

SEMLEP Business Survey 2023: Milton Keynes Council

Report: January 2024

SEMLEP

South East Midlands
Local Enterprise Partnership



milton keynes council



Research
Evaluation
Community Engagement
Strategy Development

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Contents

Executive Summary	1
Section 1: Introduction	7
Section 2: Quality of the Local Area for Business	9
Section 3: Business Performance	24
Section 4: Employment, Skills and Training.....	32
Section 5: Innovation.....	42
Section 6: Business Support and SEMLEP	45
Section 7: The Green Agenda	50
Section 8: Inclusivity and social value.....	53

SEMLEP Business Survey 2023: Milton Keynes Council

Executive Summary

Introduction and background

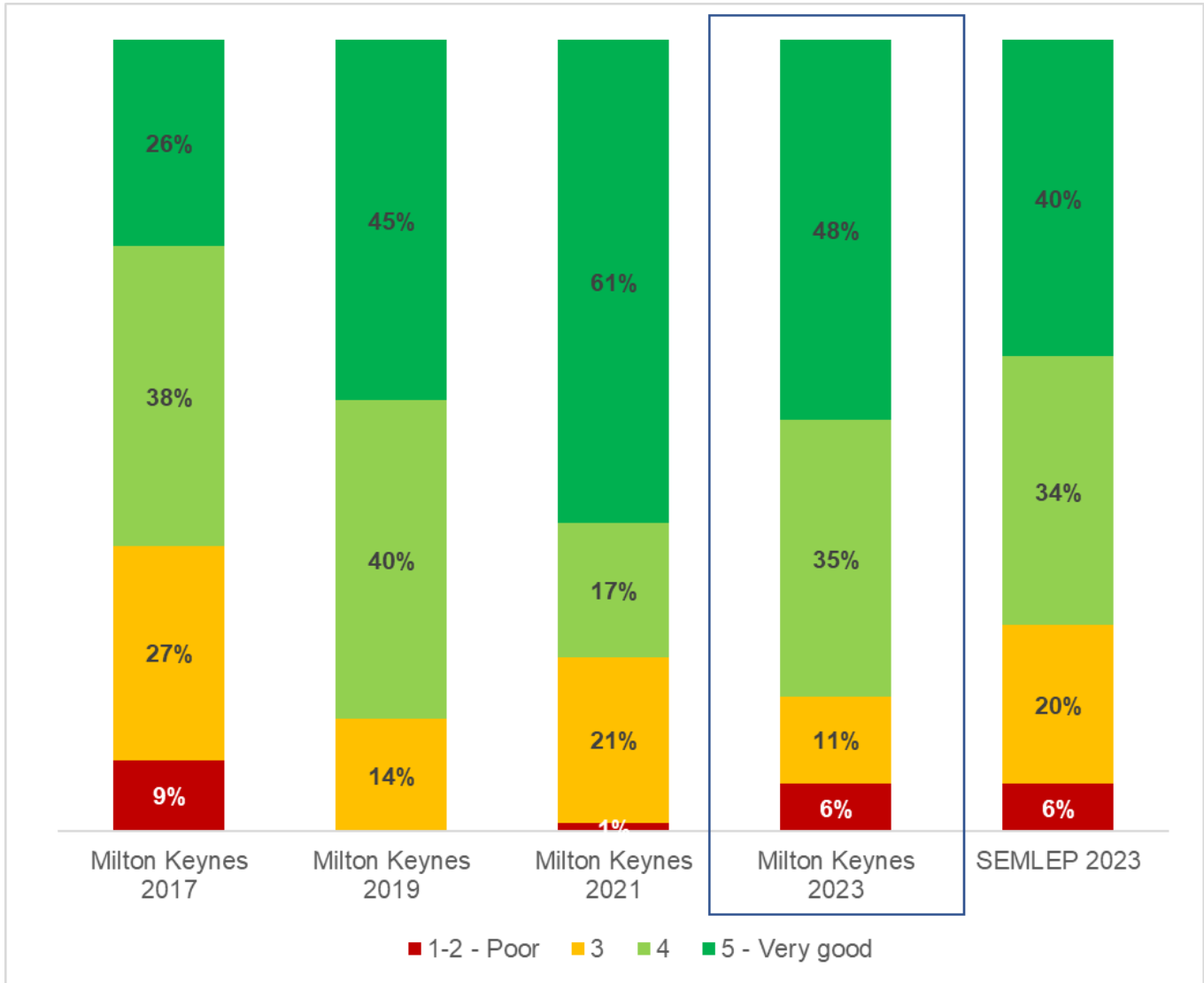
1. The South East Midlands Local Enterprise Partnership (SEMLEP) is the LEP for the South East Midlands region, covering an area made up of six local authorities that are home to over 77,000 businesses. The area contributes some £51bn to the national economy annually.
2. This report presents the findings from the 2023 SEMLEP Business Survey for Milton Keynes, one of SEMLEP's constituent local authorities. It provides analysis to support and inform SEMLEP and the council's strategy and activities. It shows comparisons to SEMLEP overall and over time to the previous local survey results, where data is available. It also analyses results by other variables such as business size and sector to identify the needs and priorities of businesses in the area.
3. **This report should also be read in conjunction with the full SEMLEP report, which contains more region-wide data and insights.**
4. The survey's overarching aim was to identify the economic challenges and opportunities facing businesses in the area to inform and shape the economic strategy and development activities of SEMLEP and the local authorities. Specific issues covered by the survey are:
 - Quality of the local area as a business location
 - Business support
 - Business performance
 - Employment, skills and training
 - Innovation
 - Reducing carbon and targeting net-zero
 - Inclusivity and social value
 - SEMLEP and its activities, and priorities for future regional economic development
5. A total of 1,882 interviews were carried out via CATI (computer assisted telephone interviewing) over a six-week period across October and November 2023. Interviews took an average of 25-30 minutes to complete and were conducted with business decision makers. Milton Keynes Council was one of four local authorities who commissioned extra interviews (50) to boost the reliability of their results, from a standard 250 interviews to 300 interviews.

Key findings

Quality of the local area for business

6. Overall, above four-fifths of businesses (83%) rated their local area as a good place to do business, giving it a score of 4 or 5 out of 5. This is slightly higher than the 78% seen in 2021, and higher than the figure seen across SEMLEP as a whole (74%).

Figure 1: Rating of area as a place to do business



Number of respondents: SEMLEP 2023 1,890; Milton Keynes 2023 303; Milton Keynes 2021 320; Milton Keynes 2019 251; Milton Keynes 2017 251. Excludes 'don't know' responses. These represent the weighted base, which is the case for all data in this report.

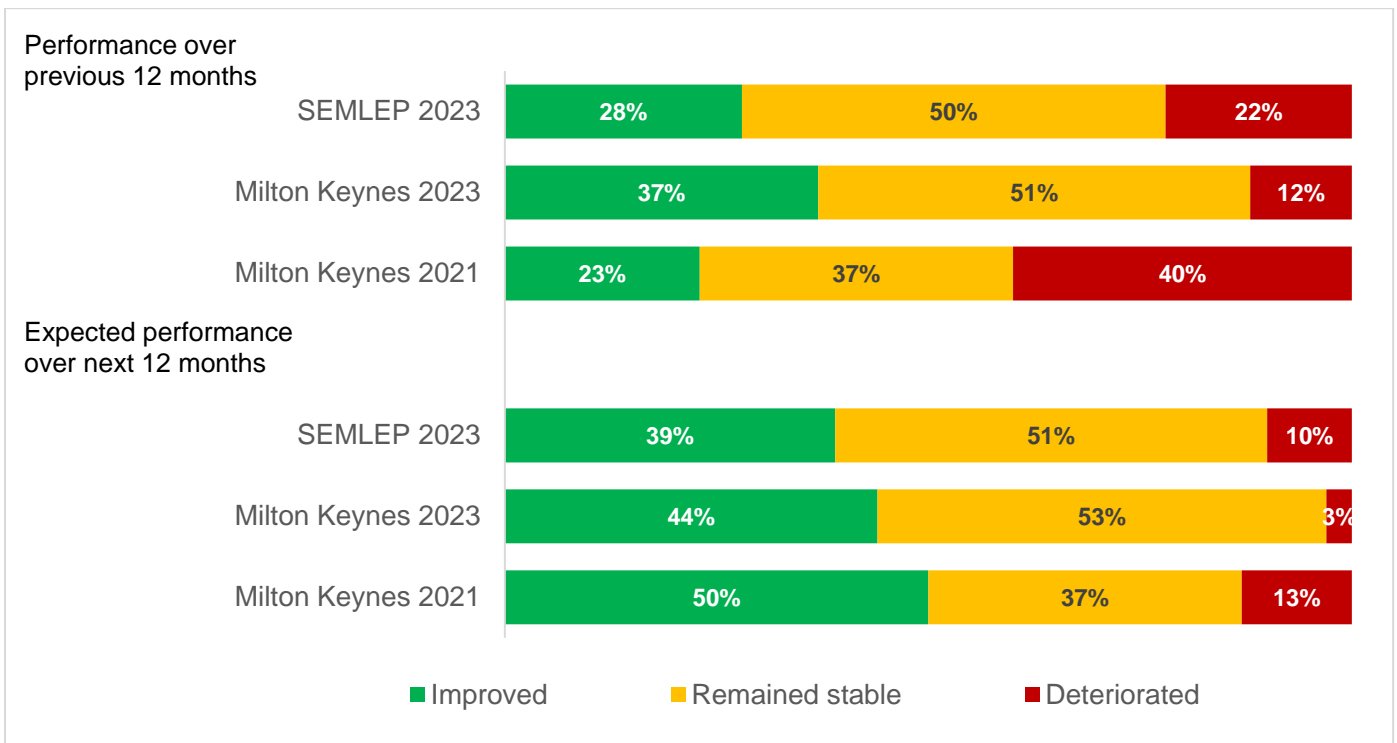
Question asked: Overall, how do you rate your location as a place to do business?

7. Overall, 8% of businesses were thinking of relocating. Of these, 5% were looking to relocate within Milton Keynes, with 3% looking to relocate outside of Milton Keynes but within the SEMLEP area. This is slightly higher than the 4% who were looking to relocate in 2021, and broadly in line with the proportion seen across SEMLEP as a whole (6%).

Business performance

8. Past business performance is more positive than the past, with 37% of Milton Keynes businesses stating that business performance has improved in the last year compared with 23% in 2021. Likewise, 12% of businesses said performance had deteriorated in 2023 compared with 40% in 2021. These latest results are also more positive than the SEMLEP average.
9. There is also optimism for the future with 44% of businesses in Milton Keynes expecting performance to improve for the future (50% in 2021) and 3% expecting it to deteriorate (3% in 2021), which is also slightly more positive than the SEMLEP average.
10. This all suggests shoots of growth post-pandemic, post-Brexit and in light of the current challenging economic conditions of high inflation, high interest rates and a high cost of living impacting on consumer demand.

Figure 2: Business performance over previous 12 months, and expected performance over next 12 months



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

11. The most commonly reported constraint on business growth in the Milton Keynes area was attracting or retaining customers, with 18% citing this factor. This is higher than in 2021 (when it was mentioned by 5%). It was either the first or second most commonly mentioned factor by all sizes of business. The general economic climate was the second most commonly mentioned issue at 15% (this is the top mentioned constraint across SEMLEP, cited by 18% of businesses). In 2019, the most commonly cited constraint on growth was also attracting or retaining customers, at 23%. While, in 2021, the most commonly cited constraint had become the Covid-19 pandemic, at 19%. This has come to pass since the last survey, the Covid-19 pandemic was only mentioned as a constraint to growth by 2% in

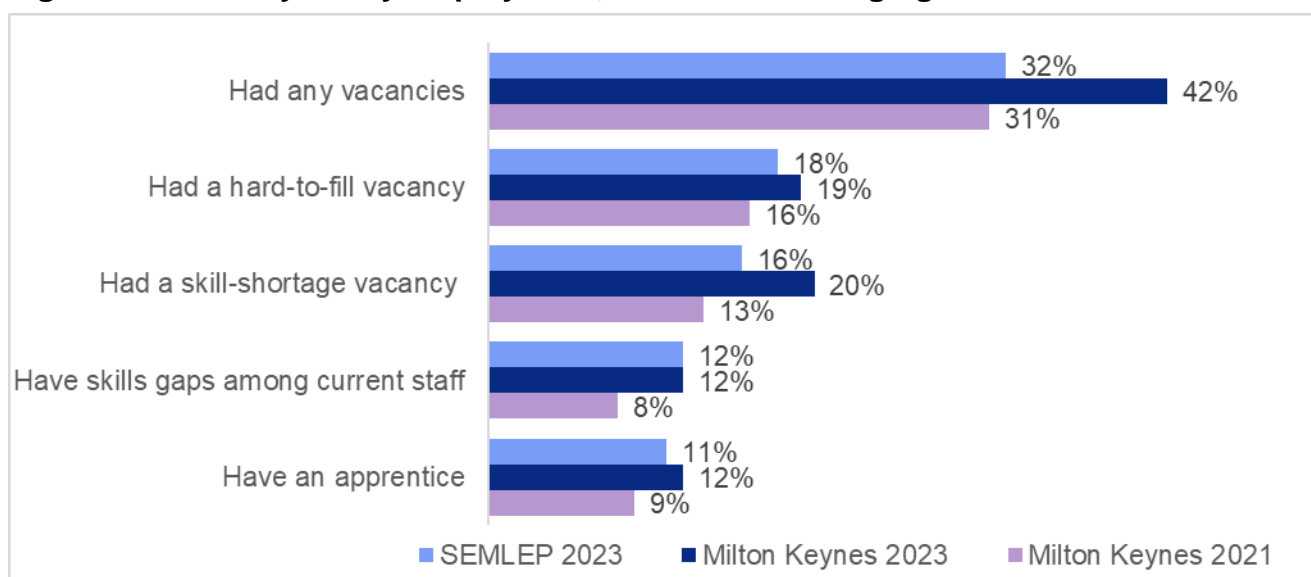
the 2023 survey. A lack of skilled labour was mentioned by 13%. Larger businesses were more likely to cite a lack of skilled labour as a constraint on growth, with 22% of businesses with 5-9 staff and 28% of businesses with 10 or more staff doing so.

12. More financial support generally came out on top as the most important means of support to help business growth; the same was true across the SEMLEP region as a whole. In 2021, lower business rates was the most commonly mentioned by businesses.
13. Lower business rates was the second most common factor (19%) in 2023. Businesses with 5-9 staff were more likely to be looking for reductions in business rates.
14. The third most commonly mentioned were more investment/regeneration in the local area and help with advertising.

Employment, skills and training

15. Over two-fifths of businesses (42%) in Milton Keynes had a vacancy in the past 12 months and of those 46% said they were hard-to-fill (meaning that 19% of businesses overall had hard-to-fill vacancies). This is lower than the 56% of hard-fill-vacancies in SEMLEP and the 52% in 2021.
16. 20% of local businesses said they found skills shortages when recruiting, higher than the SEMLEP average and 2021, although this figure is partly a function of the higher level of vacancies. 12% of businesses said they had a skills gap within their existing workforce, the same as SEMLEP overall and slightly higher than the 8% in 2021 (although this is not a statistically significant difference and maintains the positive downward trend).
17. 12% of local businesses have an apprentice, which is similar to the 11% across SEMLEP and slightly higher than the 9% in 2021.

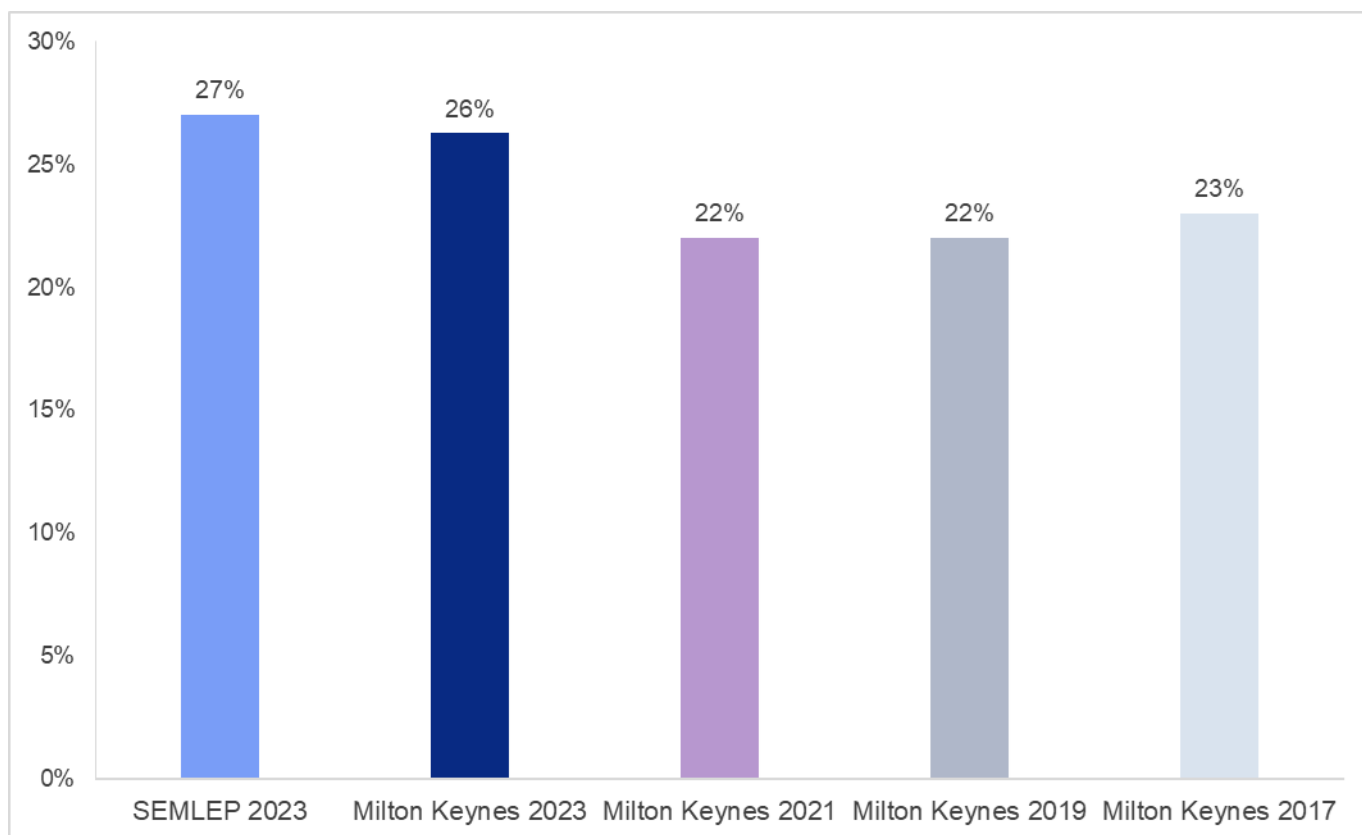
Figure 3: Summary of key employment, skills and training figures



Innovation

18. Overall, 26% of businesses said they had introduced new products, services, patents or processes in the 12 months preceding the survey. This is broadly in line with the proportion seen in 2021 (and earlier years) and similar to the SEMLEP average of 27%.
19. Innovation activity tended to be higher among larger businesses (as was the case across SEMLEP). For example, 22% of businesses with up to 4 employees said they innovated in the past 12 months, compared to 53% of businesses with 10+ employees.
20. The top constraints on innovation were financial; most commonly the cost of finance (33% rated it as a notable constraint) and the general economic climate and risk of investment (28%). The cost of introducing new products, services or processes was a concern for a quarter (26%), as was the availability of finance (25%).

