areas the number of businesses who perceive they have an increased turnover is within the range 30% and 38%.

Results by industry type reveal the biggest difference in Fast-food /hotels /restaurants /pubs/clubs/guesthouses sector (which accounted for 10% of all business within Neighbourhood Priority Areas) with significantly more of them in the Neighbourhood

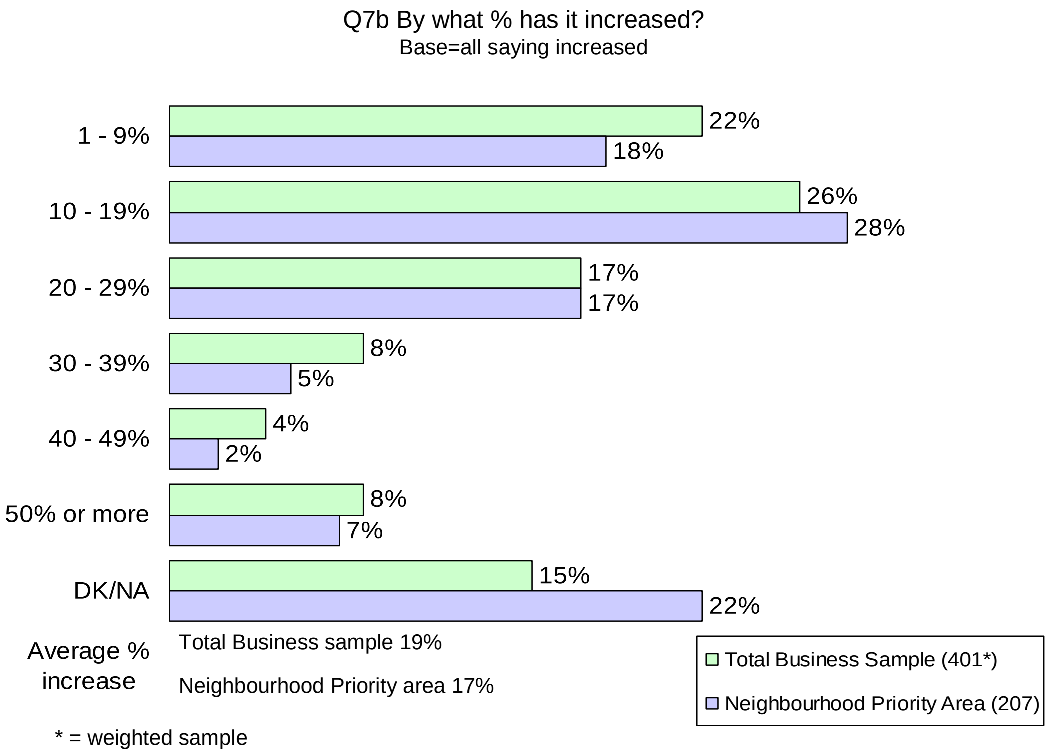
Priority Areas having seen a decrease in their turnover in the last 12 months.

Looking at results by location within the Neighbourhood Priority Areas more businesses turnover have increased than decreased except for businesses in Freemantle/Polygon and Portswood St Denys.

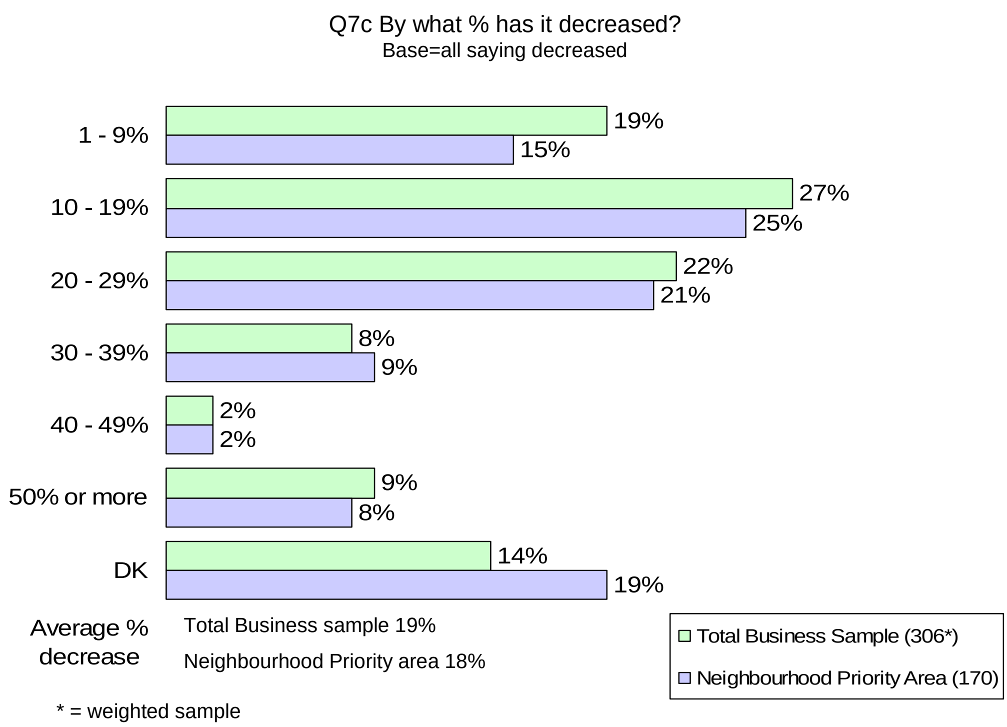
	Central	Flowers Road, Hampton, Mansbridge	Freemantle & Polygon	Lordshill & Outer Shirley	Harefield/ Thornhill/ Townhill Park/ Weston	Portswood & St Denys	Shirley Estate
Increase	41%	37%	30%	26%	29%	29%	38%
Decrease	28%	27%	31%	22%	21%	32%	33%
Difference	+13%	+10%	-1%	+4%	+8%	-3%	+5%

Businesses were asked to say by how much their turnover had increased and it is here where there are some differences – firstly significantly more businesses within the Neighbourhood Priority Areas were unable to give a percentage increase, furthermore the average increase was slightly lower than Total Business Sample.
When looking at the direct comparison between businesses within Neighbourhood Priority Areas and those outside, there is a significant difference – averages of 17% versus 21%. Thus it would seem businesses within the Neighbourhood Priority Areas

are not experiencing as great an increase in turnover as those within the Total Business



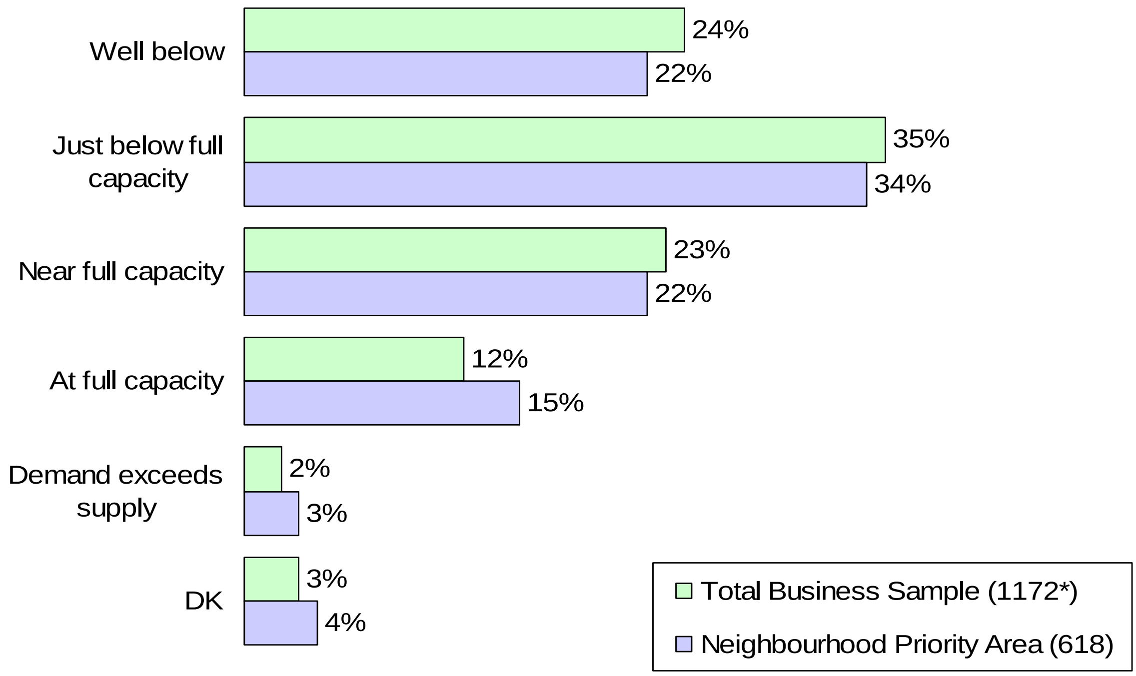
It is interesting that the most common percentage decrease was the same as the most common percentage increase at between 10% and 19%. Again there is a higher percentage of businesses within Neighbourhood Priority Areas not giving a percentage decrease, although there are no significant differences due to smaller samples.



3.2.4 Capacity level

Businesses within the Neighbourhood Priority Areas operated at a similar capacity to Total Business Sample.

Q9 As a whole over the last year would you say your business based in Southampton has been operating at ….level of capacity?



* = weighted sample

Only 12% of Total businesses operated at the optimum level (at full capacity) with a slightly higher level 15% for businesses within the Neighbourhood Priority Areas.

A large proportion of businesses (59% Total Sample, 56% Neighbourhood Priority Areas) were operating at just below or well below capacity.

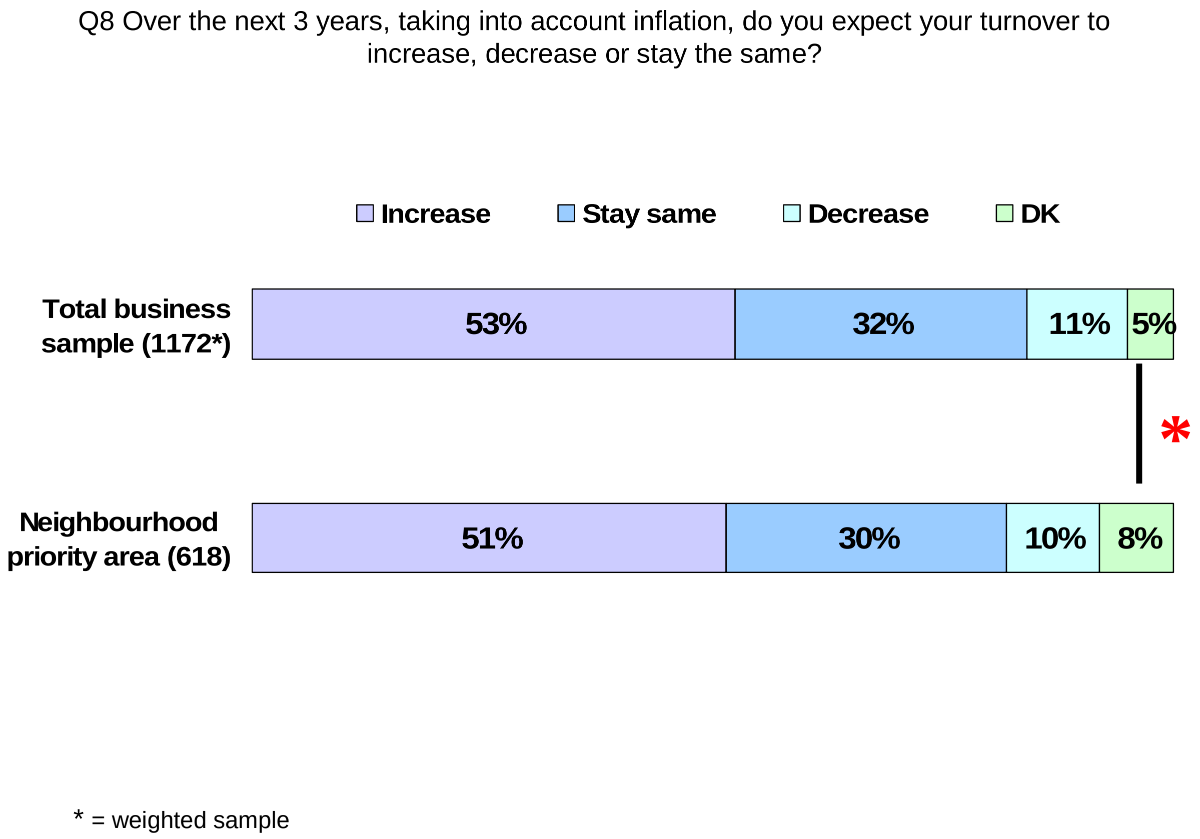
Findings were fairly consistent across age of business and size of business.

Looking at this by sector, significantly more businesses in the Fast-food /hotels /restaurants/ pubs/ clubs/guesthouses sector feel they have been operating at well below capacity both in Total Business Sample 36% and within Neighbourhood Priority Areas 45%.

Within the Neighbourhood Priority Areas locations, there are significantly more businesses within the Shirley Estate claiming to be operating at full capacity 28%.

3.2.5 Future Turnover level

By a margin of 5;1 businesses feel their turnover will increase over the next 3 years rather than decrease.



Likewise businesses within the Neighbourhood Priority Areas were similarly optimistic with half saying they expect an increase against 10% saying a decrease.

However within the Neighbourhood Priority Areas there were significantly more businesses that were unsure, did not answer or said DK. (8% Neighbourhood Priority Areas and 5% Total Business Sample).