Figure 4: Innovation levels over time



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

Business support and regional economic development priorities

21. Businesses believe that the strategic focus of the local council should primarily be on infrastructure improvements (30%), in line with the SEMLEP figure of 34%. Securing funding to support new investment and projects (26%) and attracting new businesses to the area (25%) were also commonly mentioned. 18% mentioned help to ensure an appropriate supply of skilled labour. A seventh of businesses (14%) mentioned providing business support. A third (32%) said they did not know what the focus should be. This was similar to the figure across SEMLEP as a whole (28%).

22. Above half (53%) of businesses were interested in business grants to support their business growth, in line with the SEMLEP figure of 57%. Receiving information about grants available (80%) and a clearer guidance on eligibility/conditions of grants (71%) were the top forms of support required by businesses who were interested in receiving grants.

The Green Agenda

23. Just above half of businesses (52%) have made some commitment to becoming more environmentally friendly. This is comparable to the SEMLEP average (52%). 8% have a specific target or aim to become net-zero, lower than SEMLEP (13%).
24. However, just 3% of businesses have put a deadline on this commitment of 2030 (4% have put a deadline on commitment across SEMLEP overall). Above two fifths (44%) have not set any targets but are committed to being more environmentally friendly. Above a quarter (27%), however, have not made any commitment nor given much thought to it, lower than SEMLEP (34%).
25. The main activities of businesses aiming to become net-zero are increasing recycling (36%), sourcing sustainable materials (35%), reviewing the energy efficiency of their buildings, encouraging staff to drive less, and measuring their carbon footprint (all 15%).
26. The most commonly cited barrier businesses gave to reducing the carbon footprint of their business was the availability or cost of low carbon alternatives (16%), same as in SEMLEP overall (16%). This was less troublesome to larger businesses (5% of those with 5-9 staff, and 2% of those with 10 or more). One-in-eight (12%) said they were unable to change their existing processes (higher than the 6% SEMLEP average). Financial barriers were common, with 10% mentioning a lack of capital or finance and 9% a lack of grants. 35% stated that their business does not face barriers in cutting their carbon footprint.

Inclusivity and social value

27. In terms of diversity, among businesses with employees the figures are: women-led businesses at 45%, ethnic minority-led businesses at 18%, and disabled-led businesses at 6%. This compares to the SEMLEP average of 45% female-led, one-in-six (18%) ethnic minority-led and 1% disabled-led (i.e. 50% or more of the estimated partners or board directors are from these groups).
28. Businesses were asked to share the ways in which they ensure their recruitment practice is inclusive. Four-in-ten (41%) said this was not applicable to them as they do not recruit staff, lower than SEMLEP (53%). 16% said they do not do anything (in line with the 16% SEMLEP average). Actions that were taken included ensuring a diverse interviewer panel (6%), training for recruitment or HR staff so they can adopt inclusive practices (5%), inclusive methods of recruitment (5%), and actively targeting advertising to recruit a diverse workforce (4%).
29. Businesses in Milton Keynes were asked how social value was embedded within their business practices. Approaching a half of businesses said they did not know and 20% said they had not embedded social value in their business, suggesting a lack of understanding of social value.
30. 14% of businesses had contributed to staff wellbeing. This was more common among larger businesses (41% of businesses with 10+ staff). 12% of businesses mentioned prioritising social value in the procurement process. This was more common among businesses with 10+ staff (31%). 9% mentioned prioritising sustainable business practices.

SEMLEP Business Survey 2023

Milton Keynes Council

Section 1: Introduction

Introduction and background

- 1.1. Local Enterprise Partnerships (LEPs) bring together local authorities with businesses and educational institutions to work together to determine local economic priorities and undertake activities to drive economic growth and the creation of jobs in their local area. They provide business support and advice, local infrastructure improvements, targeted workforce skills provision and other initiatives aimed at attracting new and supporting current businesses.
- 1.2. The South East Midlands Local Enterprise Partnership (SEMLEP) is the LEP for the South East Midlands region, covering an area made up of six local authorities¹ that are home to over 77,000 businesses. The area contributes some £51bn to the national economy annually².
- 1.3. This report presents the findings from the 2023 SEMLEP Business Survey for Milton Keynes, one of SEMLEP's constituent local authorities. It provides analysis to support and inform SEMLEP and Milton Keynes's strategy and activities. It shows comparisons to SEMLEP overall and over time to the previous local survey results, where data is available. It also analyses results by other variables such as business size and sector to identify the needs and priorities of businesses in the area.
- 1.4. **This report should also be read in conjunction with the full SEMLEP report, which contains more region-wide data and insights.**

Aims and Objectives

- 1.5. The survey's overarching aim was to identify the economic challenges and opportunities facing businesses in the area to inform and shape the economic strategy and development activities of SEMLEP and the local authorities.
- 1.6. Specific issues covered by the survey are:
 - Quality of the local area as a business location
 - Business support
 - Business performance
 - Employment, skills and training
 - Innovation
 - Reducing carbon and targeting net-zero

¹ Bedford, Central Bedfordshire, Luton, Milton Keynes, North Northamptonshire and West Northamptonshire.

² Source ONS (accessed 26/05/2021)

- Inclusivity and social value
- SEMLEP and its activities, and priorities for future regional economic development

Approach to the research

- 1.7. A total of 1,882 interviews were carried out via CATI (computer assisted telephone interviewing) over a six-week period across October and November 2023. Interviews took an average of 25-30 minutes to complete and were conducted with business decision makers.
- 1.8. Milton Keynes Council was one of four local authorities who commissioned extra interviews (50) to boost the reliability of their results, from a standard 250 interviews to 300 interviews.
- 1.9. Surveys were completed at the establishment level, that is to say, every site of a business was sampled separately and had a chance of being included, and responses given related to the situation at that site only. This ensured the information collected reflects the local picture.
- 1.10. The questionnaire was based on that used in the 2021 survey, with a few changes to reflect updated priorities and challenges of the area. The council also included some questions specific to the area.
- 1.11. Quota sampling was used to ensure a representative split of businesses by size and sector. Quotas were set in proportion to the SEMLEP and local business population statistics, sourced from the Office of National Statistics³. Quotas were achieved to within 2-3 percentage points of the original target, weighting was then applied to ensure the final data was fully representative of the business population across SEMLEP.

A note on this report

- 1.12. With 1,882 respondents, the SEMLEP wide survey provides for statistically reliable data. At this number of respondents, the sample error or accuracy of the survey results is +/-2.3% at a 95% confidence level, for a finding of 50%⁴. This means that we can be 95% confident that the “real” result for any given question would be within 2.3 percentage points of those stated within the survey findings. There were 300 interviews completed in Milton Keynes, which gives a confidence interval of approximately +/- 5.6% at the 95% level, for a finding of 50%. In crude terms, this means that differences of at least 7.5 percentage points between SEMLEP and Milton Keynes results are statistically significant. Likewise, differences of approximately over 10 percentage points are required for there to be statistically significant differences over time. The report only comments on differences where they are statistically significant and/or where they tell an important or clear story.
- 1.13. Throughout this report, the ‘weighted’ base or number of respondents is quoted (i.e. once the data has been ‘re-weighted’ to bring it into line with the relative business demography of each Local Authority area in SEMLEP) as opposed to the actual number of interviews conducted.

³ ONS UK Business Activity - Size and Location 2022.

⁴ Sampling error exists because even when surveying as robustly as has been the case with this survey, only a proportion of the business population has been interviewed. Sampling error, therefore, is the measure of accuracy between the survey results and those that would have been obtained if all businesses in the area had been surveyed, i.e. a census conducted.

Section 2: Quality of the Local Area for Business

Key Findings:

- Above four-fifths of businesses in Milton Keynes rated their local area positively as a place to do business. This was in line with 2021, and higher than the SEMLEP average.
- Businesses were most positive about the infrastructure (including walking/cycling routes, the road network and ease of transporting freight), the availability of local services and the access to nature to support health and wellbeing.
- Businesses were less positive about the availability of affordable housing, with just a quarter giving it a positive rating.
- 8% of businesses were looking at relocating their business, and the majority of these were looking to relocate within Milton Keynes. Businesses with 1-4 staff were the ones considering relocation.

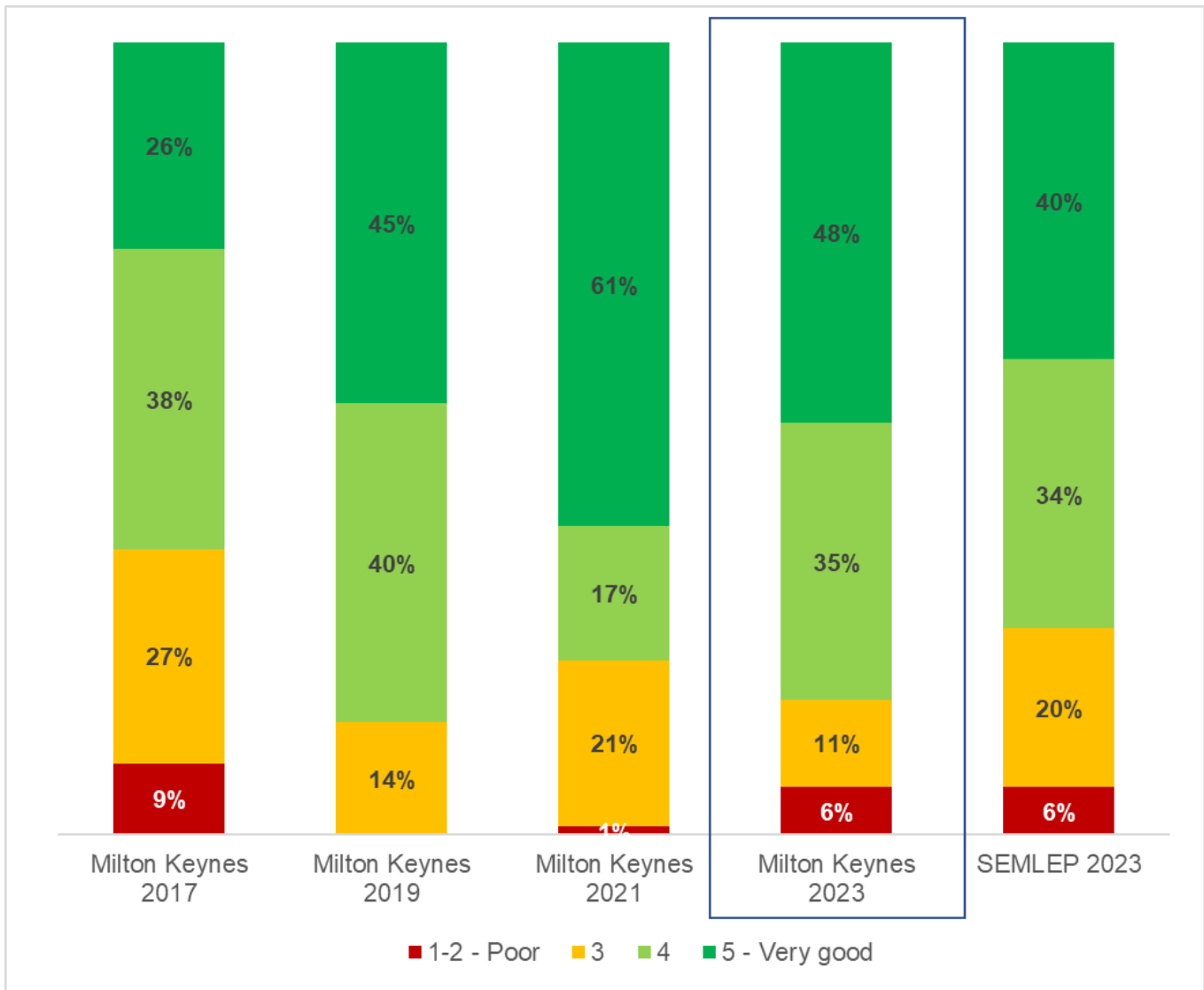
Introduction

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

The area as a place to do business

2.2. Overall, above four-fifths of businesses (83%) rated their local area as a good area to do business in, giving it a score of 4 or 5 out of 5. This is slightly higher than the 78% seen in 2021, and higher than the figure seen across SEMLEP as a whole (74%).

Figure 2.1: Rating of the local area as a place to do business vs. SEMLEP



Number of respondents: SEMLEP 2023 1,890; Milton Keynes 2023 303; Milton Keynes 2021 320; Milton Keynes 2019 251; Milton Keynes 2017 251. Excludes 'don't know' responses. These represent the weighted base, which is the case for all data in this report.

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

Ratings of key aspects of the area

2.3. Businesses rated their local area from a business perspective, on the availability of or quality of 22 different aspects. These can be grouped into four broad topics as follows:

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

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

Ratings of business and labour market conditions

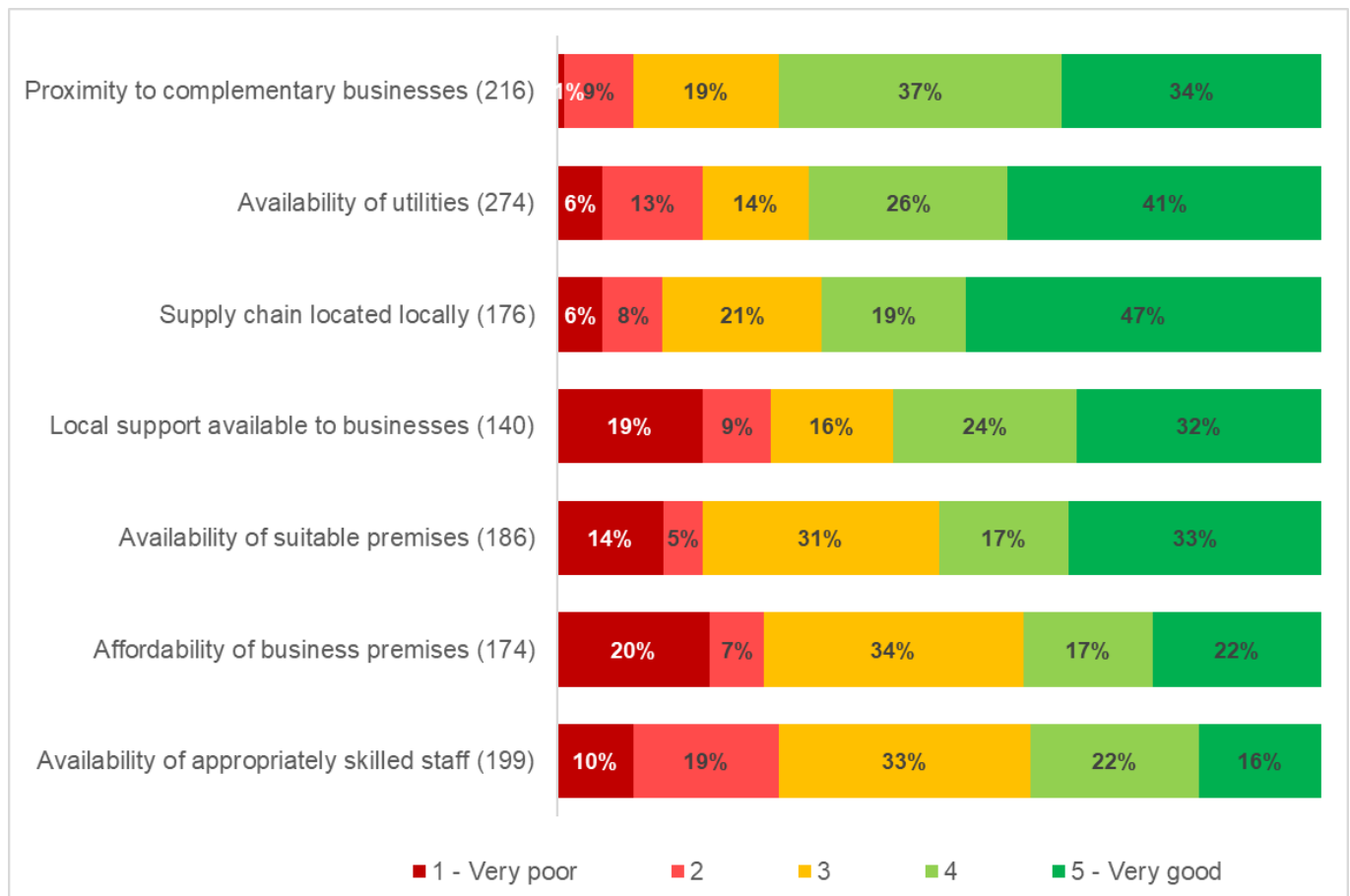
2.5. Ratings were, on the whole, more positive than negative for aspects relating to the business and labour market conditions in the local area.

2.6. Businesses were overall happy with their proximity to complementary businesses, with this aspect scoring highest among Milton Keynes businesses (71% rated this as good). Views were also positive on the availability of utilities in the area (67%). Businesses with 5-9 staff were less likely to rate this positively and rural businesses were less likely than urban ones to rate this as very good.

2.7. Businesses were also generally positive about the supply chain located locally (66% good) and the local support available to businesses (56% good). Half of businesses rated the availability of suitable premises as good (50%).

2.8. Businesses were less positive about the affordability of business premises (39% good) and the availability of appropriately skilled staff (38% good and 29% poor). Rural businesses were more likely to rate the affordability of business premises negatively and businesses with 5-9 staff were less likely to rate the availability of appropriately skilled staff positively.