It would seem the bigger the firm the more optimistic they are about their future turnover.-46% of firms with under 5 employees expect an increase in turnover, 56% of firms with 5-9 employees, 58% of firms with10-49 employees and 68%* of firms with 50+ employees. There was a similar finding for firms within Neighbourhood Priority Areas.

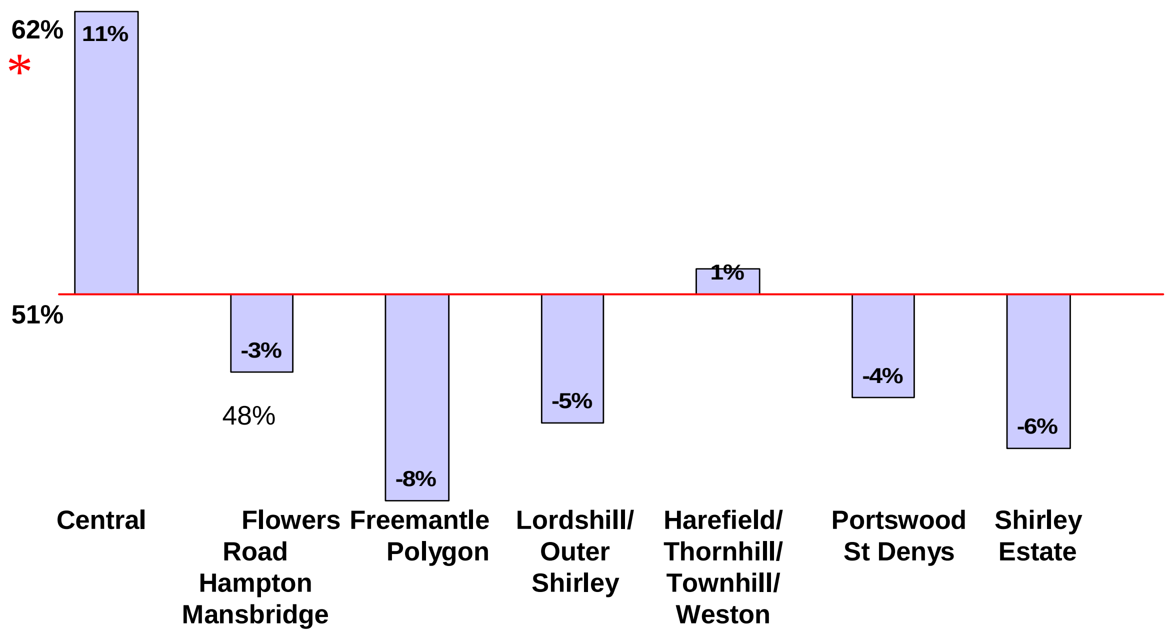
Business services/banking sector was the most optimistic about the future with 71% expecting an increase (both Total Business Sample and with Neighbourhood Priority Areas).

Whilst Fast-food/hotels/restaurants/pubs/clubs/guesthouses sector were the least optimistic with significantly more firms than any sector expecting a decrease in turnover (26% Total Business Sample/22% Neighbourhood Priority Areas) which is even more worrying since this group has already seen a downturn in turnover.

Businesses set up in the last 2 years were the most optimistic about the future with 73% expecting their turnover over the next 3 years to increase – significantly higher than any sub group. Furthermore, they also gave one of the highest average increases at 28%.

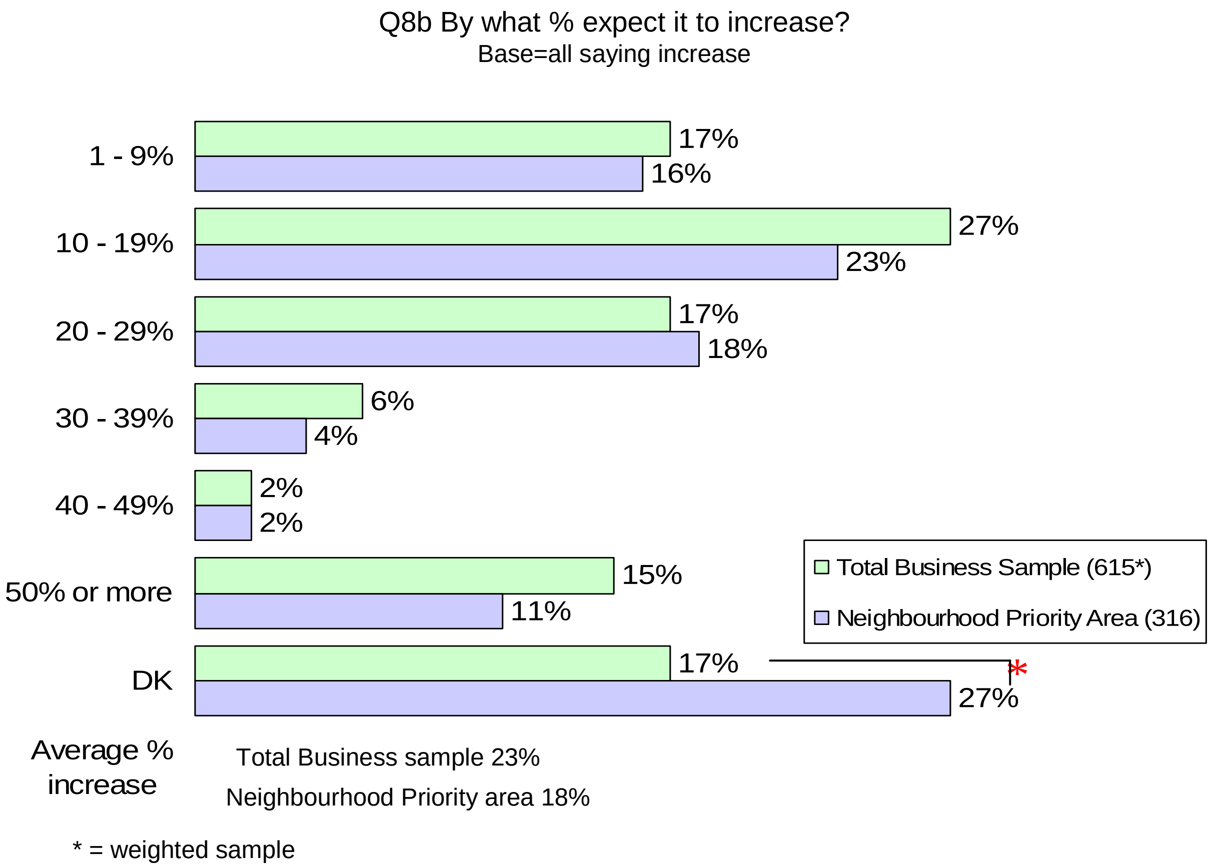
This was also the case for businesses set up in last 2 years within the Neighbourhood Priority Areas though their average increase was not as high at 23%.

Levels of optimism varied dramatically by location within the Neighbourhood Priority Areas with 5 of the 7 areas falling below the average 51%, only Central being significantly higher.



The expected percentage increase follows a similar pattern to turnover increase, with significantly more businesses within the Neighbourhood Priority Areas being unable to give a figure (over 1 in 4 businesses).

Also the average increase was lower than Total Business Sample and significantly lower than businesses outside the Neighbourhood Priority Areas.
The Total Businesses Sample average was 23%, Neighbourhood Priority Areas average18% and outside priority area average 25%.



Fewer smaller businesses (under 5 employees) expected an increase in turnover in the next 3 years however those that did expect an increase expected a higher average increase than larger businesses expected.

3.3 Business Workforce

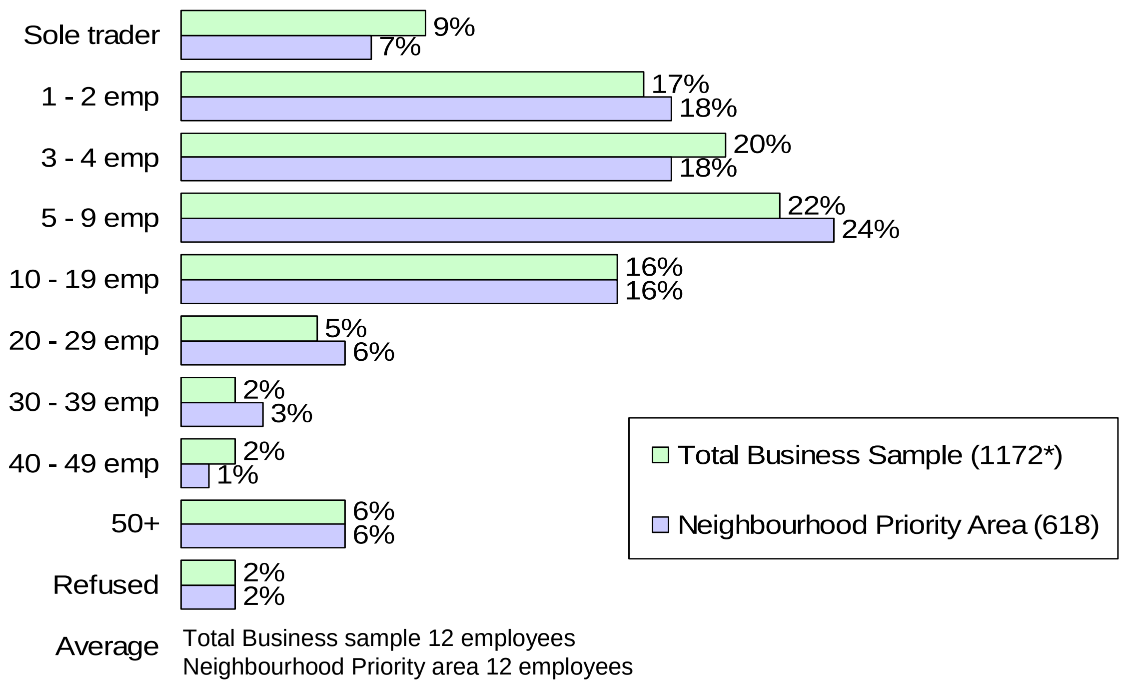
3.3.1 Total number of employees

When looking at size of businesses in terms of number of employees (either full or part time) there were very few differences between the Total Business Sample and the businesses in the Neighbourhood Priority Areas.

Even when looking at the direct comparison between businesses within the Neighbourhood Priority Areas and those outside, there are no differences.

The majority of businesses (92%) had below 50 employees, 68% had below 10 employees.

Q10 Total number of employees working full or part time for your Southampton based business



* = weighted sample

Overall within the Total Business Sample, the average number of employees working for a company full or part time was 12 and this was also the case amongst the Neighbourhood Priority Areas.
One very small difference was that Neighbourhood Priority Areas were very slightly less likely to be sole traders, 7% versus 10% for businesses outside Neighbourhood Priority Areas.

5-9 employees were the most popular size band of business both for Total businesses and businesses within the Neighbourhood Priority Areas.

Analysis of the average number of employees by business sector reveals that the public sector (Public admin/education/health) has the highest average number of employees at 18, and Miscellaneous services the lowest at 10.

Just looking at Neighbourhood Priority Areas, the Public sector remains the highest at 16 but Fast-food/ hotels/restaurants/pubs/clubs/guesthouses is the lowest at 9.

It is not perhaps surprising that businesses that started within the last 2 years (new business start up) tend to be the smaller businesses, either sole traders 17%, or 1-2 employees 29% or 3-4 employees 30%.

New businesses start ups within Neighbourhood Priority Areas followed a similar pattern sole trader 23%, 1-2 employees 30% and 3-4 employees 28%.

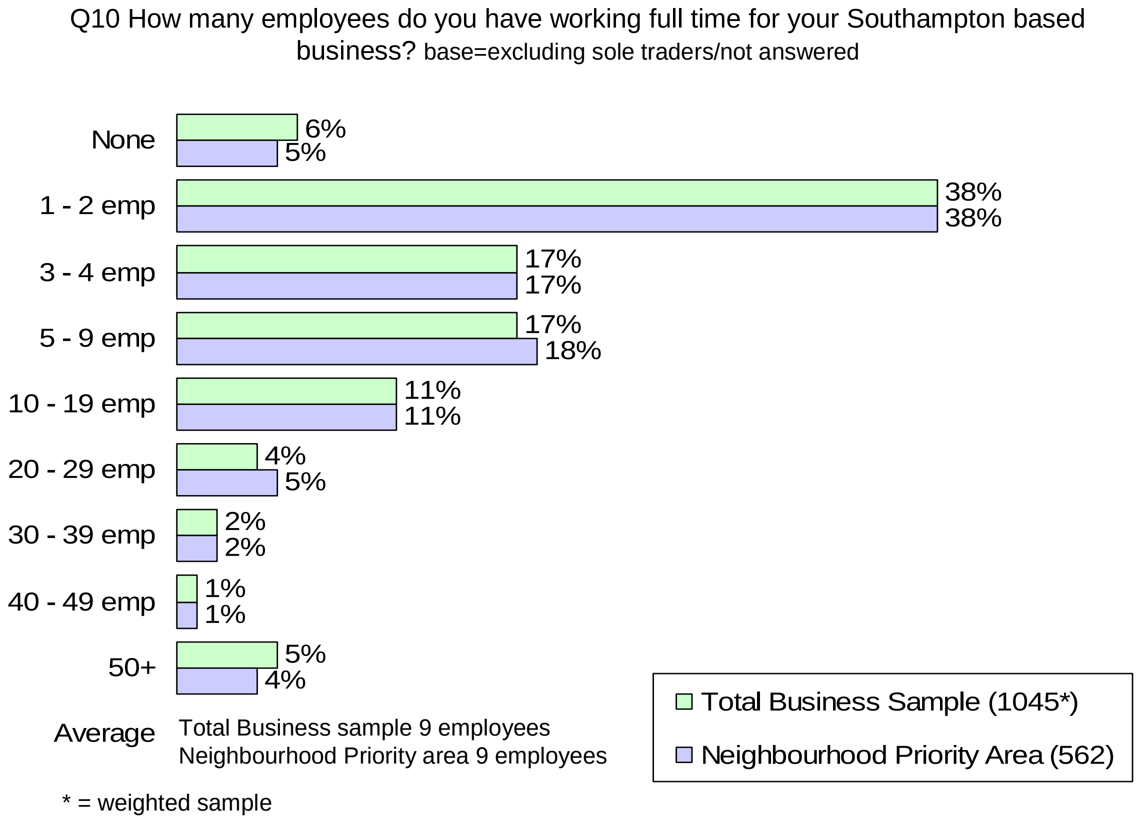
Comparing business sizes in terms of number of employees (full or part time) with data provided by the annual business inquiry workplace on businesses operating in Southampton in 2003 we see the following:-

	Annual Business Inquiry	**Total Business Sample**	**Neighbourhood Priority Areas**
1-10	79%	72%	70%
11-49	16%	21%	22%
50+	6%	6%	6%

Our sample has picked up slightly more businesses in the 11-49 employee categories at the expense of the smaller businesses.