Figure 2.2: Ratings of aspects of business and labour market conditions in local area

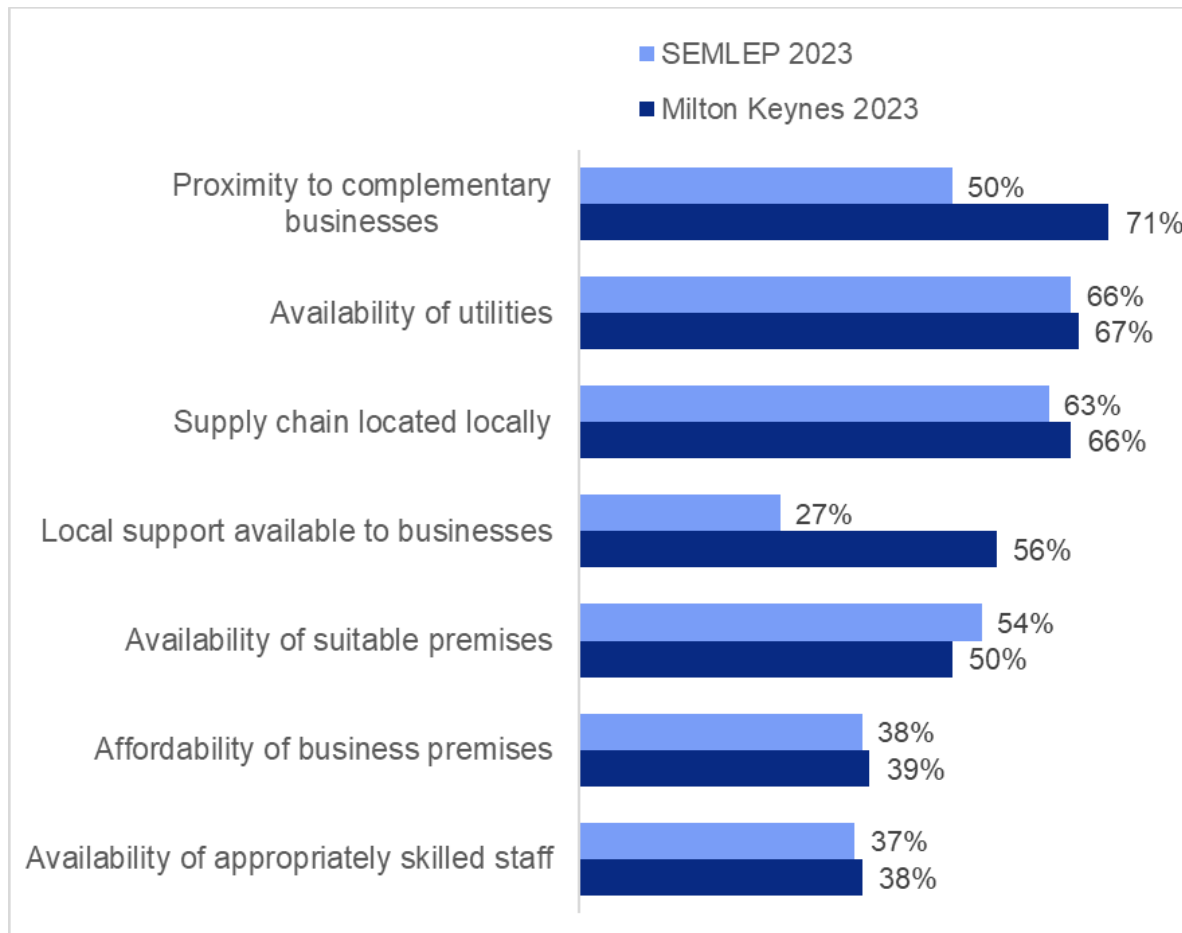


Numbers in brackets are the number of responses to each question (excludes “don’t know” responses).

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

2.9. Ratings given by businesses in Milton Keynes for aspects of business and labour market conditions were in line with ratings given by businesses across SEMLEP as a whole, although Milton Keynes businesses were more likely to give higher ratings for the local support available to businesses and the proximity to complementary businesses than businesses across SEMLEP as a whole.

Figure 2.3: Proportion of businesses giving a rating of 4 or 5 out of 5 for aspects of business and labour market conditions in local area vs. SEMLEP

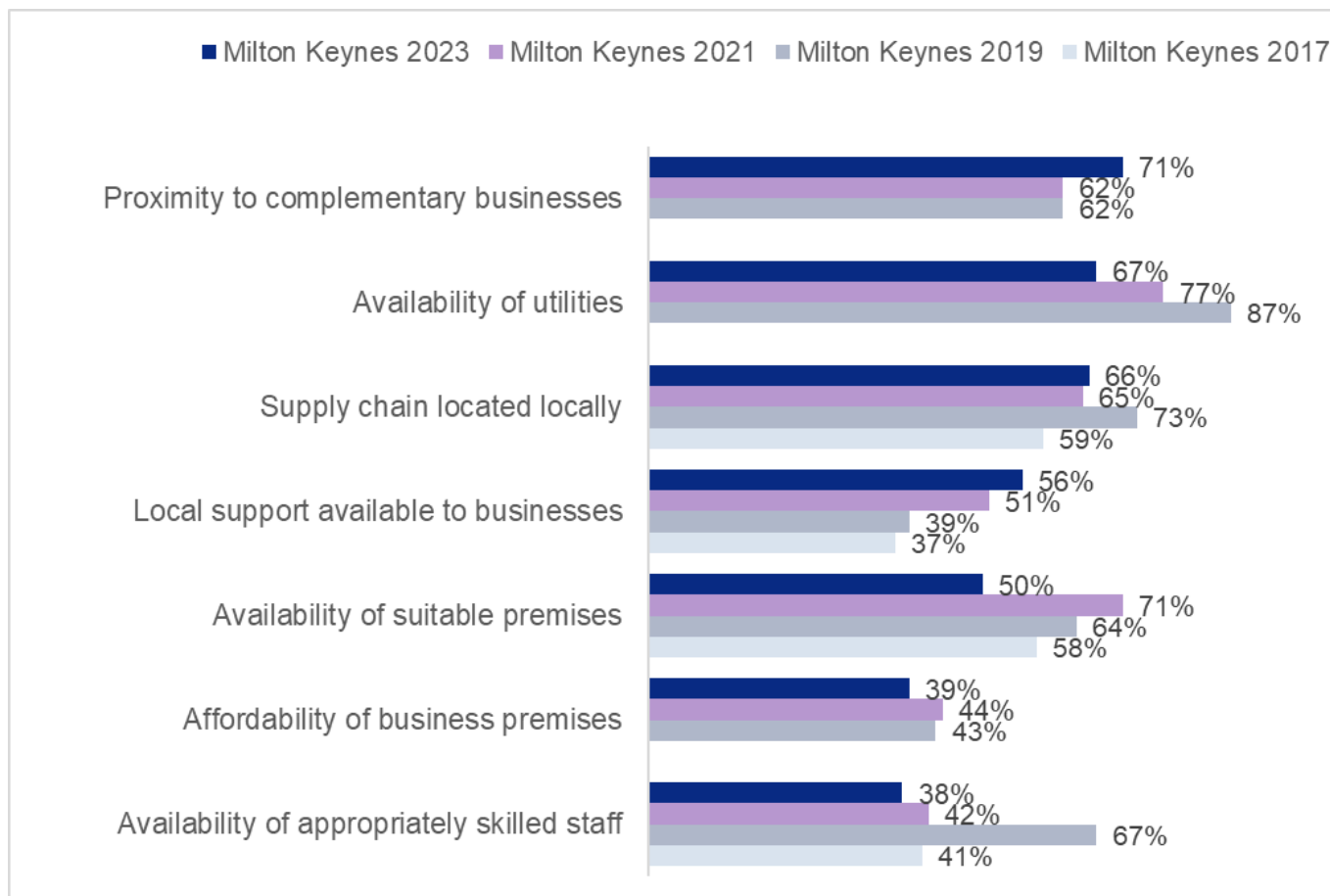


Number of respondents: SEMLEP 1,671, Milton Keynes 274 (excludes “don’t know” responses).

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

2.10. Comparing the 2023 data with previous years shows that there has been a decrease in the proportion of businesses giving positive ratings for the availability of suitable premises (50%, down from 71% in 2021). Ratings given by businesses in Milton Keynes in 2023 for the availability of utilities were also lower than ratings given by businesses in 2021, which were in turn lower than in 2019, although businesses were more likely to give higher ratings for the proximity to complementary businesses in 2023.

Figure 2.4: Proportion of businesses giving a rating of 4 or 5 out of 5 for aspects of business and labour market conditions in local area: time series



Number of respondents: Milton Keynes 2023 274, Milton Keynes 2021 332, Milton Keynes 2019 251, Milton Keynes 2017 251 (excludes “don’t know” responses).

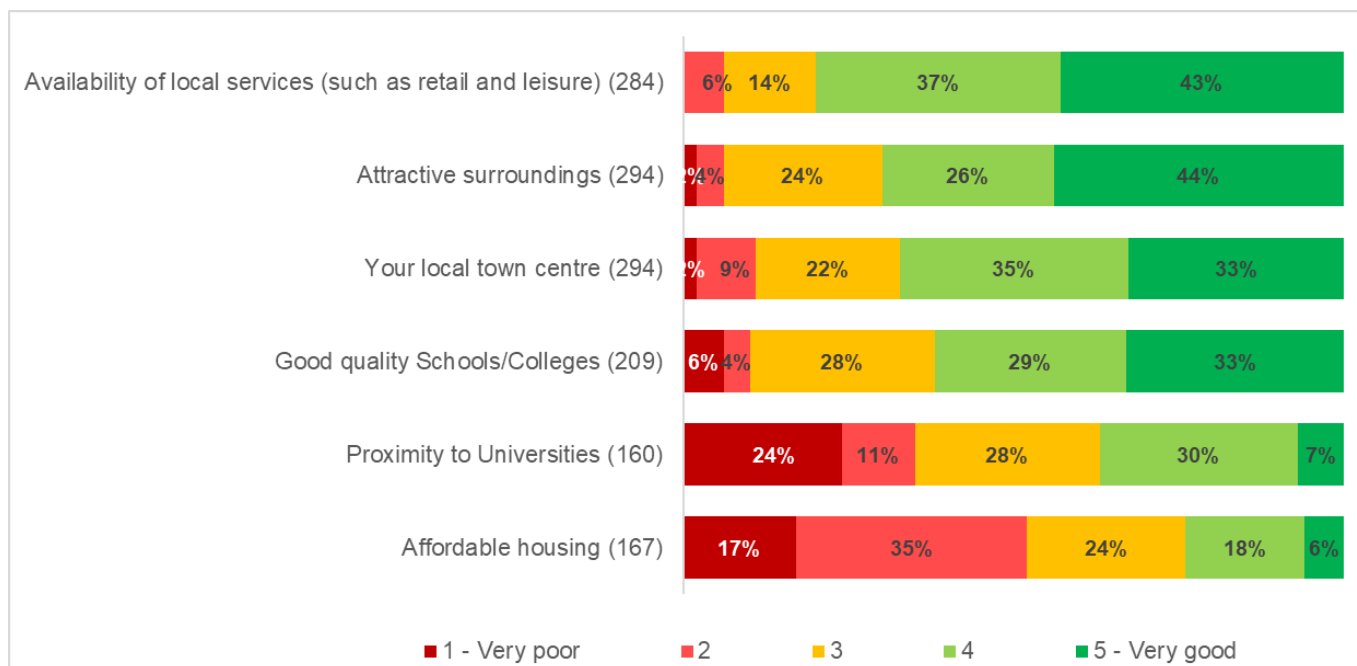
Question asked: How do you rate the availability of, or quality of, the following aspects of your location from a business perspective?

No comparative data prior to 2019 available for “Availability of utilities”, “Proximity to complementary businesses” or “Affordability of business premises”.

Ratings of the area as a place to live and work

- 2.11. Setting up business in an area that is an attractive place to live and work is potentially helpful in attracting the best staff and for bringing customers to an area.
- 2.12. The area was rated very highly by businesses as an area to live and work, with availability of local services (80% rated this as good), attractive surroundings (70%), the local town centre (68%) and good quality schools and colleges (62%) aspects. Businesses with 5-9 staff were less likely however to give a positive rating for the availability of local services, with 48% giving a positive rating, and larger businesses were less likely to give attractive surroundings a rating of 5 out of 5 (“very good”), with 31% and 16% of businesses with 5-9 and 10 or more staff doing so respectively. Rural businesses were also less likely to give the availability of local services a rating of 5 out of 5 (“very good”), with 18% doing so. However, they were more likely to give a positive rating for the attractive surroundings, with 97% giving a positive rating.
- 2.13. While businesses gave lower ratings for the proximity to universities (35% rated this as poor compared with 37% saying it was good) and the availability of affordable housing in the area (52% of businesses rated this as poor compared to 24% saying it was good).

Figure 2.5: Ratings of aspects of the local area as a place to live and work

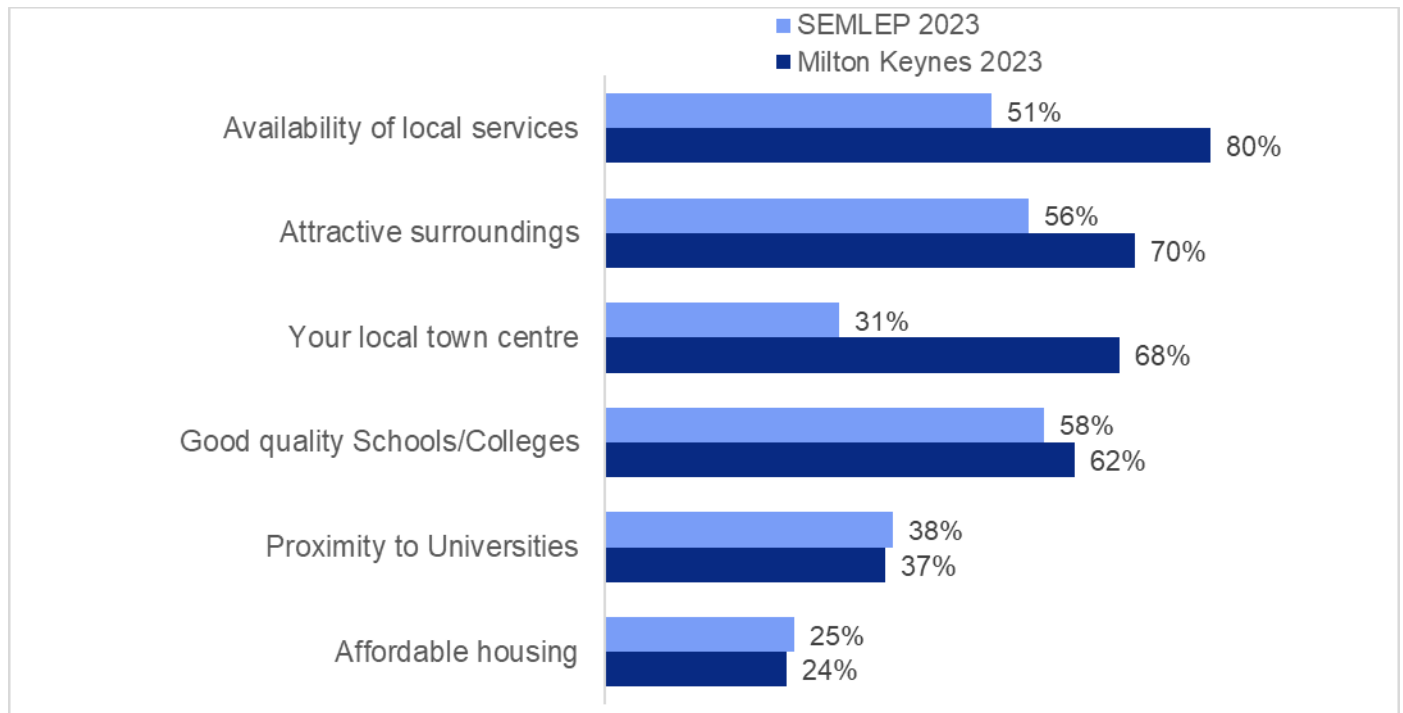


Numbers in brackets are the number of responses to each question (excludes “don’t know” responses).

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

2.14. Businesses in Milton Keynes generally rated the aspects of the local area as a place to live and work overall more positively than businesses across SEMLEP as a whole, especially for the local town centre (68% compared to 31% across SEMLEP), the availability of local services (80% compared to 51% across SEMLEP) and attractive surroundings (70% compared to 56% across SEMLEP) and attractive surroundings (70% compared to 56% across SEMLEP).

Figure 2.6: Proportion of businesses giving a rating of 4 or 5 out of 5 for aspects of the local area as a place to live and work vs. SEMLEP

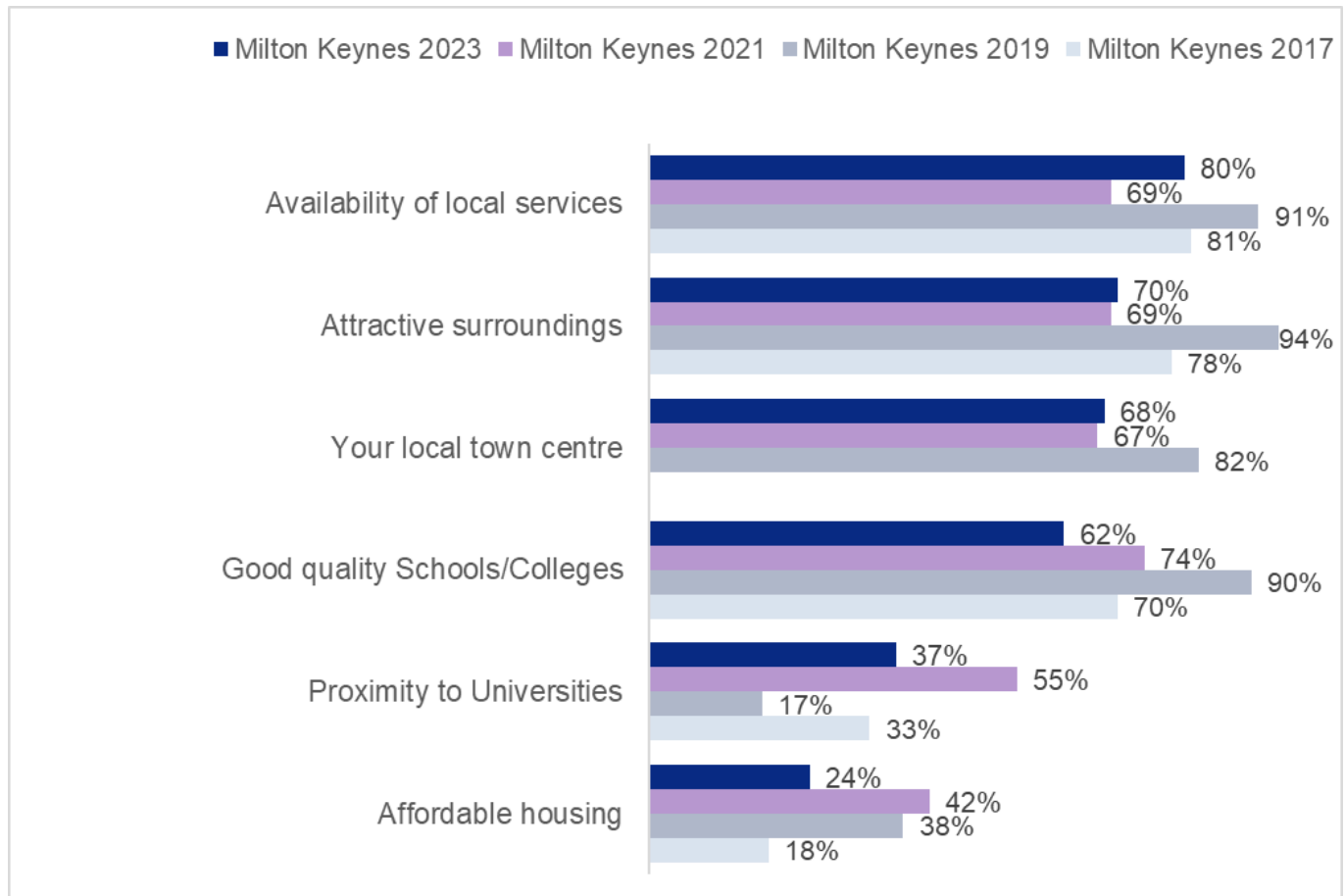


Number of respondents: SEMLEP 1,780, Milton Keynes 294 (excludes “don’t know” responses).