3.3.2 Number of employees working full time

Now looking at just full time employees only, again the figures do not differ between the Total Business Sample and Neighbourhood Priority Areas, although the distribution of responses is very different to total employees.



Naturally the average total number of full time employees per business was lower, at 9 both for the Total Business Sample and the Neighbourhood Priority Areas Sample.

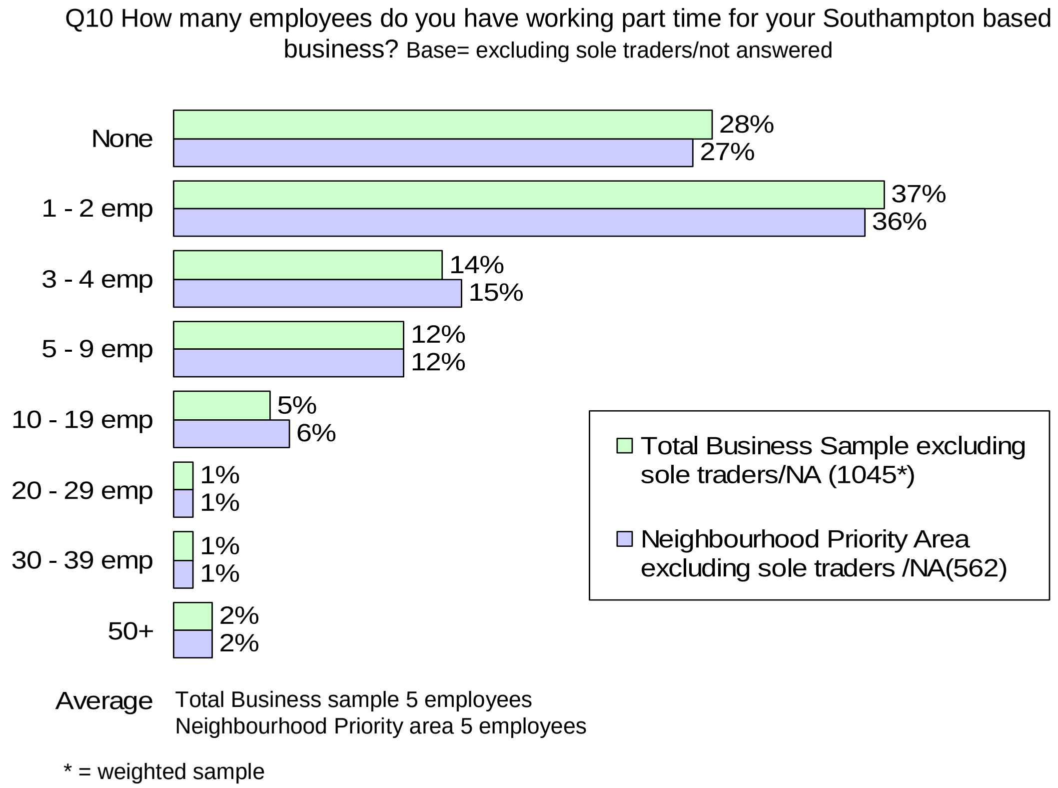
Of all the businesses in the sample, over a third had just 1-2 full time employees. (38% of the Total sample and the Neighbourhood Priority Areas)

Interestingly, there were some businesses who did not have any full time employees (6% overall and 5% of the Neighbourhood Priority Areas) this is in addition to Sole Traders who were excluded from this question. These tended to be the Retail sector (8% none) and Fast-food/hotels/restaurants/pubs/clubs/guesthouses sector (17% none), even when the latter did employ full time staff it tended to be only 1-2 employees (54%).

This trend is exaggerated even more in the Neighbourhood Priority Areas where 62% of Fast-food/hotels/restaurants/pubs/clubs/guesthouses employ just 1-2 employees and 12% employ no full time staff at all.

3.3.3 Number of employees working part time

Just under three quarters of both samples (72% of the Total Business Sample and 72% of the Neighbourhood Priority Areas) employ part time staff.



As would be expected, the average number of part time staff was lower per business than full time.
On average the total number of part time employees per business was 5 for both the Total Business Sample and the Neighbourhood Priority Areas.

A third (37% of the Total Business Sample and 36% of the Neighbourhood Priority Areas) have 1-2 part-time employees (the modal class).

Usage of part time staff increases with size of business.

Usage of part time staff				
Employees	**0 – 5**	**5 – 9**	**10 – 49**	**50+**
Total Business Sample	57%	78%	86%	92%
Neighbourhood Priority Areas	52%	80%	90%	97%

It is not surprising that Retailers/wholesalers and Fast-food/ hotels/ restaurants /pubs/clubs/ guesthouses employed significantly more part time staff than other sectors – with an average of 7 part time employees. As we are living in a 24/7 culture how 2 hypothesise that some part time workers work outside the standard working hours i.e only work weekends or evenings etc and for many businesses the line between part time and shift working is blurring.

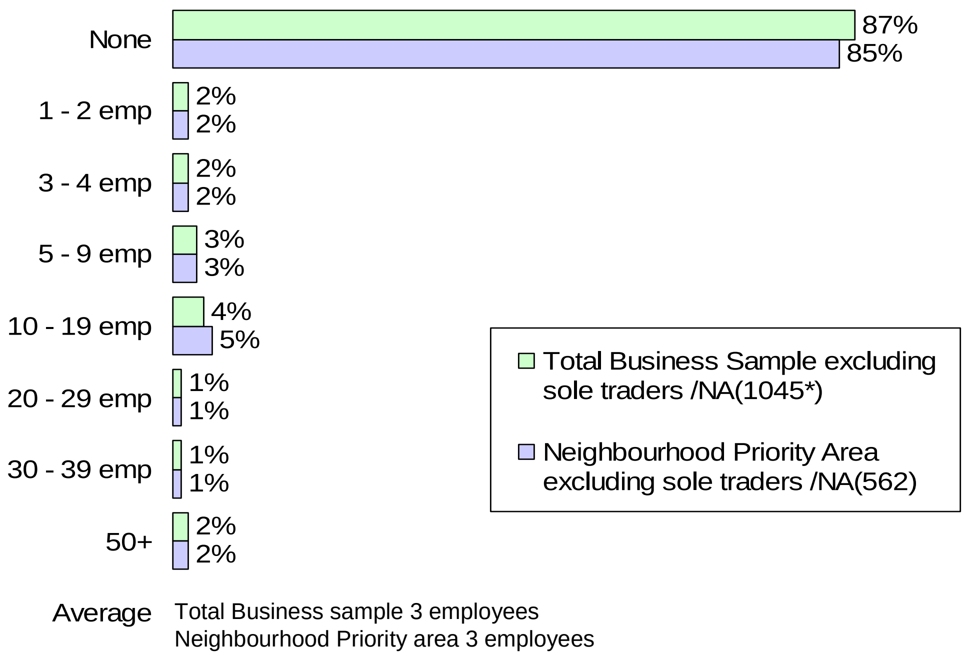
The public sector also had a high average number of part time workers though this was influenced heavily by a couple of very large employers.

This same trend is seen within Neighbourhood Priority Areas with Fast-food/hotels/ restaurants/pubs/clubs/guesthouses averagely employing 7 part time staff, retailers 6 and public sector 11.

3.3.4 Number of shift workers

A very low number of businesses in both samples claimed they employed shift workers (13% of the Total Business Sample and 15% of the Neighbourhood Priority Areas).

Q10c How many employees do you have working shift work for your Southampton based business? Base= excluding sole traders/not answered



* = weighted sample

The most number of shift workers employed was 10-19 by 4% of Total Business Sample 5% of Neighbourhood Priority Areas.

The number of businesses employing shift workers increases as the size and length of time the firm has been in business increases.

0-5 employees	4%	5-9 employees	8%	10-49 employees	24%	50+ employees	51%
New business	5%	3-5 yrs	8%	6-15 yrs	14%	15 yrs+	14%

As with part time staff Fast-food/restaurants/hotels/pubs/clubs/guesthouses tended to have the highest levels of shift workers (38%) for both Total Business Sample and Neighbourhood Priority Areas with averages of 5 and 3 respectively.

The same trend can be seen in the Neighbourhood Priority Areas:–

0-5 employees 5%	5-9 employees 9%	10-49 employees 29%	50+ employees 46%
New business 6%	3-5 yrs 11%	6-15 yrs 14%	15 yrs+ 17%

Analysis of number of employees in total, full time, part time and shift work by location within the Neighbourhood Priority Areas reveals the following differences:-

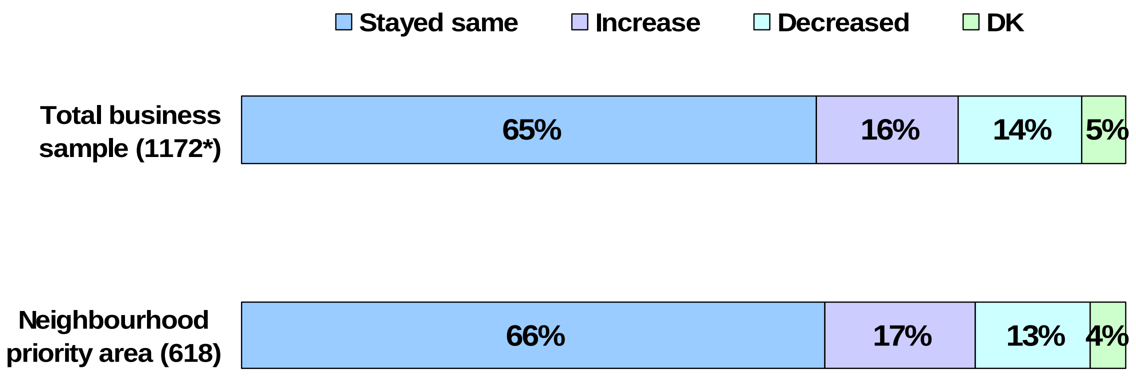
	Central	**Flowers Road, Hampton, Mansbridge**	**Freemantle & Polygon**	**Lordshill & Outer Shirley**	**Harefield/ Thornhill/ Townhill Park/ Weston**	**Portswood & St Denys**	**Shirley Estate**
Total average	14	12	10	15	6	10	10
Full time average no. percentage business	12 --------- 96%	6 ---------- 96%	7 --------- 95%	13 --------- 96%	3 --------- 97%	6 --------- 93%	8 --------- 95%
Part time average no. percentage business	5 --------- 71%	7 ---------- 72%	4 --------- 73%	6 --------- 75%	5 --------- 74%	6 --------- 75%	6 --------- 73%
Shift work average no. percentage business	2 --------- 13%	5 ---------- 30%	1 --------- 10%	3 --------- 16%	2 --------- 18%	4 --------- 15%	2 --------- 11%

Significantly more businesses in the Flowers Road, Hampton and Mansbridge area employ shift workers across a variety of industries than in other areas.

3.3.5 Changes in the last 12 months to the number of employees in the Southampton based business

Two thirds of all businesses had not changed the number of employees they employed over the last 12 months. This was true for both the Total Business Sample and the Neighbourhood Priority Area Sample.

Q12 Over the last 12 months has the number of employees in your Southampton based business increased, decreased or stayed the same?



* = weighted sample

The percentage of firms that had increased was marginally higher than percentage of firms that had decreased their number of employees for both the Total Business Sample and the Neighbourhood Priority Areas yielding differences of +2% and +4% respectively.

Significantly more businesses with 10+ employees say they had an increase in number of employees (25% increase/18% decrease) in fact its even higher for businesses 50+ employees (34% increase, 20% decrease). This trend was even stronger for businesses with Neighbourhood Priority Areas 50+ employees (40% increase and 20% decrease).