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

2.15. The ratings for aspects of the local area as a place to live and work have mostly declined in Milton Keynes as compared to 2021, in particular the ratings of the proximity to universities, the affordability of housing and good quality schools/colleges. The rating for good quality schools/colleges is the lowest rating since 2017. There has, however, been an increase in the proportion giving a positive rating for the availability of local services, from 69% in 2021 to 80% in 2023.

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



Number of respondents: Milton Keynes 2023 294, Milton Keynes 2021 328, Milton Keynes 2019 250, Milton Keynes 2017 251 (excludes “don’t know” responses).

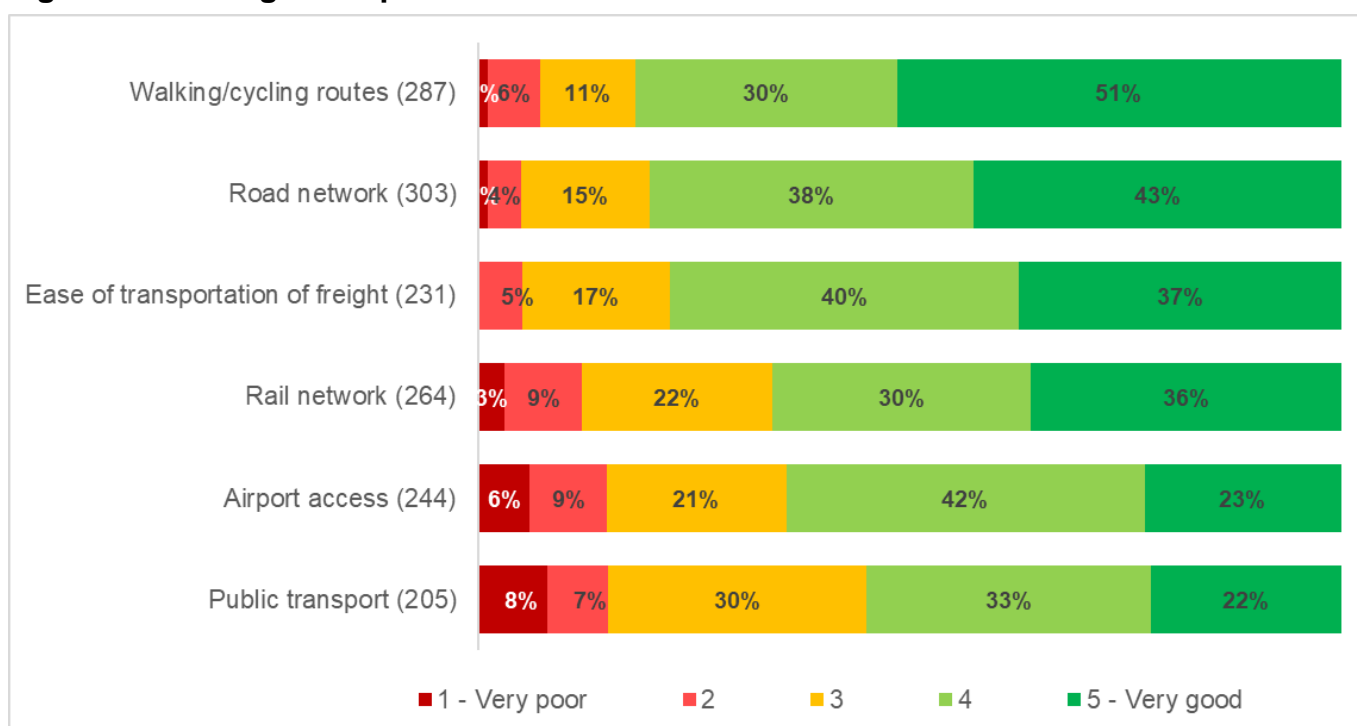
Question asked: How do you rate the availability of, or quality of, the following aspects of your location from a business perspective?

No comparative data prior to 2019 available for “your local town centre”.

Ratings of the local infrastructure

- 2.16. Infrastructure is important to businesses in terms of staff travel and the movement of goods and products both in and out of the company.
- 2.17. Ratings of the local infrastructure were generally positive. Businesses were very positive about the walking and cycling routes and the road network, with 81% saying each of these was “good”. Businesses with 5-9 staff were less likely to give a rating of five out of five (“very good”) to the walking and cycling routes, with 15% doing so. Whereas, rural businesses were more likely to give a rating of five out of five (“very good”) to the road network (78%). Businesses were also positive about the ease of transportation of freight.
- 2.18. The rail network and access to airport were also well-rated, with 66% and 65% respectively rating these positively. Rural businesses were less happy with the rail network – 23% of rural businesses rated it as “good”. Businesses with 5-9 staff were less likely to rate the airport access as good (39%).
- 2.19. Public transport got the fewest positive ratings of the infrastructure elements, with 55% rating this “good” and 15% rating it “poor”.

Figure 2.8: Ratings of aspects of the local infrastructure

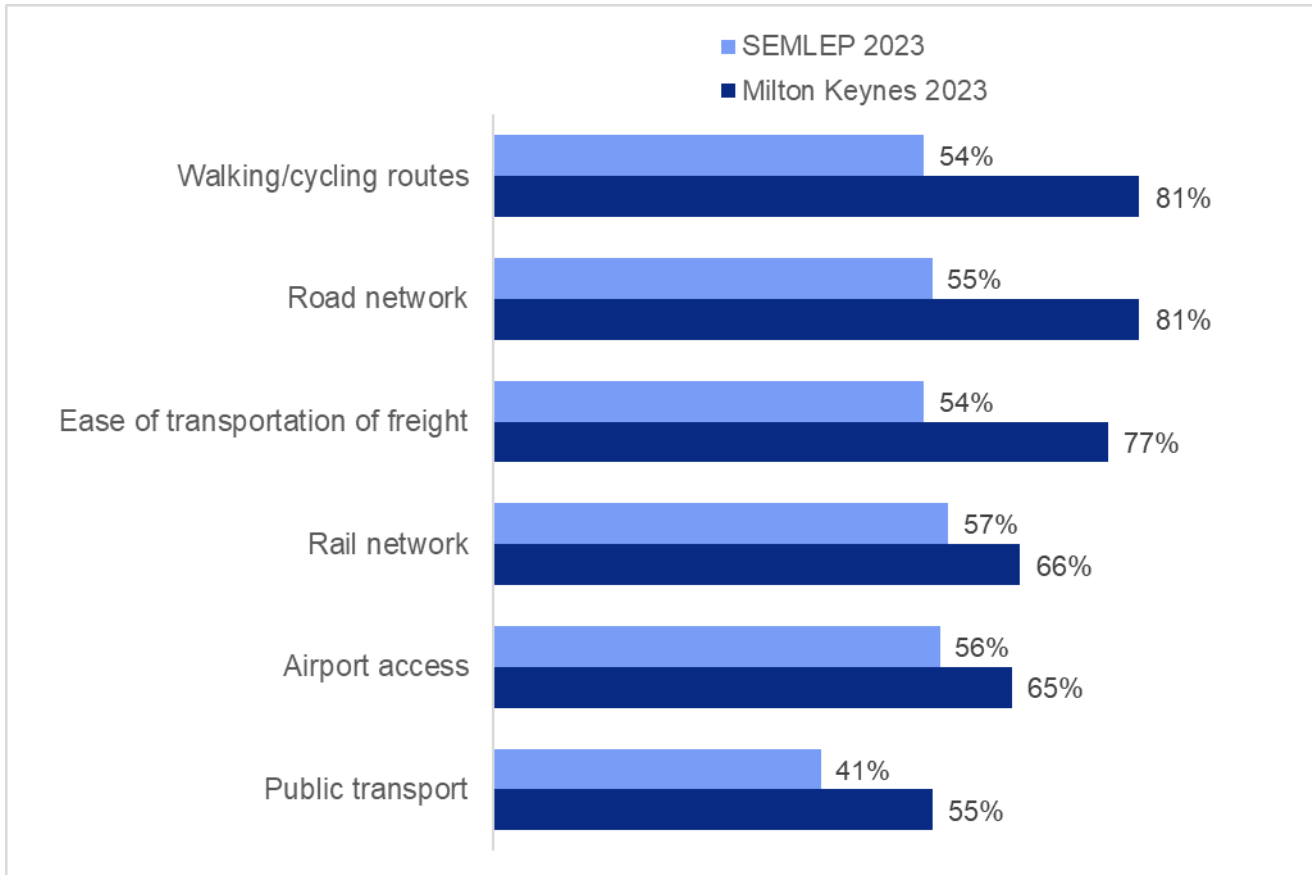


Numbers in brackets are the number of responses to each question (excludes “don’t know” responses).

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

2.20. Milton Keynes businesses were more likely to be positive about all infrastructure elements than SEMLEP as a whole.

Figure 2.9: Proportion of businesses giving a rating of 4 or 5 out of 5 for aspects of the local infrastructure vs. SEMLEP

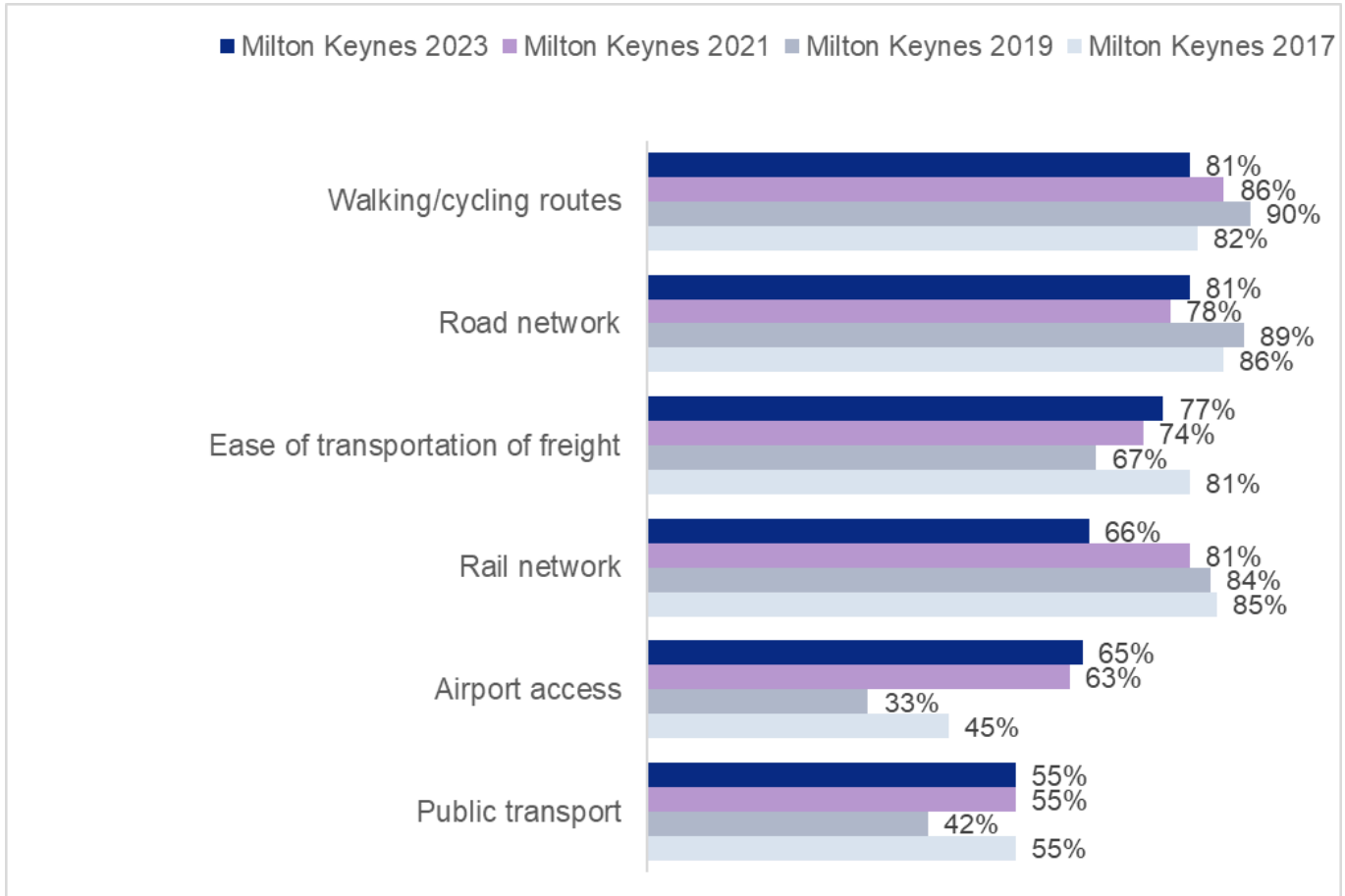


Number of respondents: SEMLEP 1,789, Milton Keynes 303 (excludes “don’t know” responses).

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

- 2.21. There has been a decline in ratings for the rail network in Milton Keynes compared to 2021 figures.
- 2.22. The proportion giving a positive rating has remained stable for the rest of the elements of infrastructure.

Figure 2.10: Proportion of businesses giving a rating of 4 or 5 out of 5 for aspects of the local infrastructure: time series



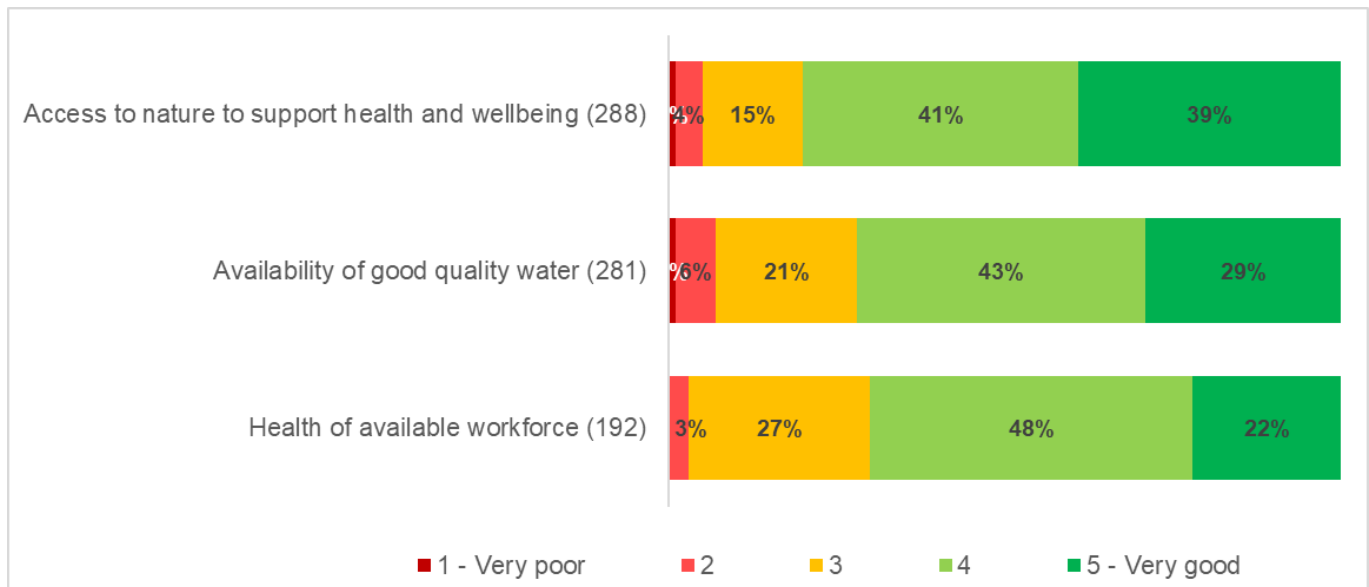
Number of respondents: Milton Keynes 2023 303, Milton Keynes 2021 324, Milton Keynes 2019 251, Milton Keynes 2017 251 (excludes “don’t know” responses).

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

Ratings of health and wellbeing

- 2.23. Ratings of the health and wellbeing in the area were generally positive. Businesses were very positive about the access to nature to support health and wellbeing, with 80% saying it was “good”. Businesses with 5-9 staff were less likely to give a rating of five out of five (“very good”) to the access to nature, with 23% doing so. Whereas, rural businesses were more likely to rate access to nature as good (100%).
- 2.24. Businesses were also positive about the availability of good quality water and health of available workforce. Businesses with 10 or more staff were more likely to give a rating of five out of five (“very good”) to the availability of good quality water (53%). Rural businesses were slightly less happy with the health of available workforce – 62% of rural businesses rated it as “good”.