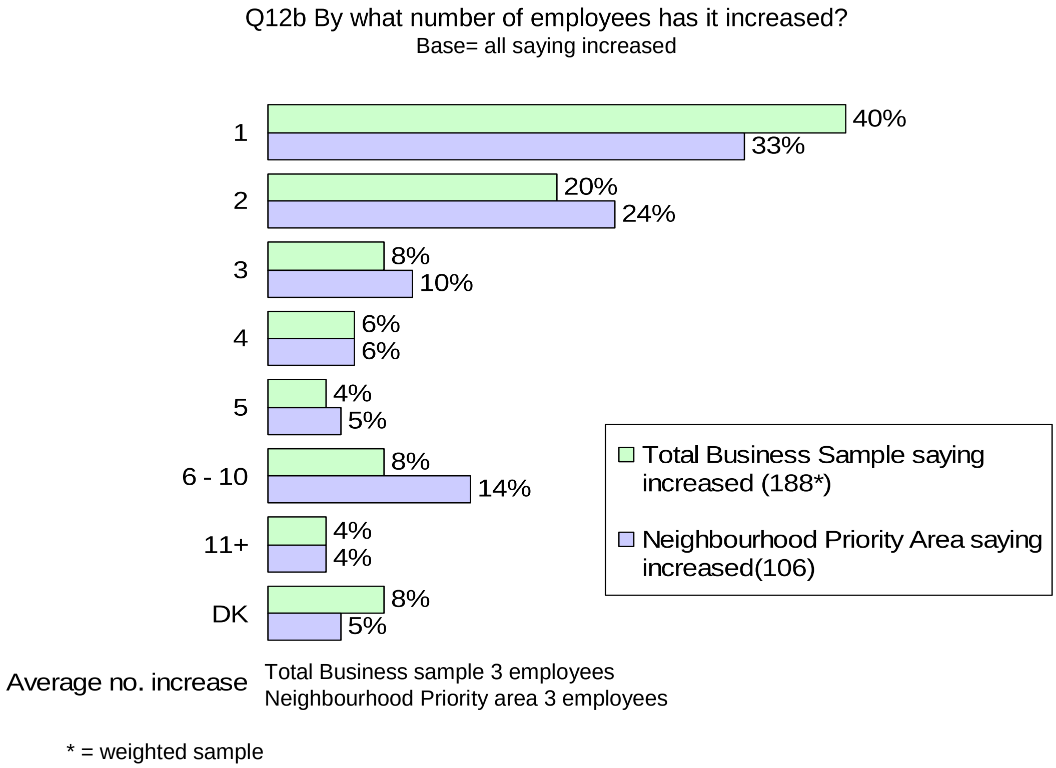
Businesses that had been set up in the last 5 years were more likely to have had an increase in the number of employees in the last 12 months (21% for both Total Business Sample and businesses within Neighbourhood Priority Area).

Looking at percentage increase by business sector, the biggest increase is amongst Business services/banking/finance with 25%.

Once again more of the businesses in the Fast-food/hotels/restaurants/pubs/club/ guesthouses sector mentioned a decrease than an increase (20% decrease, 9% increase) the decrease was even higher for those within the Neighbourhood Priority Areas (23% decrease and 5% increase).

3.3.6 Number of employees the workforce had increased by in the last 12 months

Although both samples had increased their workforce by an average of 3 employees the distributions varied slightly as can be seen below.



A slightly higher number of the Total Business Sample (40%) had only increased their workforce by one compared to the Neighbourhood Priority Areas (33%).

Whereas a slightly higher number of the Neighbourhood Priority Areas businesses had increased their workforce by 6-10 employees.

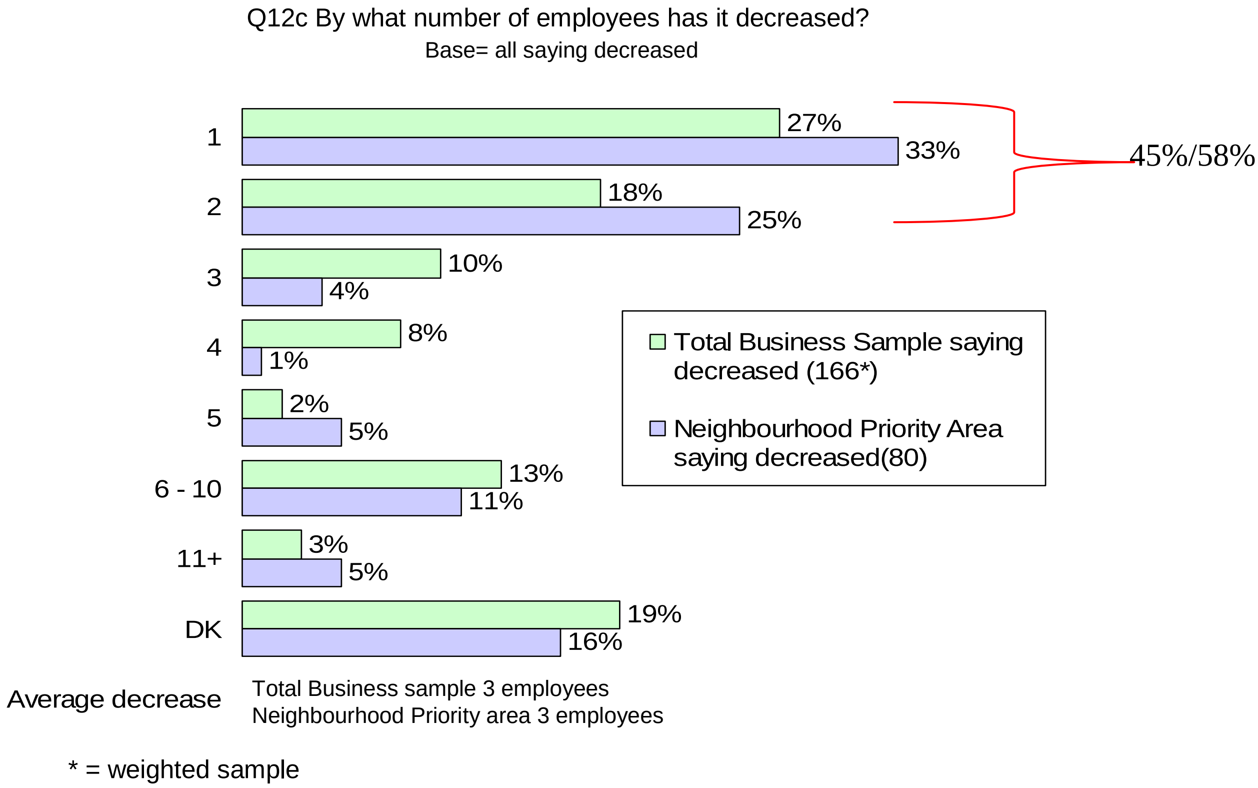
The direct comparison of businesses within Neighbourhood Priority Areas and those outside, reveals that businesses within had an increase of 3.3 staff versus an increase of 2.5 staff for those outside.

The increase is being driven by larger businesses 50+ employees both overall and within the Neighbourhood Priority Areas.

3.3.7 Number of employees the workforce had decreased by in the last 12 months

The decreased workforce distribution sample sizes for the Neighbourhood Priority Areas fall below 100.

Nearly 1 in 5 firms did not know by how many employees the workforce had decreased in the last 12 months, saying this, on average companies had reduced the number of employees by three, this was true for both samples.

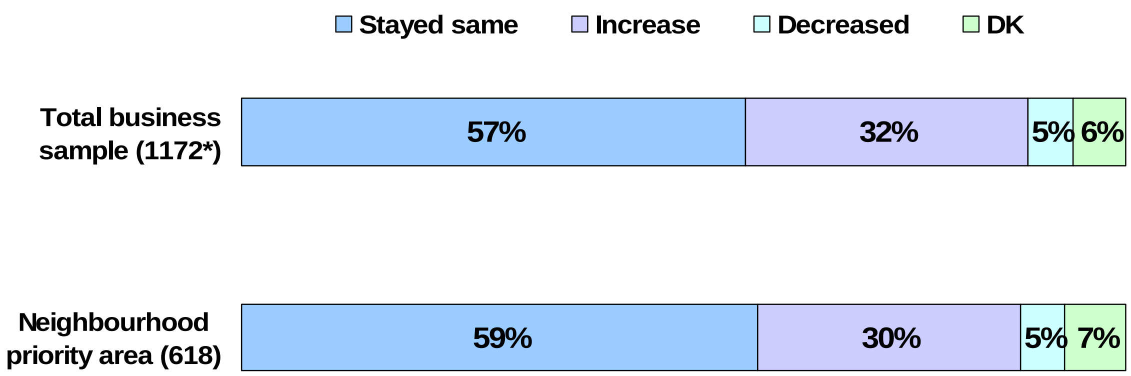


45% of Total businesses claimed they had decreased their workforce by 1-2 employees whereas considerably more businesses (58%) within the Neighbourhood Priority Areas had decreased their workforce by the same number.

3.3.8 Likely future change in number of employees in the next 3 years

Although just over half of the businesses sampled in Southampton expect their turnover to increase over the next 3 years, only a third (32%) expect their workforce to increase.
Findings for Neighbourhood Priority Areas were in line with the Total Business Sample.

Q13 Over the next 3 years, do you expect your number of employees to increase, decrease or stay the same?



* = weighted sample

The majority of businesses, 6 out of 10, expect their workforce numbers to remain unchanged over the next three years.

Those companies with 10+ employees were significantly more likely to feel that the workforce would increase (39%) compared to those with under 10 employees (28%). Under 10 employees were more likely to think that the size would remain unchanged (59%) compared to over 10 employees (52%).

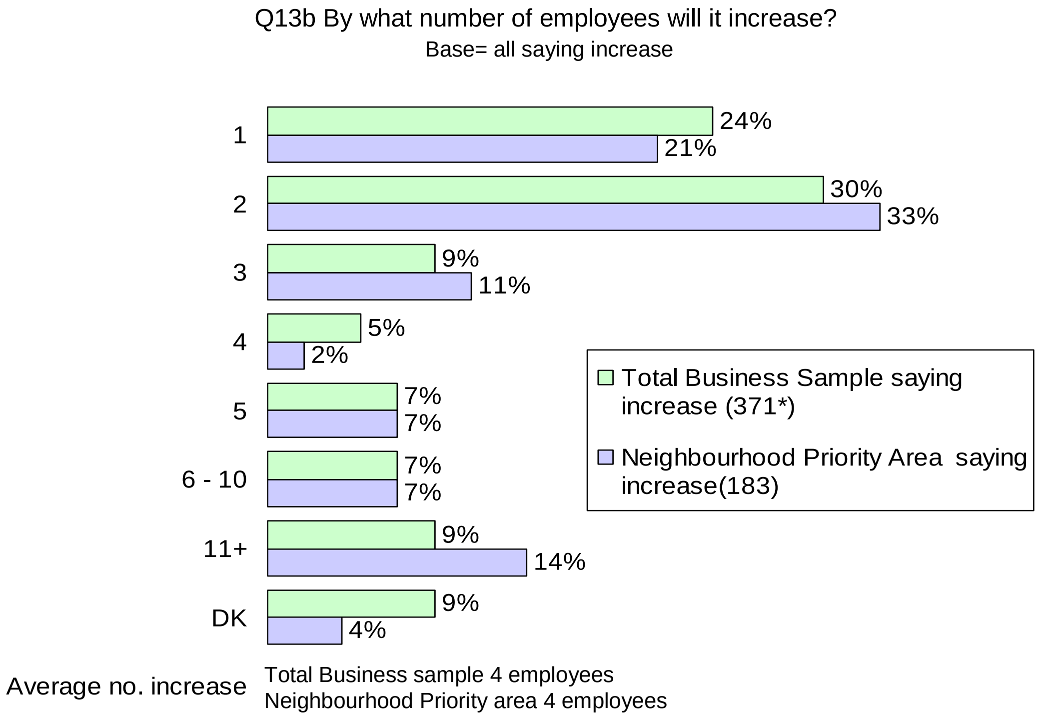
Business services/financial/banking companies and new start up businesses were the most likely types of business to expect an increase in the number of employees over the next 3 years (49%) and (50%) respectively.
Analysis within the Neighbourhood Priority Areas reveals some differences regarding the number of businesses that expect an increase in the number of employees:-

	Central	Flowers Road, Hampton, Mansbridge	Freemantle & Polygon	Lordshill & Outer Shirley	Harefield/ Thornhill/ Townhill Park/ Weston	Portswood & St Denys	Shirley Estate
% increase	37%	23%	29%	31%	27%	22%	15%

More businesses in Central area expect an increase in the number of employees than in any area, while Shirley Estate has the least number expecting an increase.

3.3.9 Number of employees likely to increase by in the next 3 years

On average, businesses that expect an increase thought they would increase their workforce by 4 employees. This did not differ by sample type.



*** = weighted sample**

The mode was 2 employees, mentioned by 30% of Total Businesses expecting an increase and by a third of businesses expecting an increase based in the Neighbourhood Priority Areas.

Interestingly, 14% of the Neighbourhood Priority Areas businesses thought they would increase by 11+ employees higher than for total businesses. This was driven by businesses established 6-15 years ago (23%) and businesses with 10+ employees (22%).

Priority Area businesses were significantly more likely to increase their workforce by 11+ (14%) versus non priority areas (5%).

Numbers were too small to look at increases by area within Neighbourhood Priority Areas.

3.3.10 Problems with recruiting in the last 12 months

It would seem businesses within the Neighbourhood Priority Areas had no more or less of a problem in recruiting staff than those outside the area or the Total Sample.

The majority of businesses (76%) did not mention any problems with recruitment in the last 12 months.

Q14 Over the last 12 months has the business had any problems recruiting any particular levels or types of staff?

	Total Business Sample (1172*)	**Neighbourhood Priority Area (618)**
No comment	76%	76%
Other	4%	6%
Qualified/ Skilled Tradesmen - Electrician, Gas	2%	2%
Office - Admin/ Support/ Secretarial	2%	2%
Managers/ Account Directors	2%	2%
Quality staff at all levels	2%	3%
Catering - Chefs/ Bar Staff	1%	1%
Sales Reps	1%	2%
Beauty/ Hairdressers	1%	0
Brokers/ Accountants/ Solicitors	1%	2%
Retail staff/ assistants	1%	0
Drivers/ HGV2	1%	1%
Manufacturing staff/ skilled machinists/ Factory workers	1%	1%
Labourers/ Warehouse (unskilled)	1%	1%
Trainees/ School leavers/ YTS	1%	1%
Engineers	1%	1%
Care Workers	1%	1%
Volunteers	1%	1%

* = weighted sample

The main areas where problems did arise tended to be when looking for qualified tradesman, office admin support, Managers/Account directors and quality staff at all levels. This did not differ between the two samples.

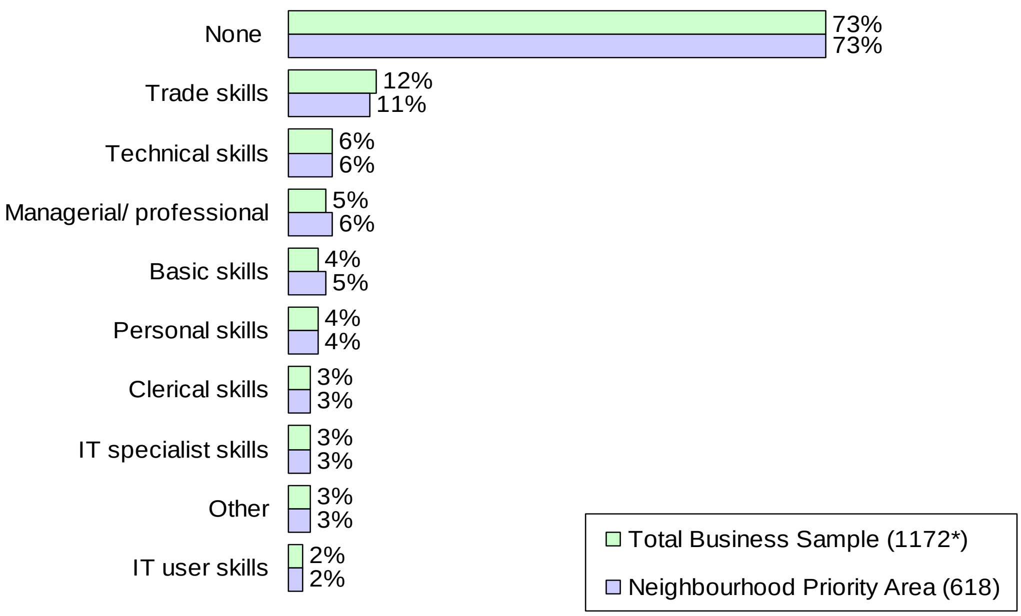
In many cases there was a vast number of occupations/levels mentioned by less than .05%, these have been grouped together in the chart and referred to as other.

They include things like boat masters, architects, welders, dentists, cleaners, lifeguards, sign makers, childcare staff, computer graphic designers and security officers.

3.3.11 Skills shortages in the last 12 months

Businesses were given a prompted list of skills and asked whether they had experienced any shortages in any of the skill levels.
Just over a quarter of businesses had experienced skill shortages in the last year. Again there was little difference between Total businesses and those within Neighbourhood Priority Areas.

Q15 Over the last 12 months has the business experienced any of the following skills shortages?



* = weighted sample

Shortage of trade skills was mentioned with the most frequency (12% Total Business Sample/11% Neighbourhood Priority Areas).

Skills shortages were a bigger problem for larger firms than smaller firms.

	None	**Trade**	**Technical**	**Managerial**	**Basic**	**Personal**	**Clerical**	**IT**	**Other**	**IT User**
Under 10 (802)	79%	9%	4%	3%	3%	3%	2%	2%	2%	2%
10-49 (282)	62%	16%	10%	11%	6%	5%	5%	5%	4%	3%
50+ (65)	42%	29%	10%	12%	12%	7%	7%	5%	14%	3%

A similar pattern to Total Business Sample can be seen for businesses in the Neighbourhood Priority Areas.
Skills shortages were a bigger issue for the larger firms.

	None	Trade	Technical	Managerial	Basic	Personal	Clerical	IT	Other	IT User
Under 10 (417)	79%	11%	4%	4%	3%	3%	2%	2%	2%	2%
10-49	66%	11%	10%	12%	6%	5%	6%	5%	3%	3%
50+	34%	26%	9%	14%	17%	14%	9%	9%	17%	3%

Looking at skill shortages by sector within the Neighbourhood Priority Areas trade skills are more of an issue for Manufacturing/constructions and Other trade industry sectors whilst technical skills are an issue for the Business services/banking finance sector.

Businesses within the Central area had more of a skills shortage issue than other areas (66% none/34% having a problem) particularly in the areas of managerial (11%) and clerical (7%).

3.3.12 How were the skills shortages met?

In house training was the main way companies tried to meet the skills shortages followed by advertising the position. This did not differ significantly by sample type.

Q16 How have you tried to meet these skills shortages?
Base=All saying experienced a skills shortage

	Total Business Sample (315*)	Neighbourhood Priority Area (164)
Training – in-house	34%	37%
No comment	20%	16%
Advertising	6%	10%
Other (single mentions)	5%	7%
Yes(no other comment)	5%	3%
Apprentice schemes	4%	6%
Recruitment	3%	5%
Increased salary package/benefits	3%	-
Local agencies	3%	5%
Recruited further afield	3%	5%
Job centre	3%	3%
Overtime/extra responsibilities	3%	4%
Outsourcing of training	3%	4%
Attend cours/evening classes	2%	3%
Contractors/temporary staff	2%	1%
Discussions	1%	1%
NVQ2/NVQ3	1%	1%
Word of mouth	1%	1%
Considered foreign staff	1%	2%
Job share/part-time/volunteers	1%	2%
Used agencies/recruiters	1%	2%

* = weighted sample

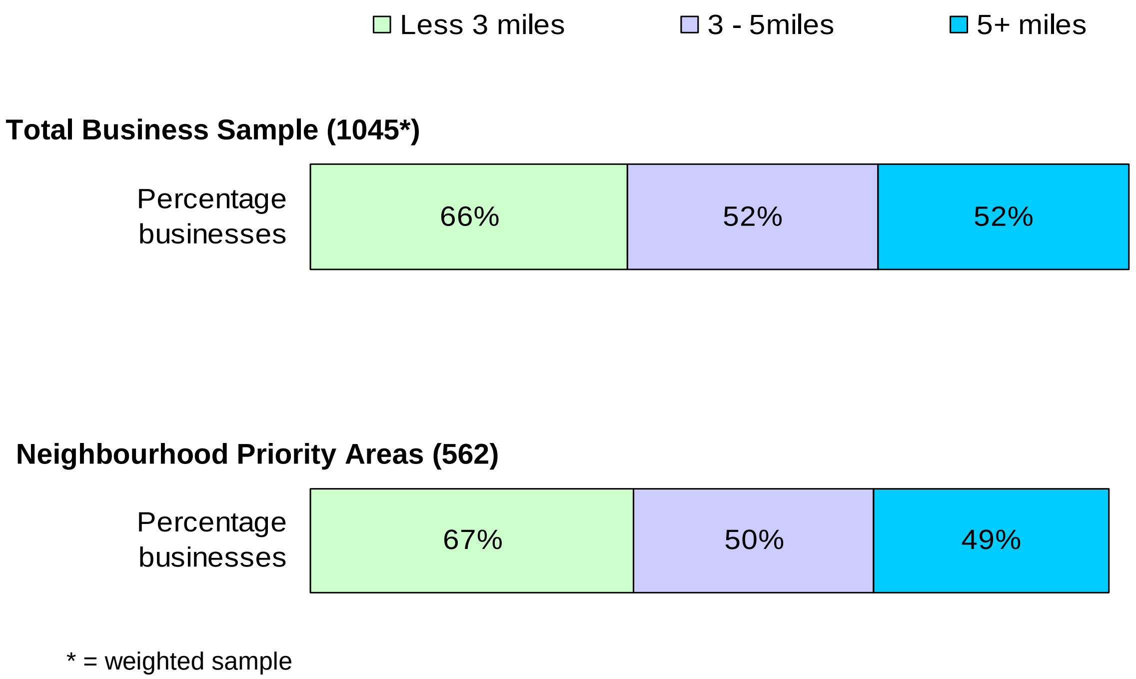
It was interesting that smaller businesses were more likely to not comment while larger companies mentioned in house training and advertising with greater frequency both for Total Business Sample and Neighbourhood Priority Areas Sample.

	Under 10 employees	**10 – 49 employees**	**50+ employees**
Total Business Sample			
No comment	22%	18%	5%
Training in house	30%	37%	47%
Advertising	9%	18%	21%
Neighbourhood Priority Areas			
No comment	22%	9%	9%
Training in house	27%	47%	48%
Advertising	6%	15%	17%

3.3.13 Distance employees travel to work

Businesses were asked to comment on the proportion of staff that travels less than 3 miles, 3.5 miles and more than 5 miles to work.

The chart below gives an overall view it excludes DK/no comments and sole traders.



It is clear that most businesses have more staff that travel less than 3 miles.

There was little difference between Total Business Sample and those within Neighbourhood Priority Areas, with approx two thirds of businesses having employees that travel less than 3 miles to work; half the businesses have employees that travel 3-5 miles and 5+ miles.

A fuller breakdown is given in the following chart:-

	Less 3 miles		**3 – 5 miles**		**5+ miles**	
	TS (1045*)	**NPA (562)**	**TS (1045*)**	**NPA (562)**	**TS (1045*)**	**NPA (562)**
None	26%	24%	40%	41%	40%	42%
1 – 9	3%	2%	1%	3%	3%	4%
10 – 19	7%	6%	6%	6%	7%	6%
20 – 29	8%	7%	10%	8%	8%	7%
30 – 39	5%	5%	5%	5%	4%	4%
40 – 59	10%	10%	11%	10%	11%	11%
60 – 79	7%	6%	5%	6%	6%	6%
80 – 99	5%	6%	3%	3%	5%	5%
100%	22%	23%	9%	8%	8%	7%
DK	8%	9%	8%	9%	8%	9%
Average %	**45%**	**48%**	**29%**	**28%**	**30%**	**28%**

Nearly a quarter of all businesses claimed all its employees travelled less than 3 miles to work other than this, there is a vast spread of answers.

Fast-food/hotels/restaurants/pubs/club/ guesthouses sector had the closest workforce with over twice as many as average-53% of businesses claiming all its employees travelled less than 3 miles.

	Central	**Flowers Road, Hampton, Mansbridge**	**Freemantle & Polygon**	**Lordshill & Outer Shirley**	**Harefield/ Thornhill/ Townhill Park/ Weston**	**Portswood & St Denys**	**Shirley Estate**
Less 3miles	72%	87%	74%	81%	34%	74%	81%
3-5 miles	71%	48%	54%	54%	43%	57%	57%
5+ miles	72%	87%	74%	81%	51%	56%	53%

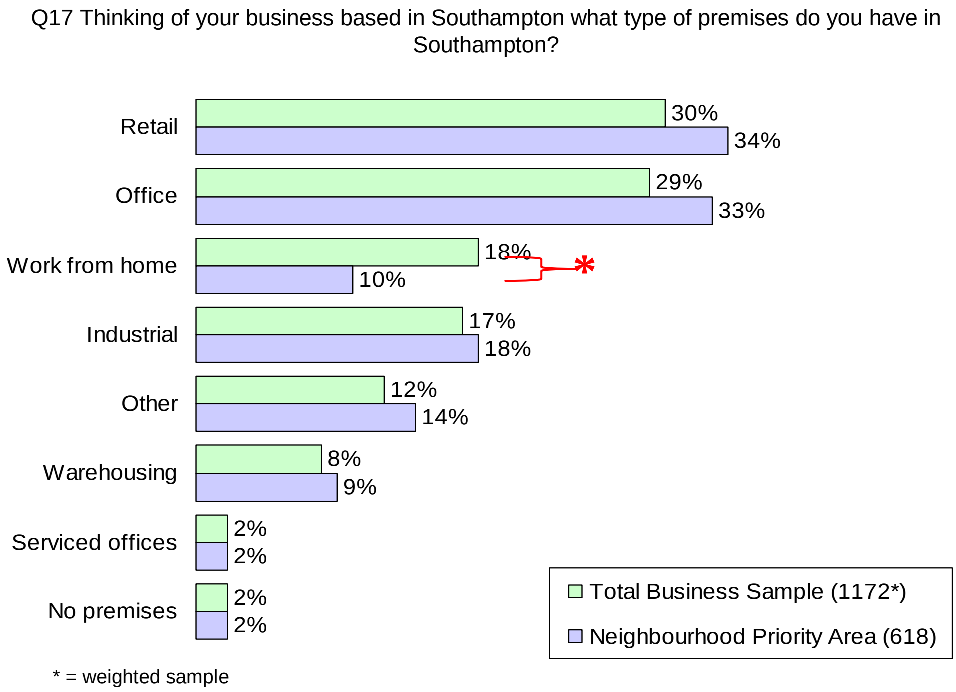
Businesses in the Flowers Road, Hampton, Mansbridge area employed the highest % of local employees, Harefield /Thornhill/ Townhill Park/ Weston area the least.

Businesses in Central area had the widest catchment area.

3.4 Business Premises

3.4.1 Type of premises in Southampton

Businesses were asked about the type of premises they currently have. Their answers are summarised below:-



Overall there is an even split between office and retail based businesses in Southampton with between 29% and 30%of businesses with these type of premises in the Total sample and slightly more for both at 33% and 34% within the Neighbourhood Priority Areas.