Figure 2.11: Ratings of aspects of health and wellbeing

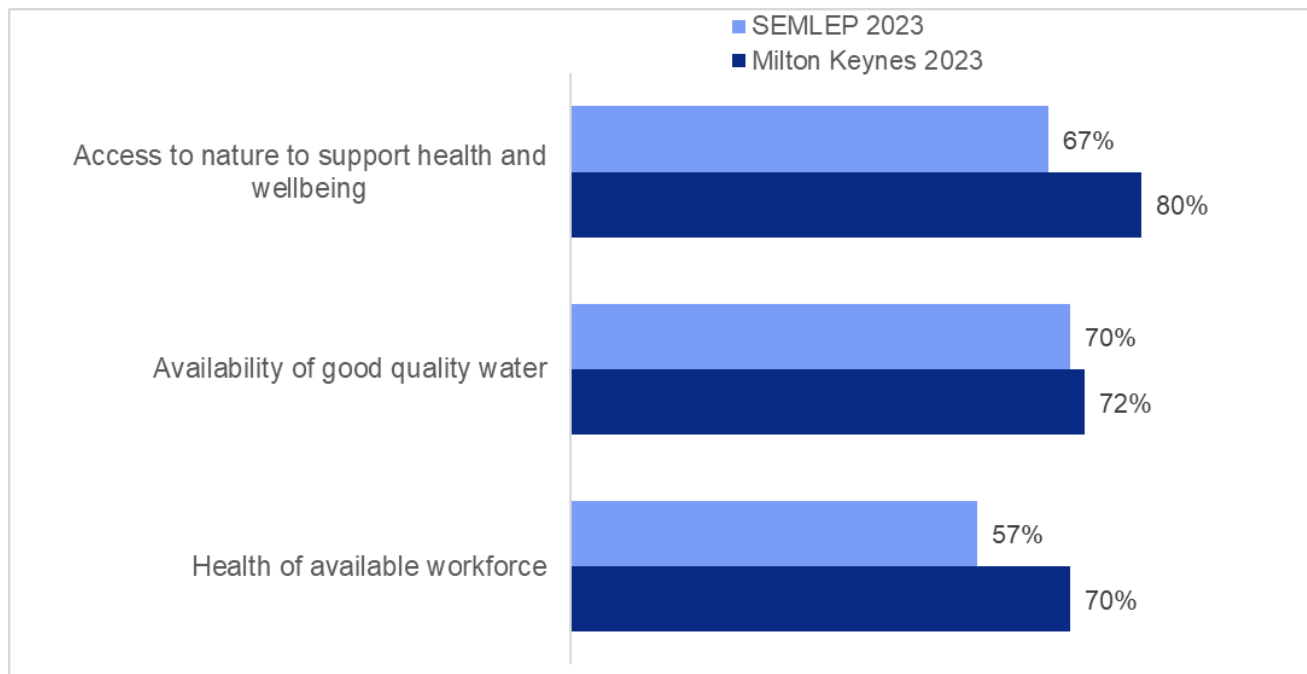


Numbers in brackets are the number of responses to each question (excludes “don’t know” responses).

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

2.25. Milton Keynes businesses generally rated the aspects of health and wellbeing in the area more positively than businesses across SEMLEP as a whole, especially for the access to nature to support health and wellbeing (80% compared to 67% across SEMLEP) and health of available workforce (70% compared to 57% across SEMLEP).

Figure 2.12: Proportion of businesses giving a rating of 4 or 5 out of 5 for aspects health and wellbeing vs. SEMLEP



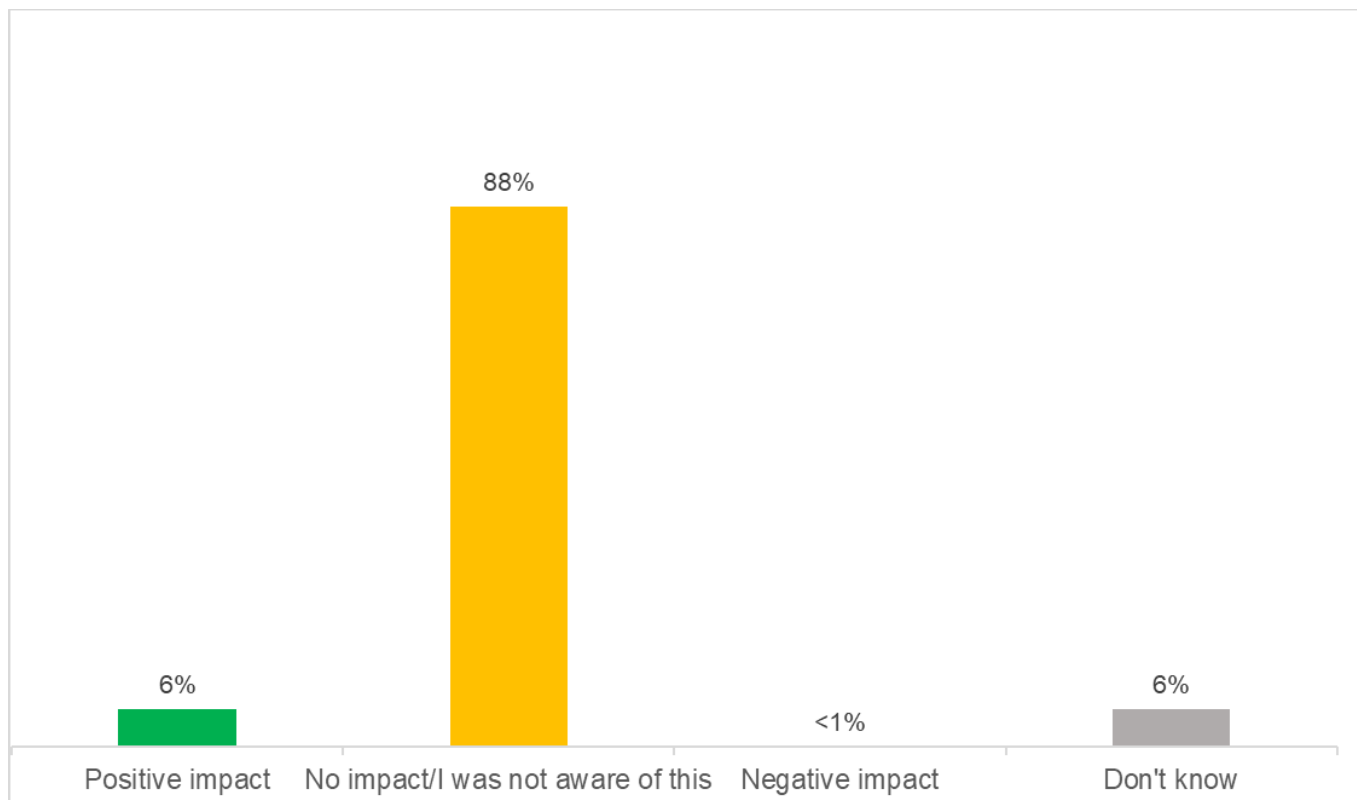
Number of respondents: SEMLEP 1,715, Milton Keynes 288 (excludes “don’t know” responses).

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

How city status has impacted businesses in Milton Keynes

2.26. Businesses were generally not impacted by Milton Keynes city status, with 75% saying they were not impacted and an additional 13% saying they were not aware of this and therefore were not impacted. 6% of businesses said this had a positive impact on their business.

Figure 2.13: How city status has impacted businesses



Number of respondents: 281.

Question asked: Milton Keynes received city status in May 2022 – how has this impacted on your business?

Potential for business relocation

- 2.27. Overall, 8% of businesses were thinking of relocating. Of these, 5% were looking to relocate within Milton Keynes, with 3% looking to relocate outside of Milton Keynes but within the SEMLEP area. This is slightly higher than the 4% who were looking to relocate in 2021, and broadly in line with the proportion seen across SEMLEP as a whole (6%).
- 2.28. Businesses with 1-4 staff were the ones considering relocation; 11% of those with 1-4 staff said this was the case.
- 2.29. Rural businesses were the ones considering relocation outside of Milton Keynes but within the SEMLEP area; 17% of rural businesses said they were thinking of relocating their business outside of Milton Keynes but within the SEMLEP area.
- 2.30. A variety of reasons were identified for wanting to relocate, including wanting larger premises, reducing costs and being closer to the town centre to attract greater footfall.
- 2.31. Of those businesses wanting to relocate, 73% said they required industrial premises, 59% office space, 34% warehousing/logistics, and 27% commercial/retail (please note low sample sizes as based on 24 respondents).
- 2.32. Some businesses seeking relocation cited high prices (11 businesses), lack of suitability in terms of location and/or size (10) and poor quality (3).

Section 3: Business Performance

Key Findings:

- Businesses in Milton Keynes were more likely to say performance over the past 12 months had improved (37%) than deteriorated (12%). This represents a more positive picture than across SEMLEP (although SEMLEP overall has experienced a similar trend) and an improvement in performance from 2021.
- Businesses were more likely to expect a stable performance for the coming year, with the proportion expecting to see a stability in their performance up from 37% in 2021 to 53% in 2023. This is similar to the pattern seen across SEMLEP as a whole, where more businesses expected a stable performance.
- The most commonly cited constraint on business growth was attracting or retaining customers, mentioned by just under a fifth of businesses (18%) – the general economic climate was the top mentioned constraint across SEMLEP overall.
- The top struggles reported by businesses as a result of the UK leaving the EU were problems importing, and general higher cost of doing business. These findings are broadly in line with SEMLEP overall.
- The types of support businesses would most like to see from the Council and other support organisations were more financial support and a decrease in business rates; the same was true across SEMLEP.

Introduction

- 3.1. This section looks at businesses' performance over the 12 months previous to the survey, and their projections for the following year. It also examines their growth, including constraints on growth, and support they require to assist future growth.
- 3.2. It also specifically covers the impact businesses have experienced from the UK's departure from the European Union.

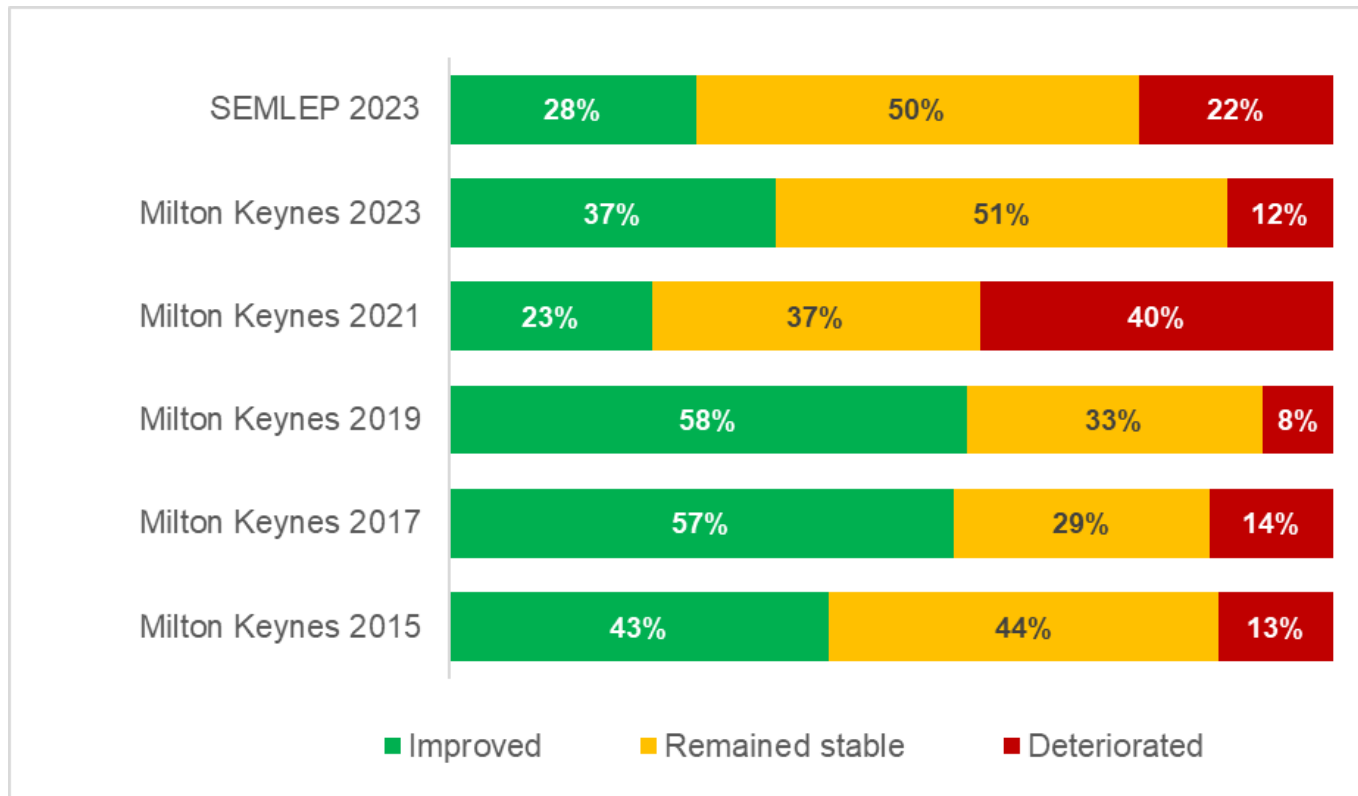
Past business performance

- 3.3. Business performance in Milton Keynes has much improved in the past 12 months compared with the responses given relating to the 12 months preceding the 2021 survey, with just under two-fifths (37%) of businesses reporting their performance has improved compared to just 12% saying it has deteriorated. This is also a more positive picture than is seen across SEMLEP as a whole, where 28% reported they had seen an improvement.
- 3.4. The proportion rating their business performance as improving had increased between the 2015 and the 2019 survey, and conversely the proportion saying performance had deteriorated was decreasing over the same period. And, the overall picture had been overall positive with more businesses reporting improvements than deterioration in performance.
- 3.5. This had been reversed in 2021 and more businesses reported a decline in performance than reported an improvement. Performance picked back up in 2023 and now more businesses report an improvement than report a decline. In 2021, 40% of businesses said their business performance had deteriorated over the previous 12 months (compared to just

12% in 2023) and 23% said it had improved (compared to 37% in 2023). See Figure 3.1.

- 3.6. SEMLEP has seen a lower improvement in performance, where the proportion of businesses reporting deterioration had declined from 34% in 2021 to 22% in 2023.
- 3.7. Rural businesses were more likely to say business performance had deteriorated; 40% of rural businesses reported a decline in performance.

Figure 3.1: Business performance over the previous 12 months: time series

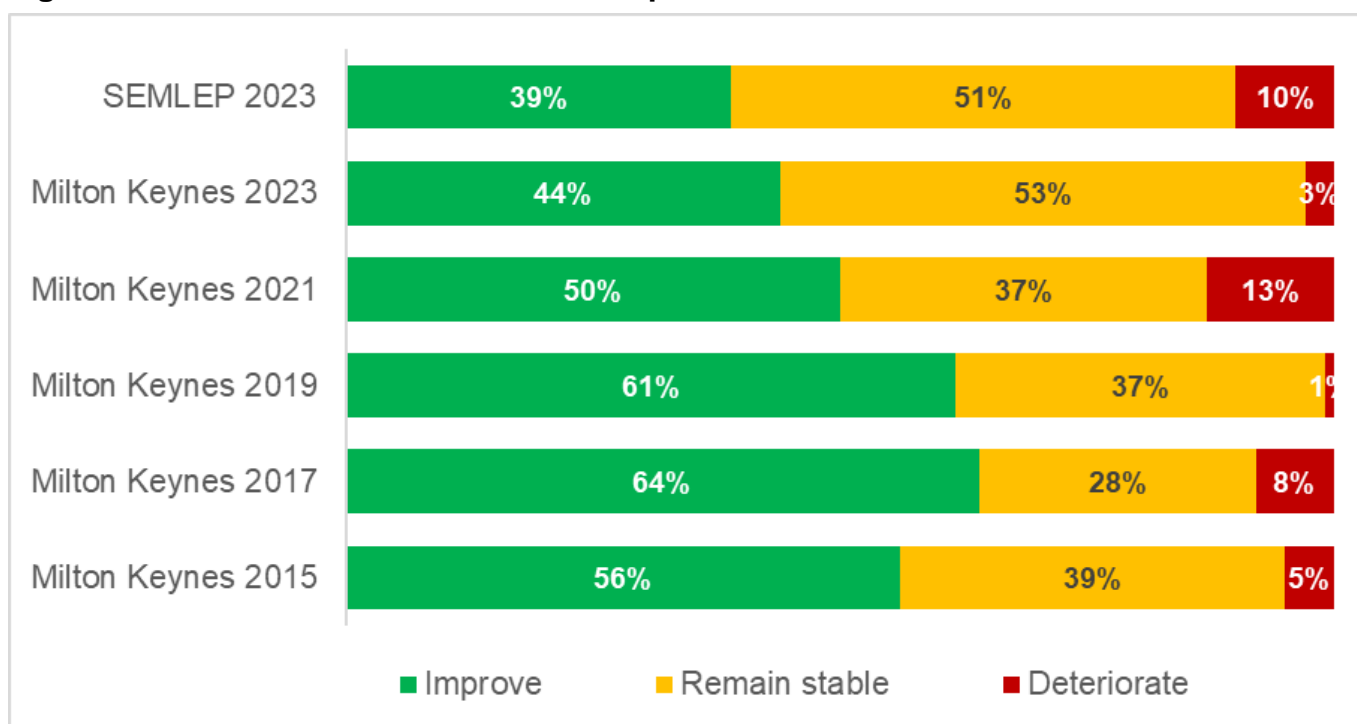


Number of respondents: SEMLEP 2023 1,902; Milton Keynes 2023 304, 2021 340, 2019 230, 2017 251, 2015 1,428.
Question asked: Would you say that overall, your business performance in the past 12 months has improved, remained stable or deteriorated?

Future business performance

- 3.8. The proportion of businesses expecting performance to remain stable over the coming year has increased across Milton Keynes, similar to the pattern seen across SEMLEP as a whole. Overall, 53% of businesses said they expected their performance to remain stable over the next 12 months, compared to 37% in 2021. 44% expected an improvement and just 3% expected a deterioration.
- 3.9. A similar upward trend in stable performance has been seen across SEMLEP, where the proportion expecting to remain stable had increased from 45% to 51%.
- 3.10. Larger businesses were more confident in their outlook. 71% of businesses with 5-9 staff and 65% of businesses with 10 or more staff expected performance to improve in the coming 12 months, compared to just 34% of the smallest businesses (1-4 staff).