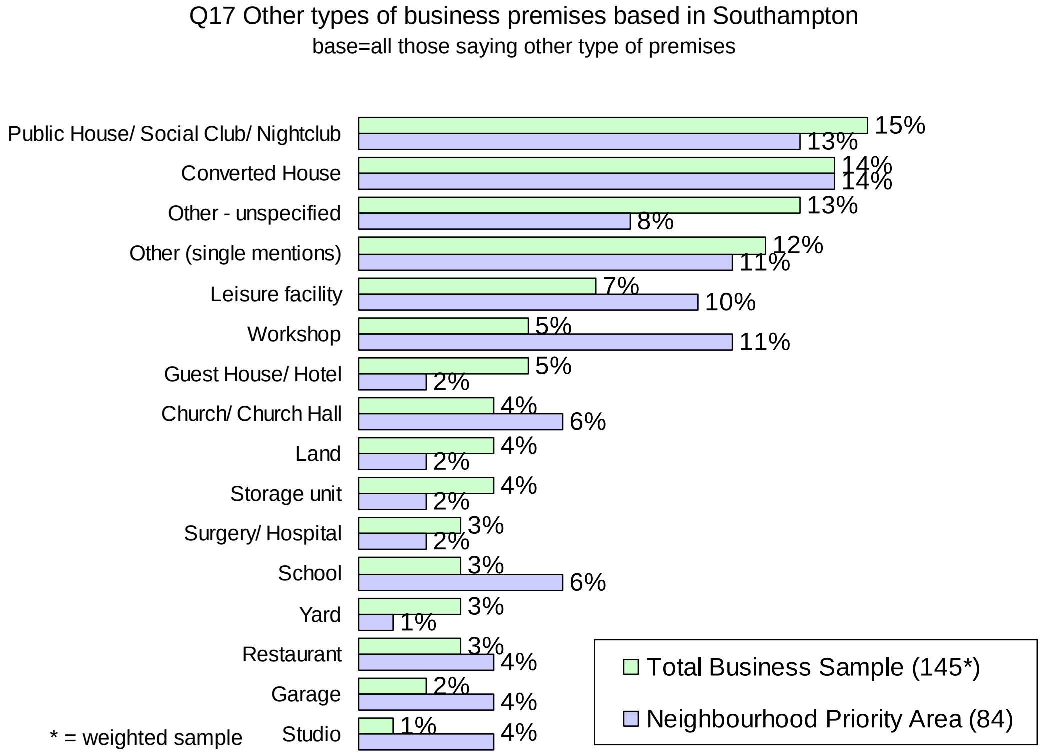
Interestingly working from home was significantly higher amongst the Total Business Sample (18%) compared to the Neighbourhood Priority Areas (10%) and even higher for businesses outside the Neighbourhood Priority Areas (22%).

Naturally it was the smaller size businesses that were significantly more likely to work from home-peaking at 28% for those with less than 5 employees in the Total sample and 19% for those with less than 5 employees in the Neighbourhood Priority Areas. Though again findings for the Total Business sample were significantly higher than for the Neighbourhood Priority Areas 28%* v19%.

Office, Industrial and Warehouse premises tended to be more for larger companies – 10+ employees.

Respondents were asked to give more details on the type of premises they classed as “other” – these included anything from pub/nightclub, converted house, workshop, church hall, church, schools, surgery, hospital, restaurant, garage, storage unit, leisure facility and studio and are given in more detail over the page.

A large range of business premises exist within the other category, and there appears to be no significant difference between the Total Business Sample and Neighbourhood Priority Areas.



Public house/Social club/night club and converted house were the most popular types.

Workshops and Leisure facilities were slightly higher amongst the Neighbourhood Priority Areas than the Total Business Sample, although not statistically significant.

In addition to the type of premises Businesses have we can also identify the number of different types of premises they have.

	Total Business Sample 1172*	Neighbourhood Priority Areas 618
1 premises type	68%	73%
2 premises type	11%	13%
3 premises type	2%	3%
4 premises type	1%	1%
No premises	2%	2%
Only Work from home	16%	10%

Businesses within the Neighbourhood Priority Areas are significantly more likely to just have the one premises type and significantly less likely to work from home.
A small number of respondents (2%) had said they worked from home as well as having premises for this analysis they have been excluded from the work from home category.

Both for Total Businesses and for Businesses within the Neighbourhood Priority Area businesses with 5-9 employees and businesses from the Fast food /Hotels /restaurants /pubs/ clubs/ Guest house sector were significantly more likely to have just 1 type of premises.

	Businesses 5-9 employees,	Fast food /Hotels /restaurants /pubs/ clubs/ Guest house sector
Total Business Sample	82%	92%
Neighbourhood Priority Areas	86%	94%

Businesses with 10-49 employees were significantly more likely to have 2 types of premises.

	Businesses 10-49 employees
Total Business Sample	21%
Neighbourhood Priority Areas	22%

The most common combination for two types of premises being:-

Total Business Sample	Neighbourhood Priority Areas
Office and industrial- 3%	Office and industrial- 4%
Office and warehouse- 2%	Office and warehouse- 3%
Office and retail- 2%	Office and retail- 2%
Office and other- 1%	Office and other- 2%

Large Businesses (50+ employees) within the Neighbourhood Priority Area were less likely to have 3 types of premises compared with total large businesses (6% v 11% respectively).

3.4.2 Size of premises in square feet

The next few charts summarise responses regarding the size of the premises businesses have for those premises where base sizes are large enough to be meaningful, namely - retail, office, industrial and warehouse.

From businesses responses, or more the case the lack of responses, it would seem awareness of the size of ones current premises is limited.
Those in industrial premises or warehousing seem more aware of the size than those in offices or retail premises with retail being the lowest as shown in the table below.

Businesses within the Neighbourhood Priority Areas were less aware of the size of their premises than Total Businesses though not significantly so.

% of businesses in each category giving the size of their premises				
	Retail	Office	industrial	warehouse
Total Business Sample	51%	60%	71%	74%
Neighbourhood Priority Areas	49%	55%	68%	62%

Looking at the average premises size;-

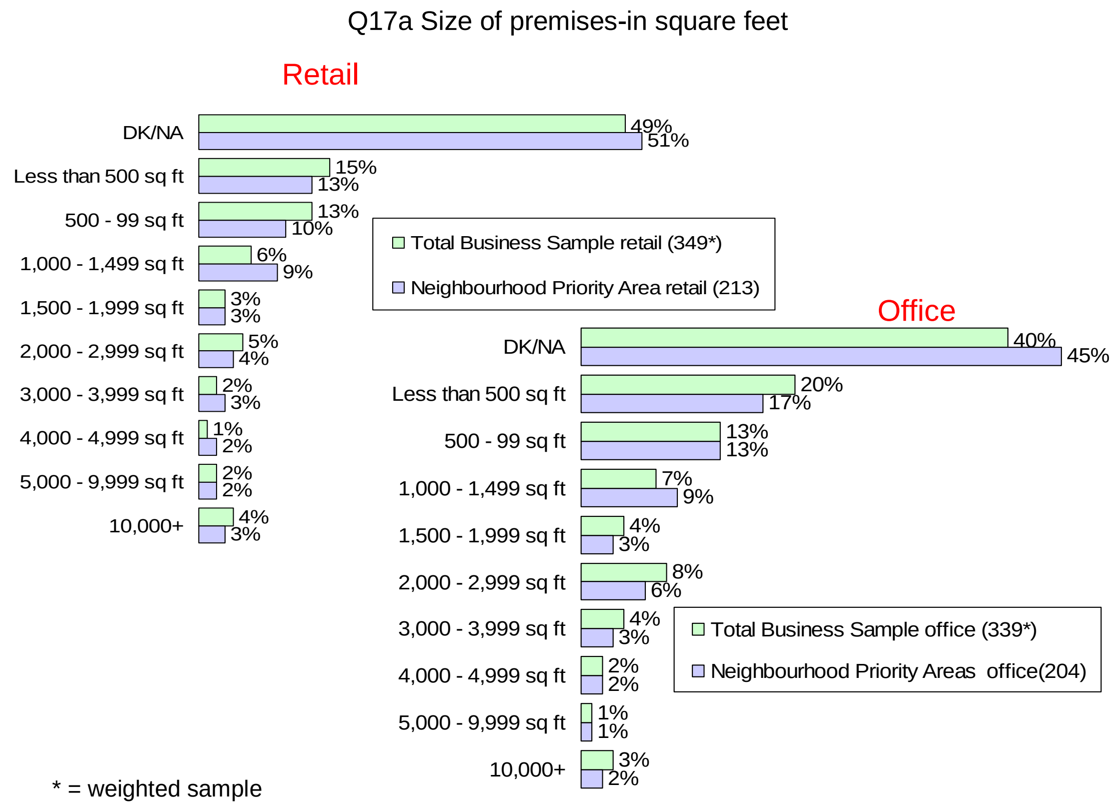
average size of premises				
	Retail	Office	industrial	warehouse
Total Business Sample	2281 sq ft	1963 sq ft	4996 sq ft	5358 sq ft
Neighbourhood Priority Areas	2459 sq ft	1770 sq ft	5470 sq ft	4399 sq ft

Retail and Industrial premises in the Neighbourhood Priority Areas tend to be slightly smaller than those in the Total Business sample although the differences were not statistically significant due to the high % of don’t knows/not answered.

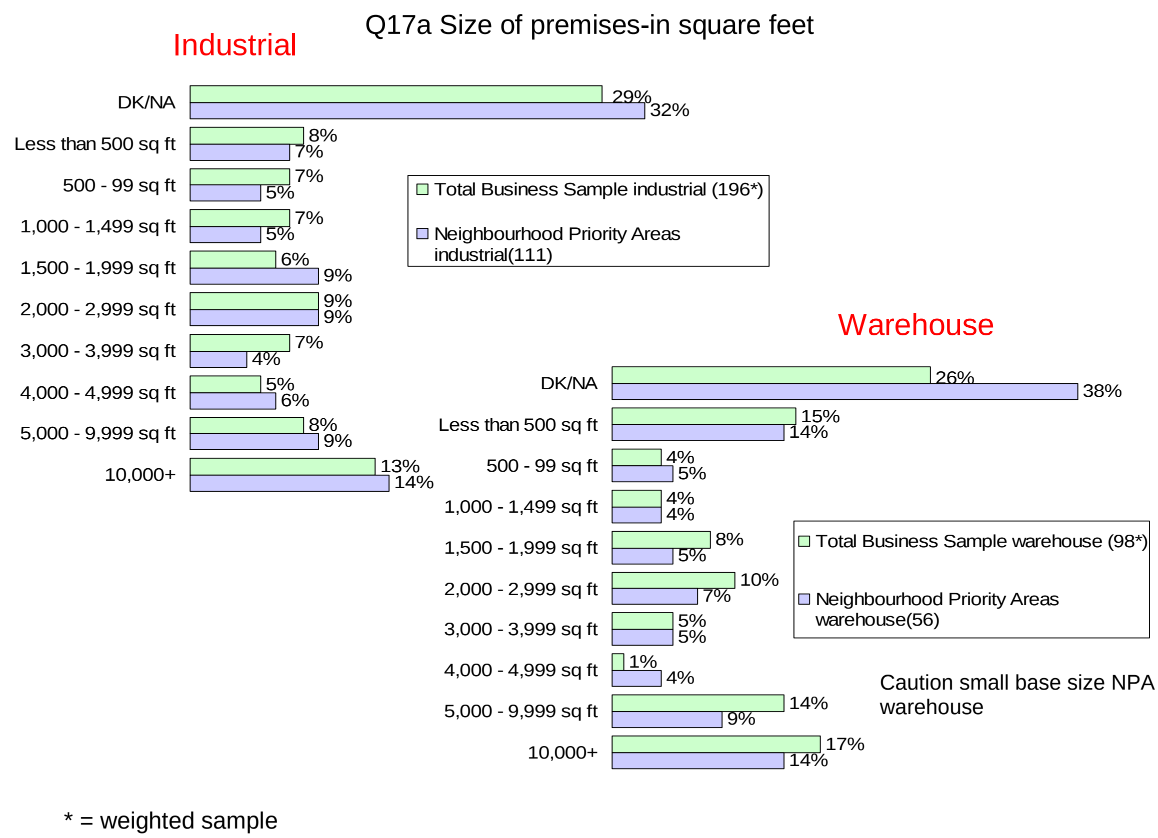
The charts over the page show the distribution of sizes for the different types of premises.

The distribution of sizes for Office and Retail follow a similar pattern.

There were no significant differences in the distribution of premises size between the Total Business Sample and the Neighbourhood Priority Area.



Q17a Size of premises-in square feet
Retail
DK/NA
Less than 500 sq ft
500 - 99 sq ft
1,000 - 1,499 sq ft
1,500 - 1,999 sq ft
2,000 - 2,999 sq ft
3,000 - 3,999 sq ft
4,000 - 4,999 sq ft
5,000 - 9,999 sq ft
10,000+
49% 51%
15% 13%
13% 10%
6% 9%
3% 3%
5% 4%
2% 3%
1% 2%
2% 2%
4% 3%
Total Business Sample retail (349*)
Neighbourhood Priority Area retail (213)
Office
40% 45%
20% 17%
13% 13%
7% 9%
4% 3%
8% 6%
4% 3%
2% 2%
1% 1%
3% 2%
Total Business Sample office (339*)
Neighbourhood Priority Areas office(204)
* = weighted sample



Q17a Size of premises-in square feet
Industrial
DK/NA
Less than 500 sq ft
500 - 99 sq ft
1,000 - 1,499 sq ft
1,500 - 1,999 sq ft
2,000 - 2,999 sq ft
3,000 - 3,999 sq ft
4,000 - 4,999 sq ft
5,000 - 9,999 sq ft
10,000+
29% 32%
8% 7%
7% 5%
7% 5%
6% 9%
9% 9%
7% 4%
5% 6%
8% 9%
13% 14%
Total Business Sample industrial (196*)
Neighbourhood Priority Areas industrial(111)
Warehouse
26% 38%
15% 14%
4% 5%
4% 4%
8% 5%
10% 7%
5% 5%
1% 4%
14% 9%
17% 14%
Total Business Sample warehouse (98*)
Neighbourhood Priority Areas warehouse(56)
Caution small base size NPA warehouse
* = weighted sample

Without stating the obvious, average premises size generally increased as number of employees increased.

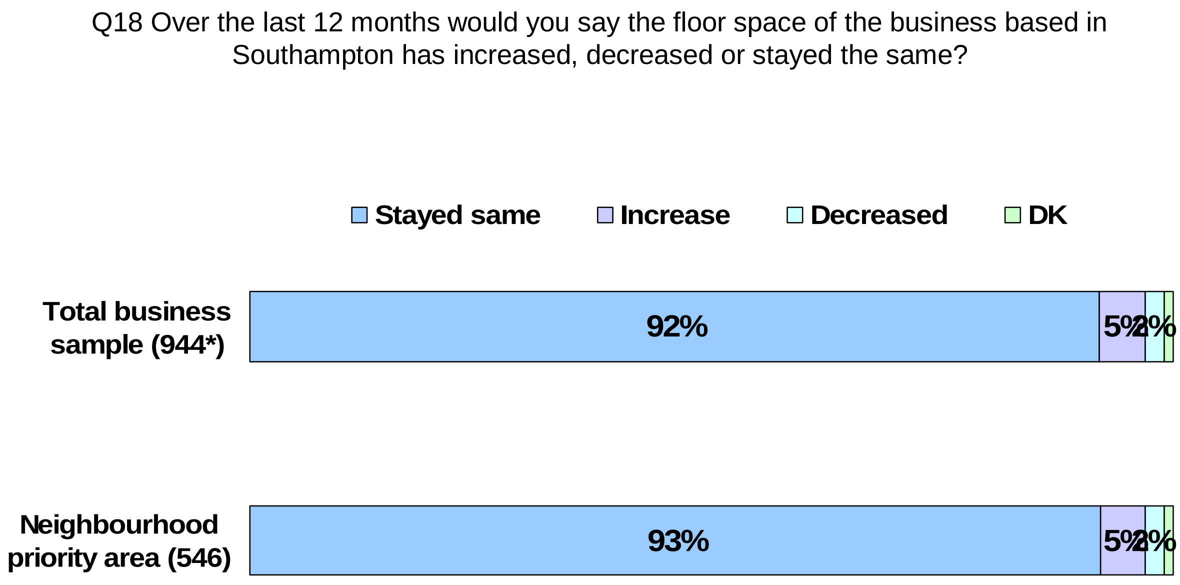
average size of premises (sq ft)				
	Under 5 employees	5-9 employees	10-49 employees	50+ employees
Retail	1,660	2,084	2,392	10,137
Office	565	1,054	2,276	7,318
Industrial	2,194	3,426	7,635	11,191
Warehouse	1,512	3,535	6,160	12,855

Looking at average premises sizes within the Neighbourhood Priority Areas we find that Lordshill/ Outer Shirley has the larger premises whilst Flowers Road /Hampton/ Mansbridge area has the smaller premises. Care must be taken when looking at these averages as they are based on small base sizes so can only be indicative.

average size of premises (sq ft)							
	Central	**Flowers Road, Hampton, Mansbridge**	**Freemantle & Polygon**	**Lordshill & Outer Shirley**	**Harefield/ Thornhill/ Townhill Park/ Weston**	**Portswood & St Denys**	**Shirley Estate**
Retail	2572	909	2117	3043	2473	3452	2982
Office	2351	583	1198	3817	750	6422	750
Industrial	5448	1249	1724	8010	500	4873	1749
Warehouse	5187	1374	2349	8098	1686	2375	4499

3.4.3 Change in size of premises in the last 12 months.

The majority of businesses (92%) have not changed the size of their floor space in the last 12 months.



* = weighted sample

Businesses with more than 50+ employees (12%), businesses in the Public sector(14%) and Businesses that were set up 3-5 years ago (12%) were significantly more likely to have increased the floor space of their business in the last 12 months.

Within the Neighbourhood Priority Areas it was only the businesses that were set up 3-5 years ago (14%) and businesses in the Public sector (17%) that were significantly more likely to have increased the floor space of their business.

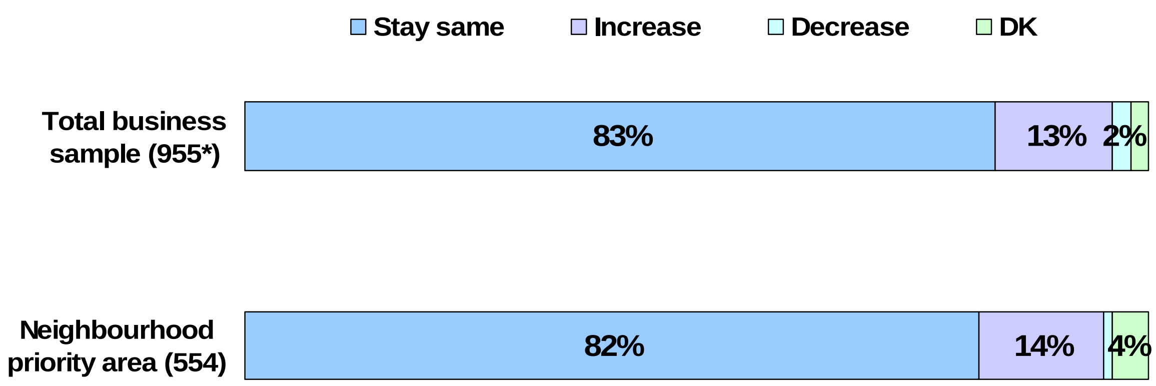
Results varied only slightly across the individual Neighbourhood Priority Areas, with more businesses in the Central area experiencing an increase (8%) (Earlier findings had revealed that more Central businesses had seen an increase in their turnover in the last 12 months) whilst businesses in Portswood & St Deny's and Shirley Estate experienced no increase in floor space.

Looking at the 5% of businesses that have increased the floor space of their business in the last 12 months identifies that just under half of them did not say by how much the floor space had increased thus the base sizes are too small to look at the distribution of sizes meaningfully.

3.4.4 Likely change in size of premises in the next 3 years

Floor space requirements seem to have a slow change rate as the majority of businesses (83%) felt it was likely to stay the same for the next three years. This is despite the fact that 53% of businesses expect their turnover to increase over the next 3 years. This either means businesses have more space currently than required (very few firms were working at full capacity) or that that they will make more effective use of the space in the following years.

Q19 Over the next 3 years, do you expect your floor space requirements to increase, decrease or stay the same?
Base=all with premises



* = weighted sample

A similar number of businesses within the Neighbourhood Priority Areas as the Total Business Sample expect their floor space requirements to increase- at the 1 in 7 level.

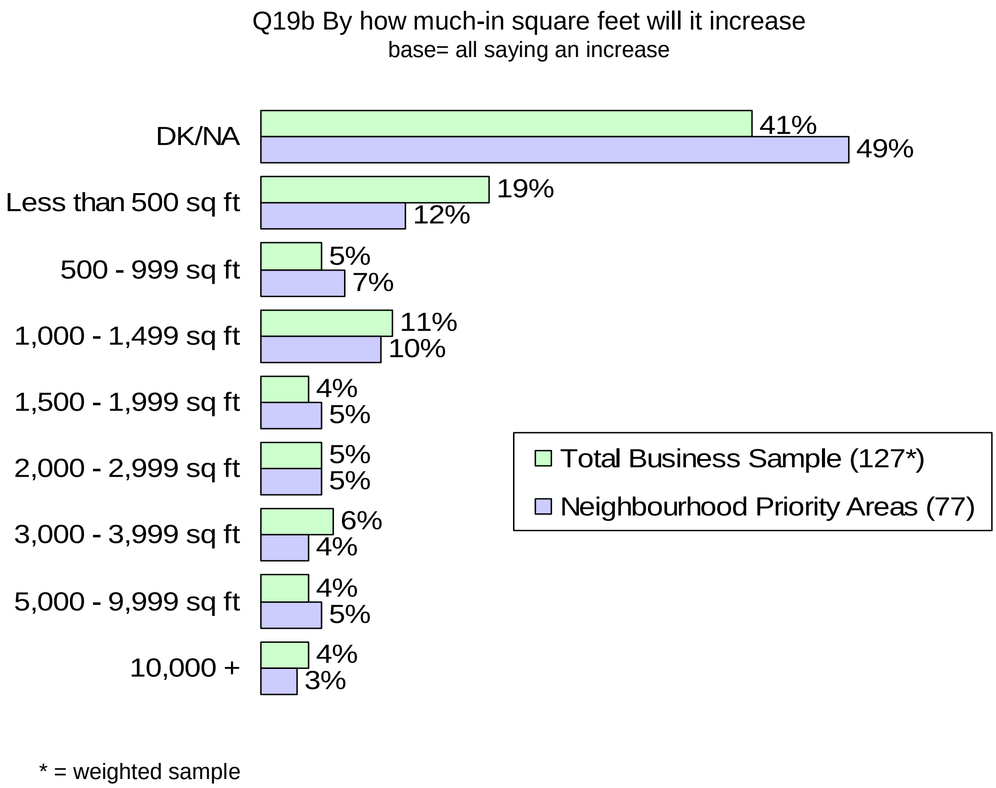
Specifically looking at these businesses that expect an increase in more detail we see that they tend to be businesses with 10-49 employees, based in the Central area, businesses that were set up 3-5 years ago, from the service sectors (Business/ Finance or Miscellaneous services) with the same profile for those businesses from the Total Sample as those from the Neighbourhood Priority Areas.

Businesses in the Neighbourhood Priority Areas (4%) were more likely not to know if they will change their premise size compared to non priority areas (0.5%).

3.4.5 Amount premises are likely to increase by in the next 3 years

Given that businesses were unable to state the current size of their premises it is not surprising that 41% of those that expect their floor space requirements to increase in the next 3 years in Total Business Sample and 49% in the Neighbourhood Priority Areas were unable to say the size they expect it to increase by.

On average, amongst those who are expecting to increase their premises, Total Businesses were likely to increase their premises by an average of 2,815 sq ft and businesses in the Neighbourhood Priority Areas were likely to increase by 2,703 sq ft however given the actual number these are based on care must be taken when interpreting this and so results are only indicative.

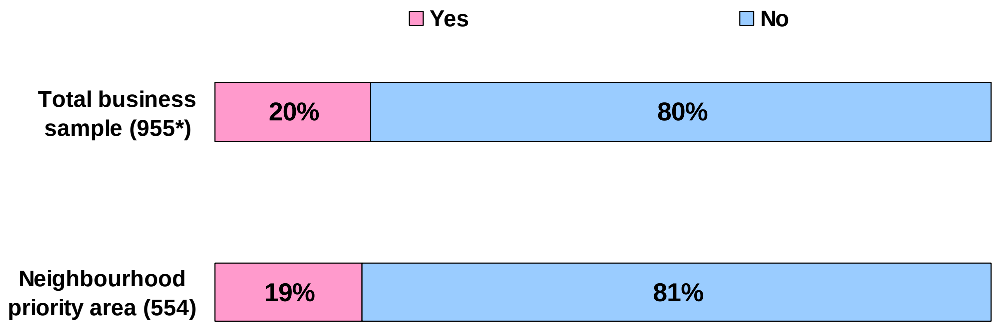


Sample sizes are too small to look at increases within the individual Neighbourhood Priority Areas.

3.4.6 Likelihood of relocating your business in the next 3 years

20% of businesses claim they were likely to relocate their premises in the next 3 years and given the confidence level of ± 2.97% we can be certain that for all businesses in Southampton the number of businesses that perceive they are looking to relocate their business or any part of their business is within the range of 17% and 23%.

Q20 Over the next 3 years are you looking to relocate your business or any part of your business? Base=all with premises



* = weighted sample

If we do a similar calculation for businesses in the Neighbourhood Priority Areas confidence level of ± 4.0% we can be certain that for all businesses in the Neighbourhood Priority Areas the number of businesses that perceive they are looking to relocate their business or any part of their business is within the range of 15% and 23%.

Significantly more businesses with 10-49 employees-25%, those businesses that were set up 3-5years ago-34% and businesses within the Business services/financial sector-34% feel that over the next 3 years they would be looking to relocate their business.

Within the Neighbourhood Priority Areas businesses from the Business services/financial sector-31% and those in the Central location-28% were significantly more likely to relocate.

3.4.7 Type of premises required for relocation

There was no difference between the types of premises businesses were looking to relocate to between the Total Sample and the Neighbourhood Priority Areas sample.

Offices in Southampton-Near M27 was the most popular type of premises companies were looking to relocate to, especially those businesses within the Business Services/Finance sector (32% Neighbourhood Priority Areas /34% Total businesses) and businesses with 50+ employees (40% Neighbourhood Priority Areas / 36% Total businesses).