Figure 3.2: Predictions of future business performance: time series



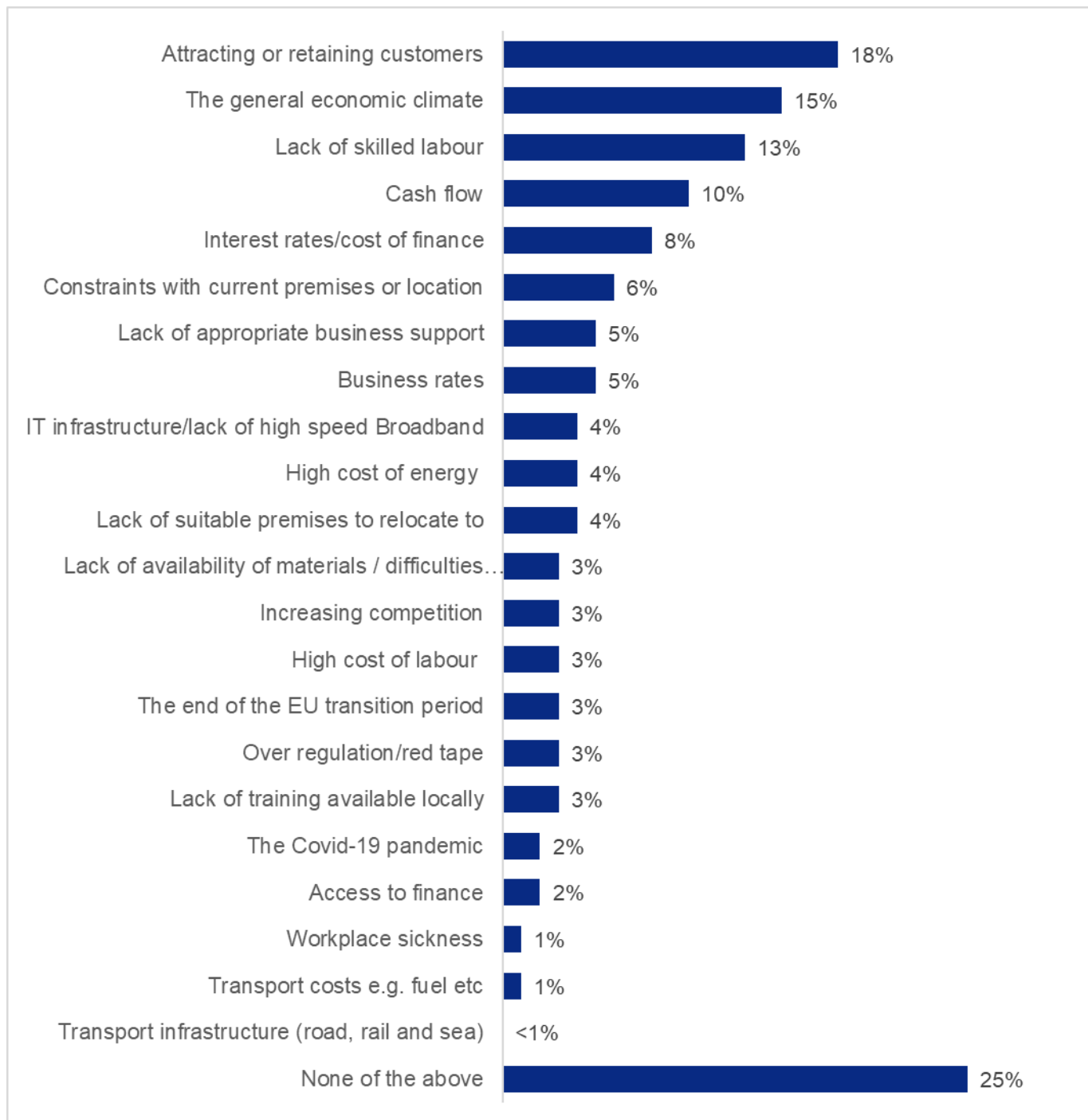
Number of respondents: SEMLEP 2023 1,888; Milton Keynes 2023 304, 2021 340, 2019 236, 2017 251, 2015 1,428.
Question asked: Over the next 12 months, do you expect your business performance to generally improve, remain stable or deteriorate?

Constraints on business growth

- 3.11. Overall, 74% of businesses were able to name at least one external factor that was proving a constraint on business growth.
- 3.12. Rural businesses were more likely to name at least one factor that was proving a constraint on business growth.
- 3.13. The most commonly reported constraint on business growth in the Milton Keynes area was attracting or retaining customers, with 18% citing this factor. This is higher than in 2021 (when it was mentioned by 5%). It was either the first or second most commonly mentioned factor by all sizes of business.
- 3.14. The general economic climate was the second most commonly mentioned issue at 15% (this is the top mentioned constraint across SEMLEP, cited by 18% of businesses).

- 3.15. In 2019, the most commonly cited constraint on growth was also attracting or retaining customers, at 23%. While, in 2021, the most commonly cited constraint had become the Covid-19 pandemic, at 19%. This has come to pass since the last survey, the Covid-19 pandemic was only mentioned as a constraint to growth by 2% in the 2023 survey.
- 3.16. A lack of skilled labour was mentioned by 13%. Larger businesses were more likely to cite a lack of skilled labour as a constraint on growth, with 22% of businesses with 5-9 staff and 28% of businesses with 10 or more staff doing so.

Figure 3.3: Constraints on business growth



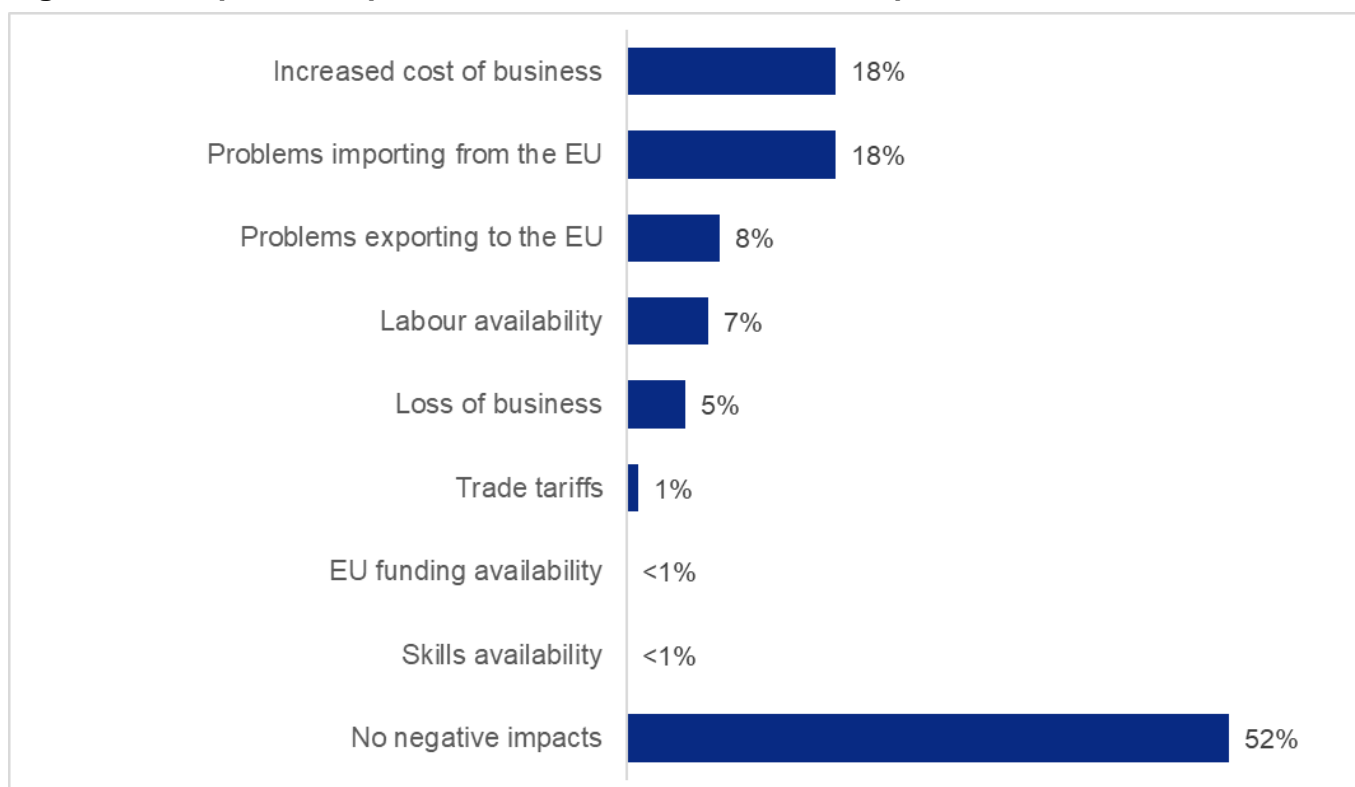
Number of respondents: 303.

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

Leaving the European Union

- 3.17. The UK formally left the European Union on 31st January 2020, and entered into a transition period that ended 31st December, 2020. The survey was carried out in the context of the UK having been independent of the EU for almost 3 years.
- 3.18. Problems importing from the EU and the increased cost of business were the most common negative impacts for businesses in the EU exit, with 18% saying each was a key issue for them. These were also the most common impacts in 2021. Increased cost of business was particularly felt by rural businesses (39%), whereas they were less likely to mention problems importing from the EU (3%).
- 3.19. Just under a tenth (8%) mentioned problems exporting to the EU.
- 3.20. These views were broadly similar to those seen across SEMLEP as a whole.

Figure 3.4: Expected impact of the UK's exit from the European Union



Number of respondents: 306.

Question asked: What have been the main negative impacts, if any, you have seen on your business of the UK leaving the EU and its impact on your business?

Respondents could select more than one answer.

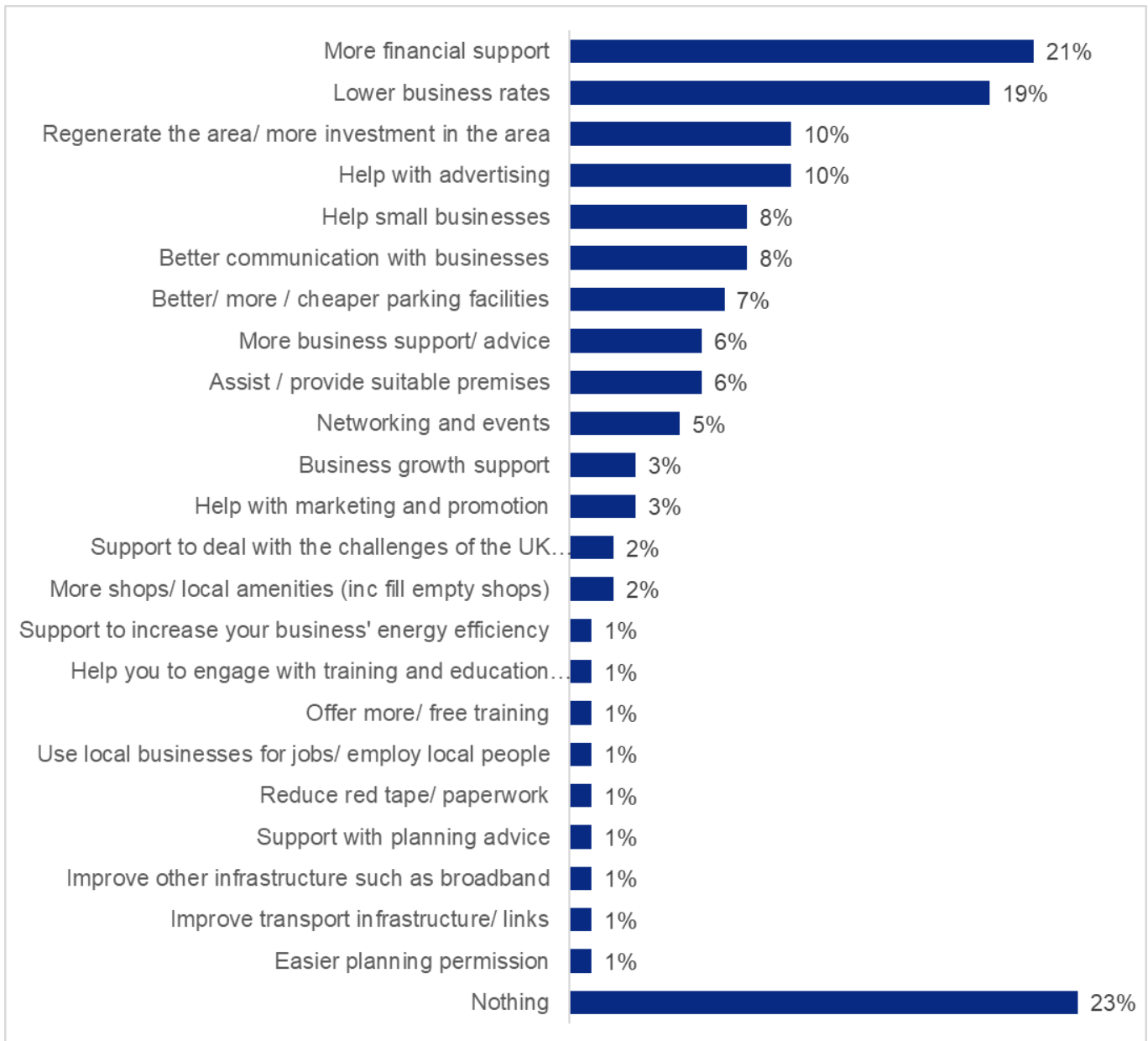
Home Working

- 3.21. One change businesses had had to deal with in the Covid-19 period since March 2020 is the requirement that all staff work from home if possible. Businesses were asked whether, over the next 12 months they expected the proportion of the staff working from home to increase, decrease or stay the same.
- 3.22. Of those that employ staff, 84% said they expected levels of home working to be the same over the next year (82% in 2021), 4% expected home working to decrease (6% 2021), none said it would increase (12% 2021) and 8% said they did not know.

Support to assist growth

- 3.23. Businesses were asked to choose the three most important things the council and other support organisations could do to help them grow their business. Suggestions were wide-ranging and can be seen in Figure 3.5.
- 3.24. More financial support generally came out on top; the same was true across the SEMLEP region as a whole. In 2021, lower business rates was the most commonly mentioned by businesses.
- 3.25. Lower business rates was the second most common factor (19%). Businesses with 5-9 staff were more likely to be looking for reductions in business rates.
- 3.26. The third most commonly mentioned were more investment/regeneration in the local area and help with advertising.

Figure 3.5: Support businesses would like to see from Council and other support organisations to help business grow



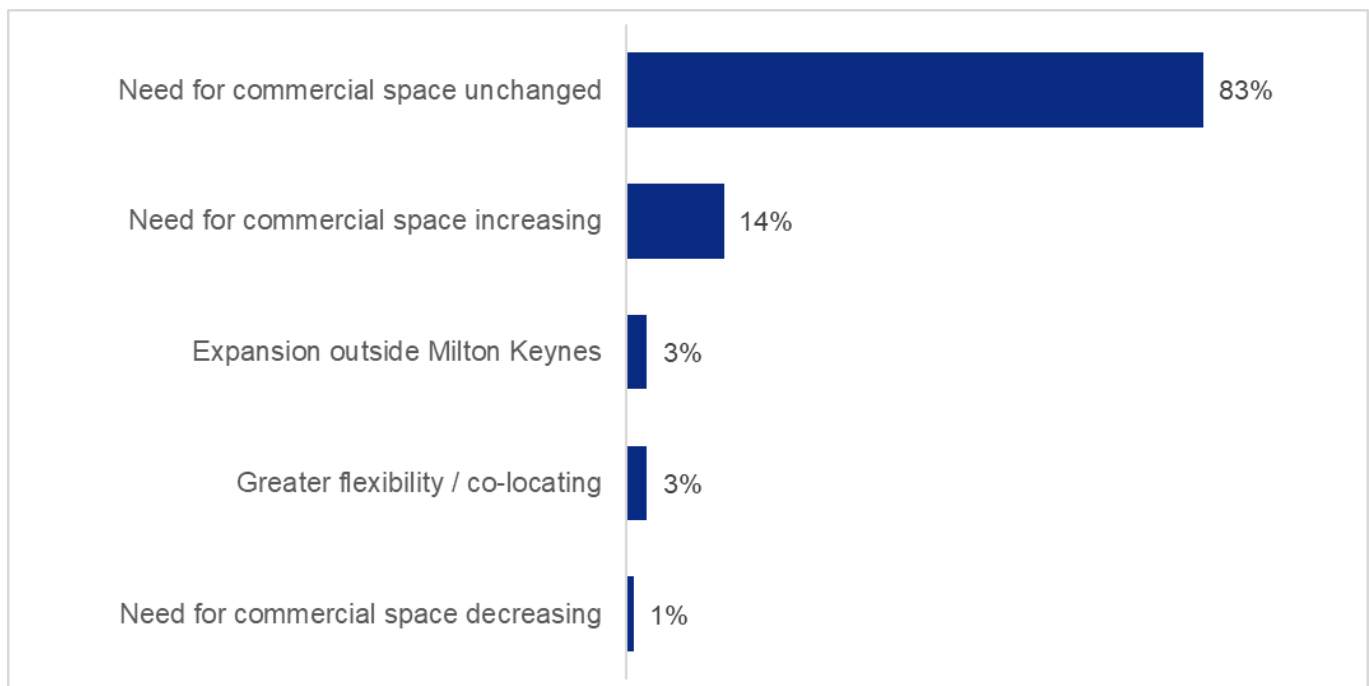
Number of respondents: 303.

Question asked: What are the 3 most important things your local Council and other support organisations should do to help you grow your business?

Expected need for commercial space

- 3.27. Businesses in Milton Keynes were asked how they see their need for commercial space changing over the next 18 months.
- 3.28. Above four-fifths of businesses (83%) saw their need for commercial space unchanging over the next 18 months (higher than the 75% seen in 2021). This was less common among businesses with 5-9 staff, with 70% of businesses with 5-9 staff saying they expected their need for commercial space unchanged compared to 85% and 89% of businesses with 1-4 staff and 10 or more staff respectively.
- 3.29. 14% of businesses expected an increase in their need for commercial space. This was more common among rural businesses.

Figure 3.6: How businesses see the need for commercial space changing over the next 18 months



Number of respondents: 284.

Question asked: How do you see your need for Commercial space changing over the next 18 months?

Section 4: Employment, Skills and Training

Key Findings:

- Four-in-ten businesses (42%) had at least one vacancy in the 12 months preceding the survey, this was higher than the SEMLEP average.
- Under half of businesses with vacancies (46%) had found at least one of these vacancies hard to fill. This was lower than across SEMLEP (56%). This 46% equates to 19% of all businesses, which is in line with the proportion seen in 2021 (16%).
- Just under a half of businesses with vacancies (48%) reported difficulties finding one or more skills among applicants for their roles. Poor quality applicants in general and a low quantity of applications received were most commonly to blame.
- Most businesses report their current staff to be well skilled for the job, with only 12% that could list at least one skill that was lacking among their current staff (a “skills gap”).
- 12% of businesses said they have apprentice(s) currently; this is in line with 2021 and in line with the SEMLEP-wide figure.
- Around three-in-ten businesses (28%) had offered at least one type of work experience placement. This was slightly lower than 2021 (33%) and in line with the SEMLEP area average (29%). Businesses who did not offer work experience most commonly attributed this to a lack of time (27%), suggesting if they had more time, they may be open to it.
- Above two-fifths of businesses (44%) said that health and wellbeing was not a priority.

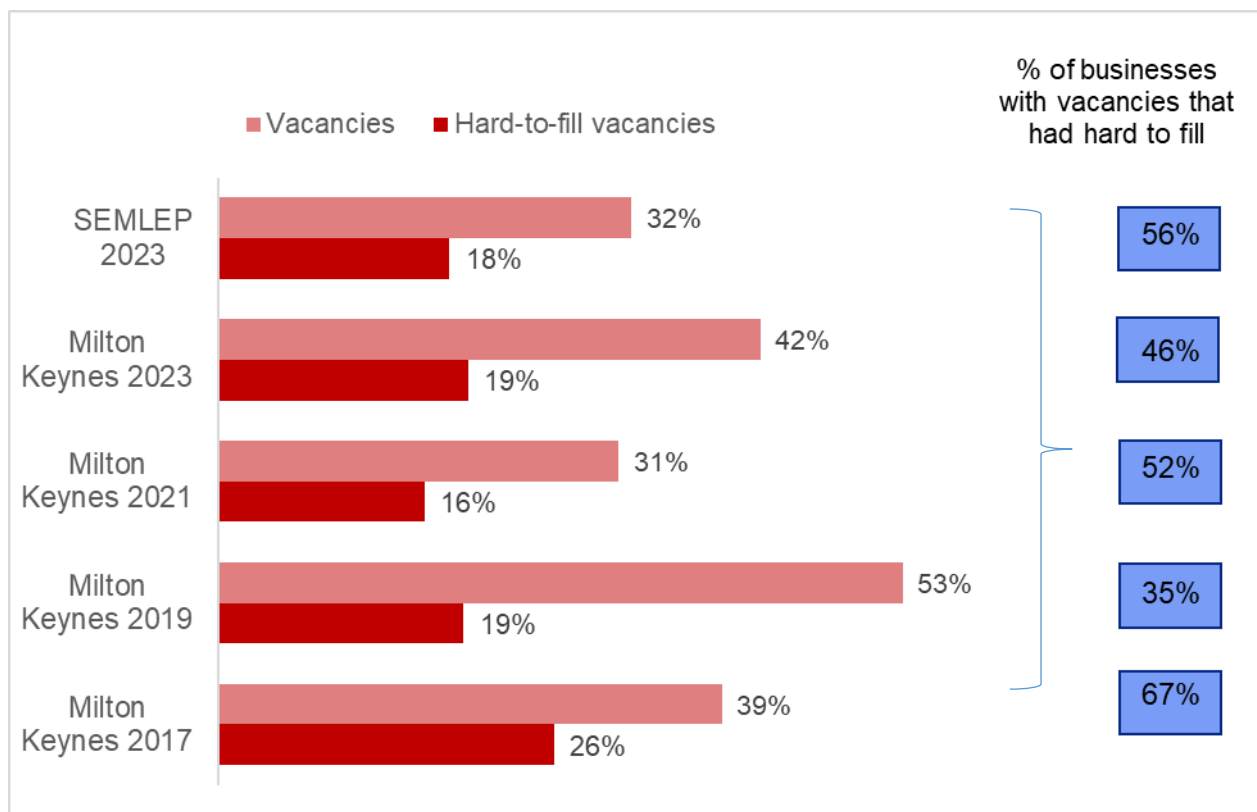
Introduction

- 4.1. This section of the report looks at businesses’ experiences of issues surrounding their people. It looks at recruitment and recruitment difficulties including skills shortages in the labour market, skill shortages within their existing workforce and the actions taken by businesses to increase skills. It also looks at the businesses’ health and wealth priorities, the provision of apprenticeships and the provision of work experience placements.

Vacancies and recruitment difficulties

- 4.2. Four-in-ten (42%) businesses in Milton Keynes reported having had at least one vacancy in the 12 months preceding the survey. This is higher than the SEMLEP area average (32%), and higher than the figure seen in 2021 (31%), which was lower than 2019. In 2015 the question asked was whether they had *recruited*, which is not directly comparable as it implies a vacancy successfully filled.
- 4.3. Vacancies were unsurprisingly more common among businesses with larger workforces, ranging from 26% of businesses with 1-4 staff, to 94% of businesses with over 9 staff.
- 4.4. Under half of businesses that had vacancies (46%) reported that they had found at least one of these vacancies hard to fill. This is lower than the SEMLEP average (56%). This equates to 19% of all businesses, which is in line with the proportion seen in 2021 (16%).

Figure 4.1: Businesses with vacancies and hard-to-fill vacancies in the past year



Number of respondents: SEMLEP 2023 1,897; Milton Keynes 2023 299, 2021 336, 2019 251, 2017 251, 2015 1,428.

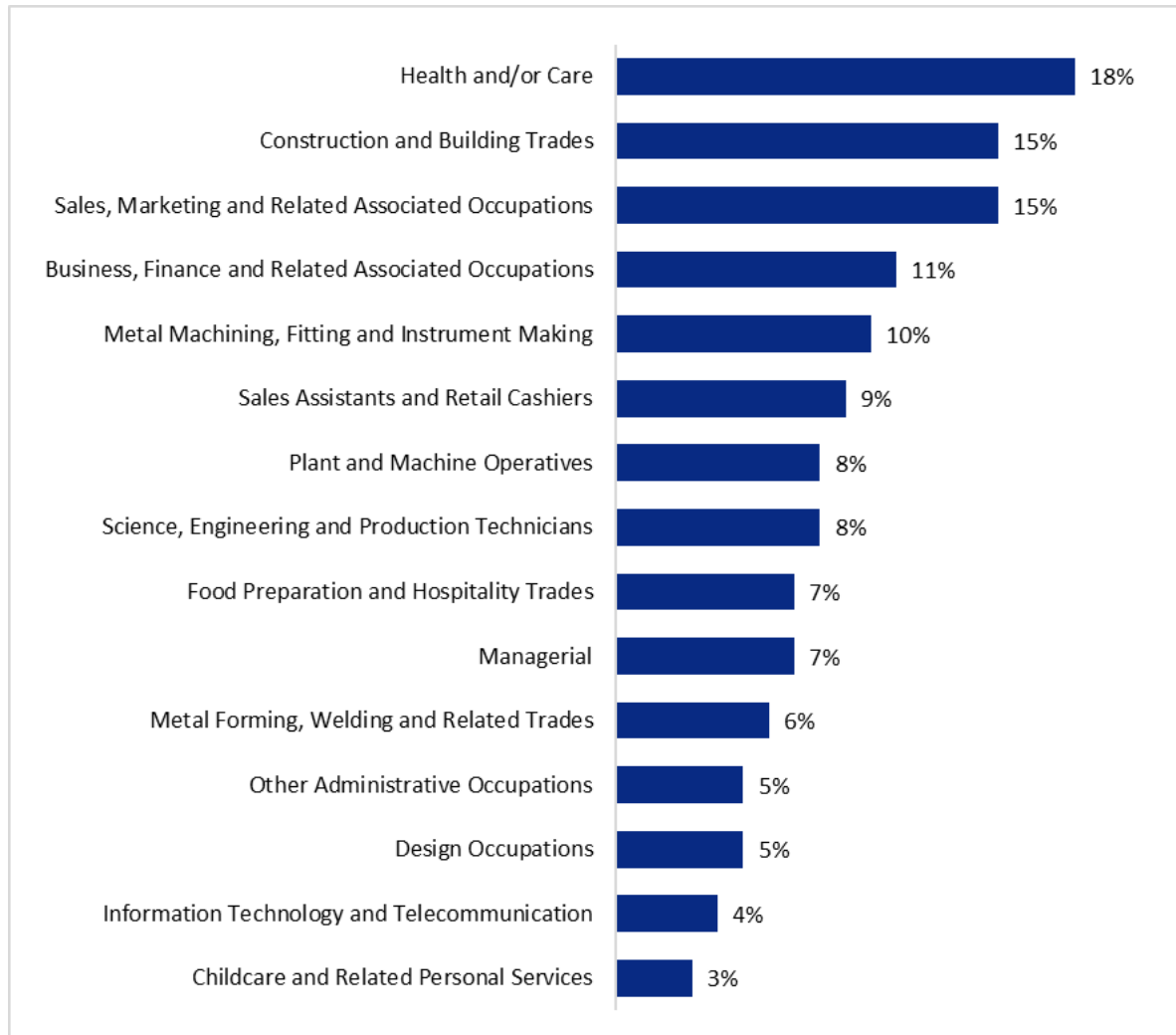
Questions asked: Have you had any vacancies in the last 12 months? Have you had any vacancies in the last 12 months that you have found hard to fill?

Note: no directly comparable data is available from 2015 for the proportion of businesses with vacancies.

- 4.5. Use of agencies to try to fill vacancies has decreased considerably since 2021, down from 54% to 25%, however remains the channel most commonly used by businesses to fill their vacancies, alongside free websites. The increase in the use of agencies in 2021 could have been due to increased difficulties in recruitment, limitations on meeting candidates for interviews and assessment during lockdown back then or for some other reason.
- 4.6. Paid websites and the use of social media (other than LinkedIn) came in as the second most commonly used recruitment channels (22%). Paid websites have also decreased since 2021.

- 4.7. A list of occupations businesses had trouble filling vacancies for is shown in Figure 4.2. Health and care occupations were most common, with around a fifth of businesses experiencing hard-to-fill vacancies reporting trouble filling one of these roles.
- 4.8. In 2021, plant and machine operatives were most commonly mentioned (although note low sample sizes meaning large differences are required for them to be statistically significant).

Figure 4.2: Occupations businesses have had trouble recruiting

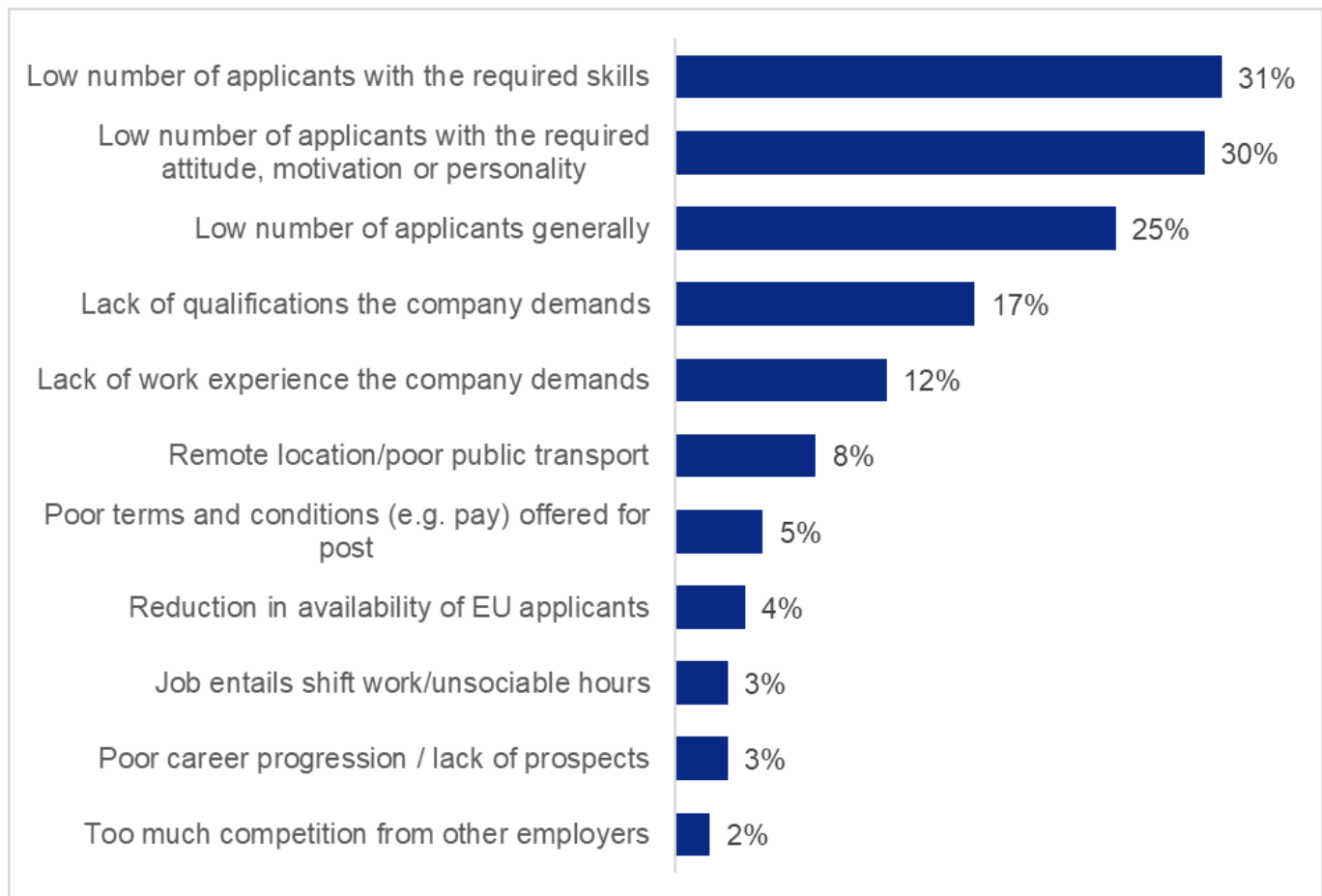


Number of respondents: 57 (only asked to businesses with hard-to-fill vacancies).

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

- 4.9. Employers were asked the reasons they believed they had found vacancies hard to fill. The most common reason given was a low number of applicants with the required skills (31%). This was also the most common reason seen across the SEMLEP region as a whole (45%), and the most common reason given in 2021.
- 4.10. Three-in-ten mentioned a low number of applicants with the required attitude, compared with 32% citing this reason SEMLEP-wide.
- 4.11. A low number of applicants generally, a lack of qualifications demanded and a lack of work experience were also commonly mentioned.
- 4.12. Location of the role and poor transport links was mentioned by 8%.

Figure 4.3: Reasons for having hard-to-fill vacancies



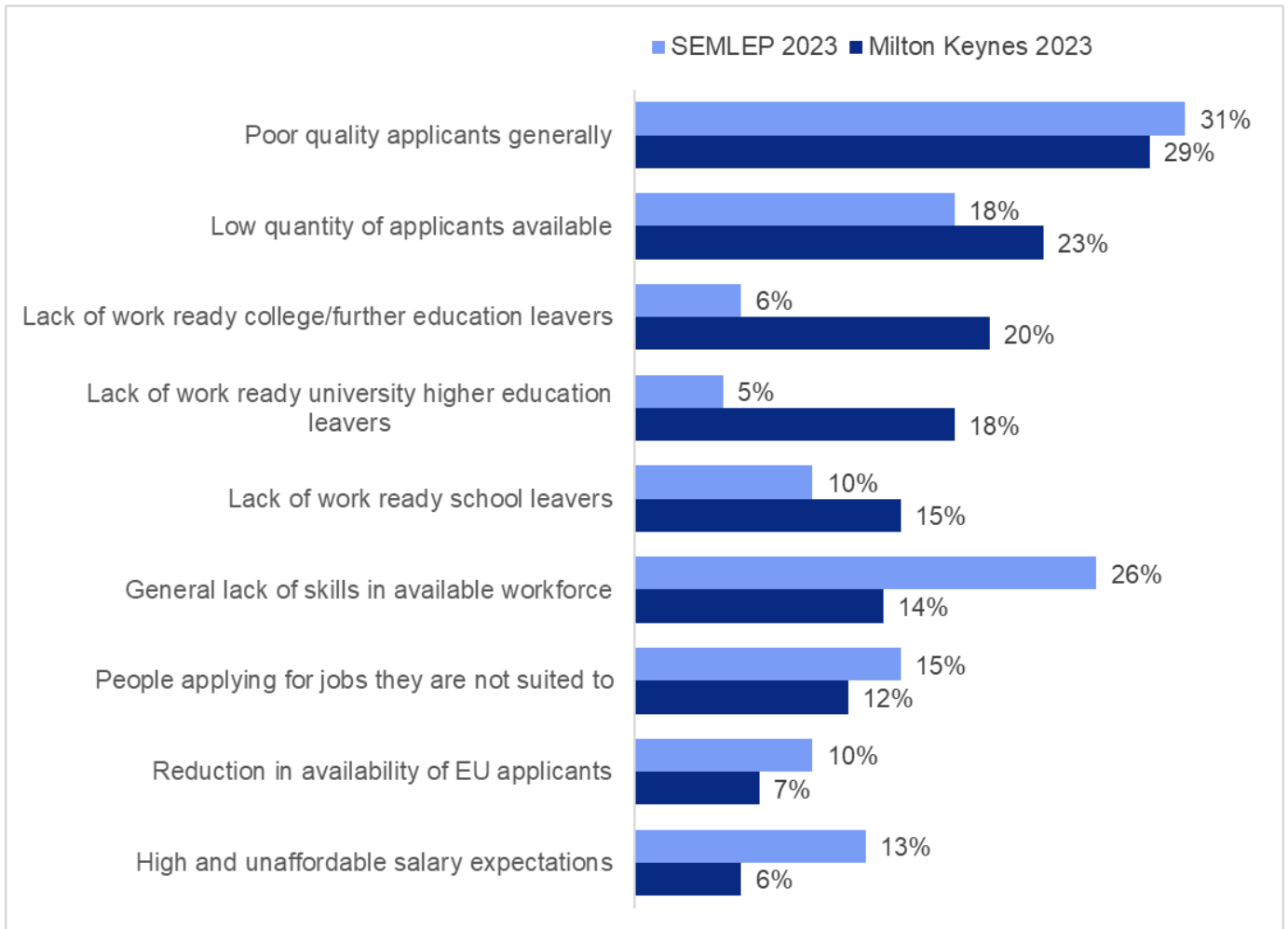
Number of respondents: 57 (only asked to businesses with hard-to-fill vacancies).

Question asked: What have been the main causes of having hard to fill vacancies?

Skills shortages

- 4.13. Just under a half of businesses with vacancies (48%) reported difficulties finding one or more skills among applicants. This equates to 20% of all employers and is comparable to the figure of 43% on 2021, which was higher than 2019 (mainly due to a high level of vacancies identified in 2019).
- 4.14. The proportion with vacancies who had trouble recruiting certain skills was comparable in Milton Keynes to across SEMLEP as a whole, where just under half (49%) had experienced difficulties (equating to 16% of all businesses).
- 4.15. The skills businesses struggled to recruit for were commonly technical or practical skills (12%) and job-specific skills (12%). General employability skills were also commonly reported (9%). Other skills mentioned by 1% or more included: digital (4%), numeracy (3%), customer service skills (3%), literacy (2%), managerial (2%), communication (2%), sales and marketing (2%) and English skills (2%).
- 4.16. Employers most commonly said they believe the main reasons they have found these skills difficult to obtain is the poor quality applicants in general (29%) and the low quantity of applications received (23%). Poor quality of applicants generally also ranked on top across SEMLEP as a whole, followed by a general lack of skills in the available workforce.
- 4.17. A fifth blame a lack of work ready college or further education leavers. The proportion giving this reason in Milton Keynes was higher than across SEMLEP.