Premises that combined warehouse and office in various locations throughout Southampton was the next most mentioned aspect especially for those businesses with 10-49 employees (23% Neighbourhood Priority Areas / 24% Total businesses).

Answers of 2% or more are given below in addition to these there were however a large number of single mentions (23% Neighbourhood Priority Areas / 21% Total businesses).

In fact overall offices were the most required types of premises-shaded followed by retail shaded and then industrial shaded .

Q21 What type of premises will you be looking for and where?
Base=all looking to relocate (mentions 2% or more)

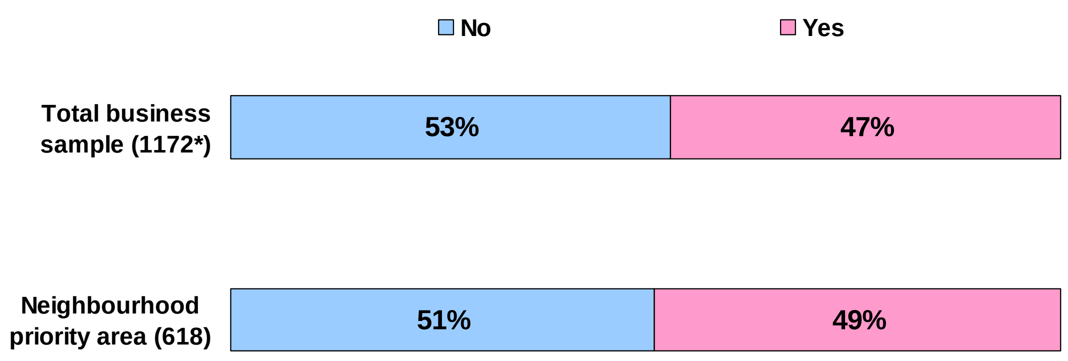
	Total Business Sample (191*)	Neighbourhood Priority Area (108)
Offices Southampton-near M27	14%	12%
Combined office and warehouse-various locs	12%	10%
Industrial/light industrial-Southampton/Central	7%	8%
Modern/new – City Centre	5%	6%
Freehold – Southampton	4%	1%
Similar property still in Southampton	4%	3%
Premises further a field	4%	5%
Larger industrial – Southampton	3%	7%
Pub/restaurant – Southampton	3%	3%
Retail – City Centre	3%	3%
Retail – Shirley/Eastleigh/Woolston/Bitterne	3%	2%
Cheaper premises	2%	1%
Offices – unsure where	2%	2%
Smaller premises – Eastleigh	2%	3%
Offices with parking on outskirts	2%	5%
School/preschool	2%	1%
Retail –Southampton	2%	3%
Retail – out of town/outskirts	2%	4%
Retail-non specific	2%	1%
Larger offices within Southampton	2%	4%
Other –single mentions	21%	23%
DK	2%	4%

3.5 Business Services

3.5.1 Contact with Southampton City Council

Just under half of the businesses had been in touch with Southampton City Council in the last 12 months.
Businesses within the Neighbourhood Priority Areas were slightly more likely to have contacted SCC in the last 12 months 49% compared to businesses outside the Neighbourhood Priority Areas at 45%.

Q23 With regards to your business have you had any contact with Southampton City Council in the last 12 months?



* = weighted sample

The larger the business the more likely it was to have contacted SCC.

% businesses made contact with SCC in the last 12 months				
	under 5 employees	5-9 employees	10-49 employees	50+ employees
Total Business Sample	42%	47%	54%	59%
Neighbourhood Priority Areas	45%	49%	53%	57%

It would seem total businesses are likely to have contact with SCC in the early years, contact declines at the 3-5 year stage and then the more established the business is the more likely it is to have contact with SCC though this was not the case for businesses within the Neighbourhood Priority Areas where contact was at a more constant level.

% businesses made contact with SCC in the last 12 months					
	Set up last 2yrs	3-5 yrs	6-10 yrs	11-15 yrs	15+ yrs
Total Business Sample	43%	42%	47%	54%	59%
Neighbourhood Priority Areas	48%	45%	49%	53%	57%

It is of no surprise that the businesses within the Public sector were significantly more likely to have contacted SCC (70% Neighbourhood Priority Areas / 61% Total Businesses) than most of the other business sectors except the Fast food /Hotels /restaurants /pubs/ clubs/ Guest house sector which was also high (59% Neighbourhood Priority Areas / 56% Total businesses) In this case contact being driven by the need to obtain an alcohol licence.

Businesses located in the Central area and Harefield /Thornhill/ Townhill Park/ Weston area were the most likely to have contacted SCC in the last 12 months (54%) business form Shirley Estate the least (35%).

Reasons for contacting SCC are given in the chart below-this chart covers the main reasons as there was a considerable number (31% Neighbourhood Priority Areas / 29% Total businesses) of single mentions.

Department and reason for Contact with Southampton City Council

	Total Business Sample (545*)	**Neighbourhood Priority Areas (300)**
Business rates-wage enquiries/rebates/ reductions/tax relief	14%	12%
Planning-applications/appeals/advise	12%	14%
Refuse/waste disposal unit-collection waste	12%	13%
Licensing Dept – enquires for licences	8%	9%
Trading Standards-inspections	5%	3%
Unknown dept – misc enquires	4%	3%
Building Services – planning/inspections/ building consents	4%	2%
HSE – routine inspection	3%	3%
Housing Services Partnership-services	3%	3%
Environmental Health-fly tipping/damp/noise	3%	2%
Highway Dept – improvements/permits skips	3%	2%
Social Services – service provision	3%	4%
Property Services Dept-employment/quotes	2%	2%
Transport/Traffic – parking issues	2%	2%
Multiple departments – miscellaneous enquires/supplier/etc	2%	2%
Highway Dept – sales/planning/contracts	2%	1%
Parking Dept – permit applications	2%	2%

The top 3 Council departments contacted by either of our samples were Business rates, Planning department and Refuse/waste disposal.

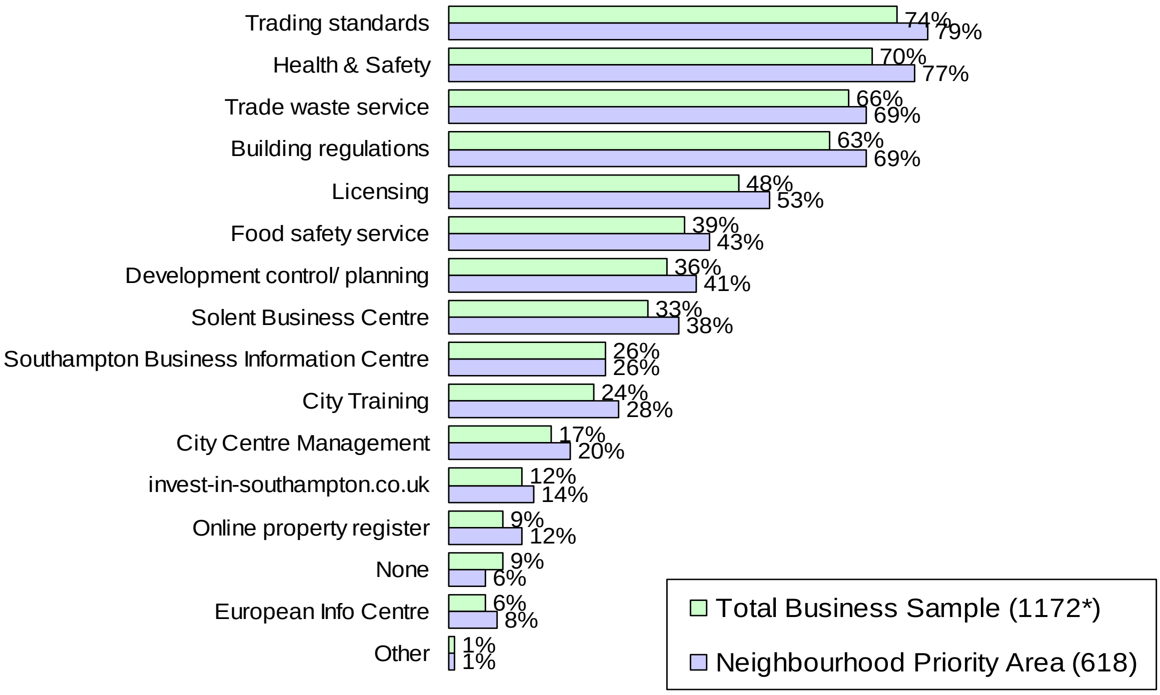
In most cases the department contacted correlated with the type of business (see below) the only exception to this was the Refuse/waste disposal department which was equally contacted by all business sectors.

% businesses contacting by Business sector			
Business Sector	Department contacted	Total Business Sample	Neighbourhood Priority Areas
Fast food /Hotels /restaurants /pubs/ clubs/ Guest house sector	**Licensing Dept**	31%	34%
Business Services/Finance sector	**Planning**	27%	41%
Other Trade industries	**Business rates**	21%	26%
Manufacturing/construction Engineering etc	**Building Services**	17%	5%
Public sector	**Social Services**	17%	23%
Public sector	**Environmental Health**	8%	2%
Retail	**Trading Standards**	12%	12%

3.5.3 Business services aware of prior to survey

On initial inspection it would seem that businesses within the Neighbourhood Priority Areas are more aware of services provided by Southampton City Council however further investigation revealed that those taking part in the telephone interviews (approximately 50% of the Neighbourhood Priority Areas sample) on average mentioned 1.4 more services than those filling in a self completion questionnaire. Also comparing just the self completion questionnaire results, there was no significant difference between businesses within and out side the Neighbourhood Priority Areas. Therefore the difference we feel is due more to differing methodologies rather than a real finding- (this was the only question affected by the differing methodologies).

Q25 Which of the business services that Southampton City Council offers to businesses were you aware of before this survey?



* = weighted sample

Except for city training the order of awareness of services remains the same for the Total Sample as Neighbourhood Priority Areas with the top 4 services aware of being;- Trading standards, Health & Safety, Trade waste service and Building regulations. Awareness of invest-in-southampton.co.uk was disappointing at the 12% level.

3.5.4 External factors specific to your location that have a significant impact on your business

Just over half the businesses mentioned an external factor, specific to their location, which they feel has a significant impact on their business.

Crime/fear of crime was a significant factor for businesses within the Neighbourhood Priority Areas far more so than for Total sample and businesses outside the Neighbourhood Priority Areas. As this was an open ended question where businesses could say anything it has an even greater impact on the results.

Crime was a particular concern for the Retail sector within the Neighbourhood Priority Areas with 31% mentioning it. Also businesses in the Flowers Road /Hampton/ Mansbridge area, where most concerned about crime.

Central	Flowers Road, Hampton, Mansbridge	Freemantle & Polygon	Lordshill & Outer Shirley	Harefield/ Thornhill/ Townhill Park/ Weston	Portswood & St Denys	Shirley Estate
24%	37%	15%	23%	19%	16%	23%

Recruitment difficulties was mentioned significantly more by firms with 50+ employees in the Total Business Sample at 12% though was less of an issue for firms with 50+ employees within the Neighbourhood Priority Areas where only 6% mentioned it.

	Total Business Sample (1172*)	Neighbourhood Priority Areas (618)
No comment	48%	44%
Crime – fear of/high levels/anti social behaviour	15%	22%
Traffic congestion – poor road system design	15%	12%
Car parking – expensive/limited	14%	13%
Vandalism – graffiti/neglected area	4%	5%
Recruitment difficulties	3%	2%
Roadworks/poor road maintenance/poor pavements	3%	2%
Other (single mentions)	3%	3%
Good transport system/road network	2%	1%
More Police activity needed/more on beat	2%	2%
Litter/refuse on pavements/poor maintenance of environment	2%	2%
-ve impact football matches/status of club	1%	2%

Car parking was more of a concern for businesses in the Freemantle area- 23%.
Significantly more businesses in the Shirley Estate area mentioned the fact that more Police activity was needed (8%).
Businesses in the Central area were concerned about the negative impact of football matches (4%).

3.5.5 Improvements
Just over half the businesses had mentioned an external factor that they felt had a significant impact on their business while just under half put forward an improvement for SCC.

The main areas (levels of 2% or more) are listed in the table below and again there was a high level of single mentions.

Results were very similar for the Total Sample and Neighbourhood Priority Areas.

	Total Business Sample (1172*)	**Neighbourhood Priority Areas (300)**
No comment	54%	53%
Provide better/more affordable parking/provide permits/make deliveries easier	9%	9%
Reduce business rates/taxes/rents	6%	7%
Better/more visible policing/more presence of wardens	4%	4%
Combat litter/reduce waste collection charges/better recycling services	4%	4%
Reduce traffic congestion/reduce number of traffic lights	3%	1%
Better communications/within departments	2%	2%
Crime reduction initiatives	2%	3%
Better advice/listen to business needs/work together	2%	2%
Better roadwork planning/quality of repairs	2%	2%
Support small scale retail/business	2%	2%

The most mentioned aspect for Total Sample and Neighbourhood Priority Areas alike, was regarding providing better/more affordable parking mentioned by close to 1 in 10 businesses.

Further analysis reveals that parking was less of an issue in some areas than others

Central	**Flowers Road, Hampton, Mansbridge**	**Freemantle & Polygon**	**Lordshill & Outer Shirley**	**Harefield/ Thornhill/ Townhill Park/ Weston**	**Portswood & St Denys**	**Shirley Estate**
13%	8%	11%	2%	8%	7%	15%

Furthermore 23% of businesses in Freemantle had already mentioned parking being expensive in the previous question.

Crime reduction initiatives were mentioned with significantly more frequency by businesses in the Shirley Estate area than in any other-13%.