Figure 4.4: Reasons for finding skills hard to find in the workforce vs. SEMLEP

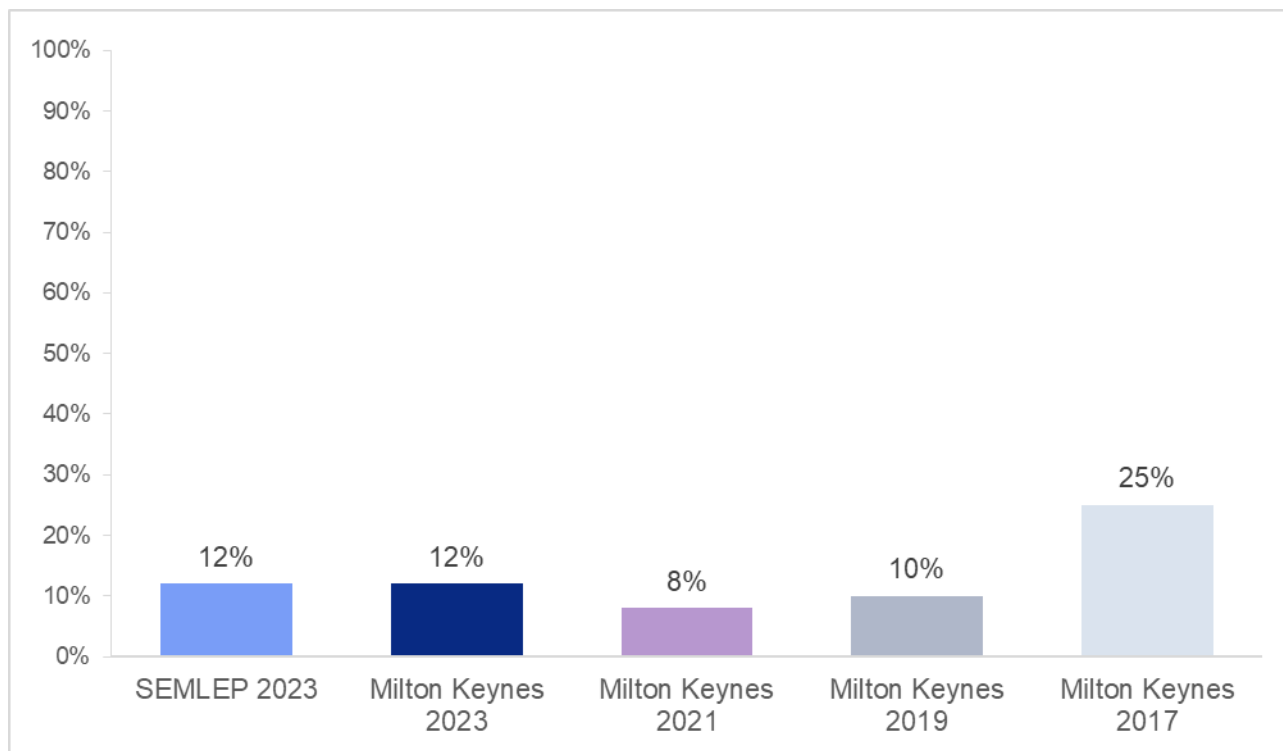


Number of respondents: SEMLEP 297, Milton Keynes 59 (only asked to businesses who had found any skills difficult to obtain in applicants). Question asked: Why have you found these skills difficult to obtain?

Skills gaps in existing workforce

- 4.18. Skills gaps occur where current staff do not have the skills to adequately carry out their job role. Employers were asked whether they had any skills gaps in their existing workforce, and in which areas.
- 4.19. Around a tenth of business (12%) listed at least one skill they felt their staff were lacking. This is in line with the figure seen in 2021 (8%) and in line with the SEMLEP average (12%).

Figure 4.5: Incidence of skills gaps

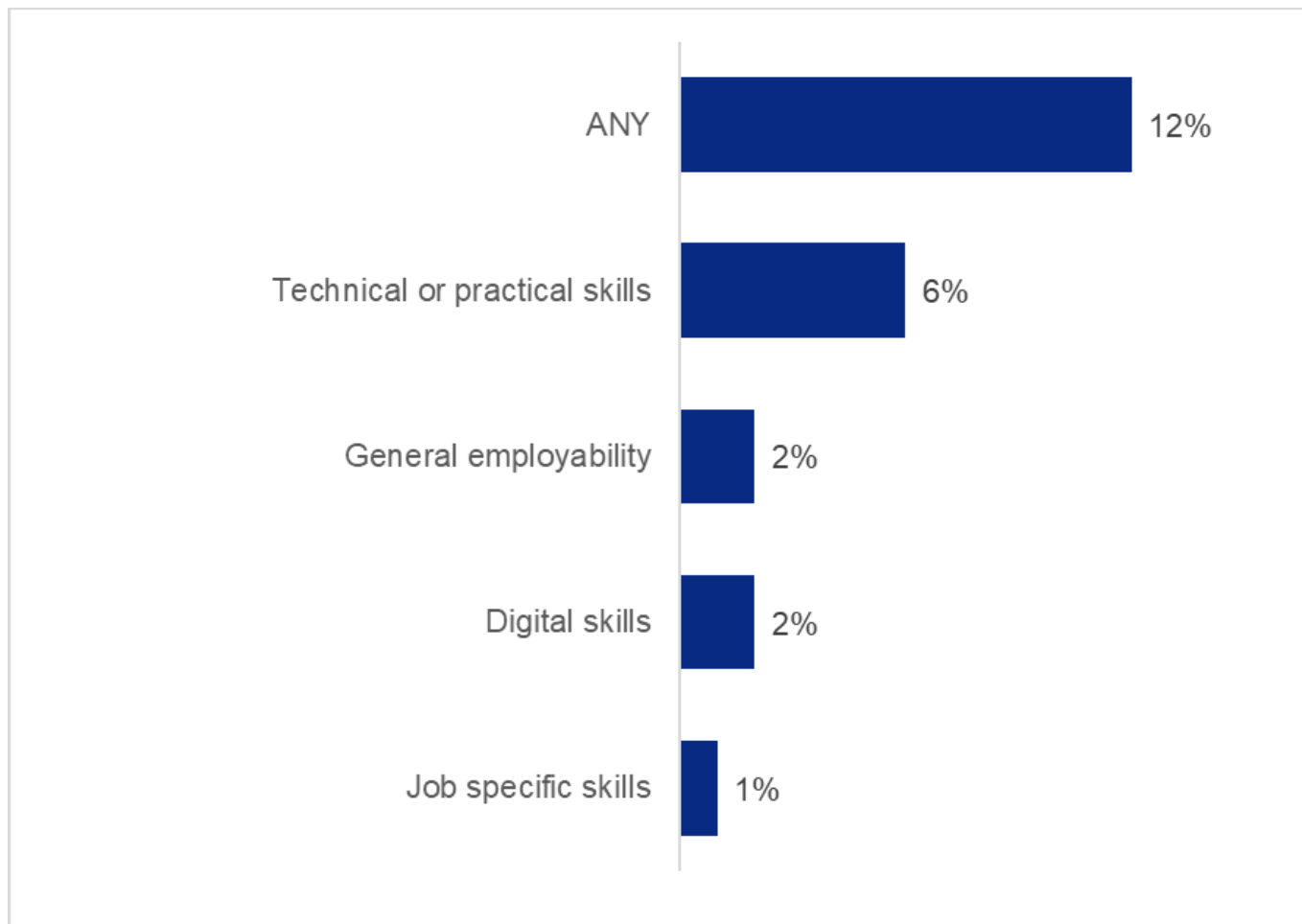


Number of respondents: SEMLEP 2023 1,882; Milton Keynes 2023 296, 2021 324, 2019 251, 2017 251, 2015 1,428. Excludes 'don't know' responses.

Question asked: Do you have skills gaps in your existing workforce, if so, in which areas?

- 4.20. The skills businesses felt staff lacked were most commonly specific to the role they were doing. Technical and practical skills were mentioned by 6%. General employability skills and digital skills were mentioned by 2% each. Job specific skills and technical and practical skills were the most commonly lacking skills in 2021. Technical and practical skills were also the most commonly mentioned across SEMLEP as a whole.
- 4.21. Figure 4.6 shows all skills mentioned by at least 1% of businesses.

Figure 4.6: Skills lacking in current workforce



Number of respondents: 296. Excludes 'don't know' responses.

Question asked: Do you have skills gaps in your existing workforce, if so, in which areas?

- 4.22. Businesses with skills gaps in their workforce were asked why they thought these skills gaps had arisen.
- 4.23. Three-in-ten businesses with skills gaps (32%) said there had been a lack of training or appropriate courses.
- 4.24. Around one quarter mentioned inability or unwillingness to spare the staff time for training during working hours (23%) and a sizeable number said their existing staff were not seeking upskilling (18%).

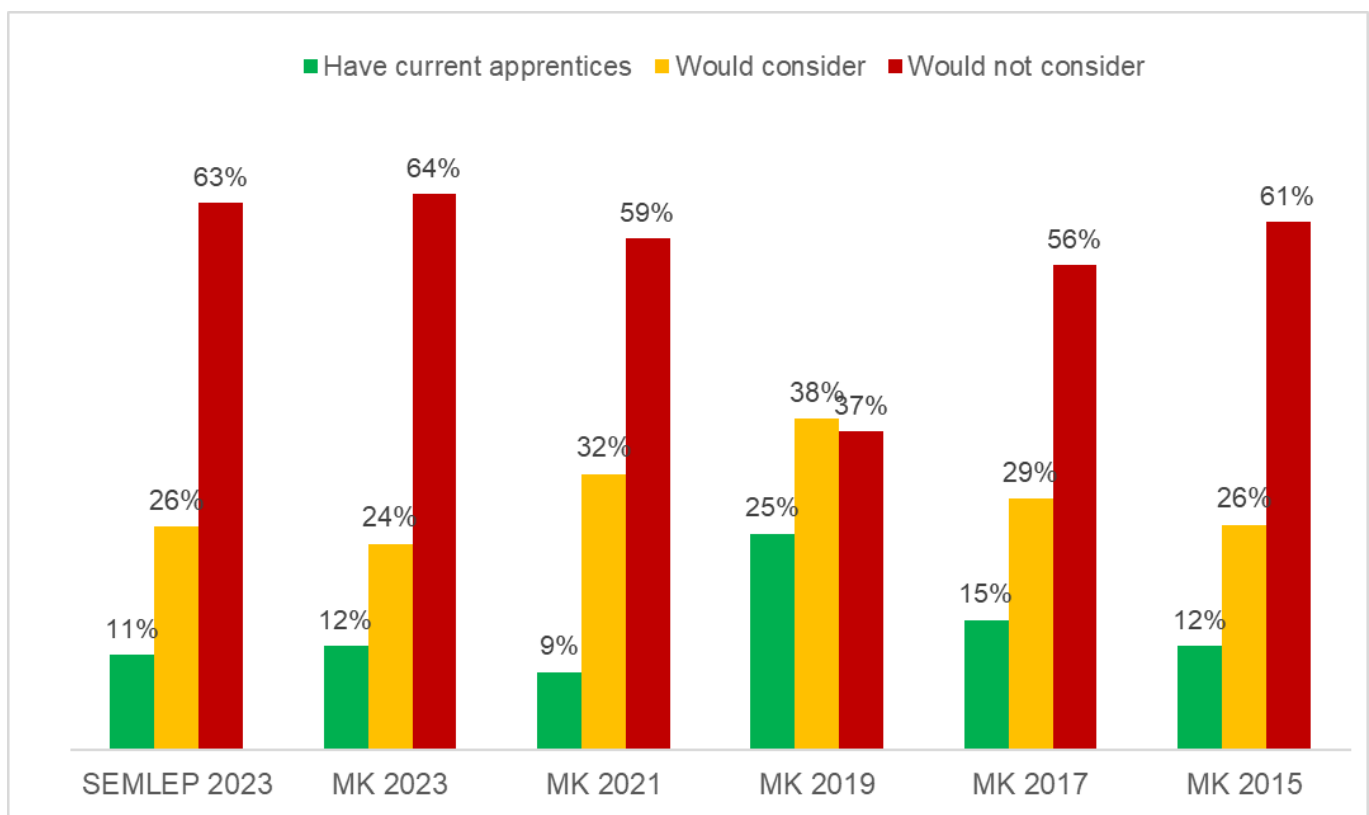
Increasing skills

- 4.25. Above a third (35%) of businesses reported that they had taken action to increase the skills of their workforce. This is lower than in 2021 when the figure was 53%.
- 4.26. A third (32%) said it wasn't applicable to them as they had no skills gaps; this was comparable to the 34% in 2021. A third (33%), however, simply said they were not doing anything, which was an increase from 13% in 2021.
- 4.27. The most common action taken by businesses to increase skills was to provide training to staff. Most often this was in the form of in-house training and development (21%, similar to the 21% seen in 2021), or outsourcing training and development to external providers (7%, a decrease on the 18% seen in 2021).
- 4.28. 7% were investing in apprenticeships to increase skills; this is explored in more detail below.

Apprenticeships

- 4.29. Overall, 12% of businesses had a current apprentice (on a recognised government apprenticeship scheme) at the time of the survey. This was in line with 2021 and in line with the SEMLEP average. Larger businesses were more likely to have current apprentices than smaller employers – for example, 32% of businesses with 10+ staff had an apprentice.
- 4.30. A further 24% of businesses in Milton Keynes said they would consider taking on an apprentice, leaving 64% who would not consider employing apprentices.

Figure 4.7: Current and potential future apprenticeship offering



Number of respondents: SEMLEP 2023 1,897, Milton Keynes 2023 299, 2021 332, 2019 251, 2017 251, 2015 1,428.

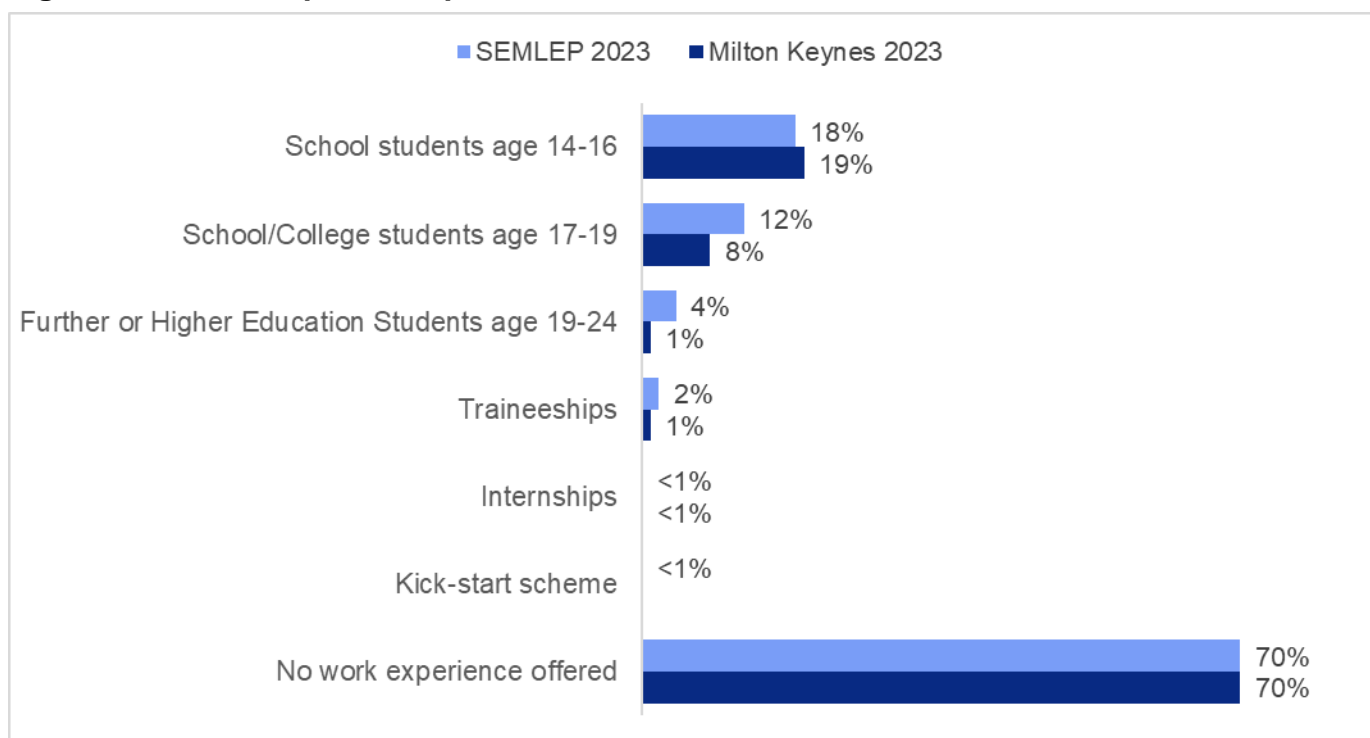
Questions asked: Do you employ anyone on an apprenticeship programme currently? Do you or would you consider taking on an apprentice?

- 4.31. Reasons businesses would not consider hiring an apprentice were varied. Three-in-ten (29%) said that their business is not suited to apprentices and three-in-ten said that the business was too small (28%).
- 4.32. A fifth said that they had no business need or are not currently recruiting (19%) and 19% said apprentices do not have the necessary skills to do the job, and that they preferred to employ staff who were already trained.
- 4.33. Just one-in-one hundred (1%) businesses in the survey reported they are eligible to pay the Apprenticeship Levy, introduced in 2017 as part of a restructure of the way apprenticeships are funded. This was lower than the figure in 2021 (5%).

Work experience placements

- 4.34. Overall, 28% of businesses reported that they offer at least one type of placement. This was slightly lower than 2021 (33%) and in line with the SEMLEP area average (29%).
- 4.35. These places were most commonly offered to young people in education; 19% offered placements to 14-16 year olds from school, 8% to 17-19 year old school or college students and 1% offered placements to Further or Higher Education students aged 19-24.

Figure 4.8: Work experience placements offered



Number of respondents: SEMLEP 1,886, Milton Keynes 299.

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

- 4.36. Businesses who did not offer work experience most commonly attributed this to a lack of time (27%).
- 4.37. Above a fifth said this was because they had concerns about safety (23%). Addressing this will be important if Milton Keynes wishes to increase the amount of work experience available to students and jobseekers.

Health and wellbeing priorities

- 4.38. Businesses were asked about their health and wellbeing priorities for the year ahead.
- 4.39. Overall, a little above two-fifths (44%) of businesses said that health and wellbeing was not a priority for them. This was in line with the SEMLEP area average (39%).
- 4.40. 21% of businesses reported promoting mental health and wellbeing, followed by 6% who mentioned promoting healthy lifestyles such as physical activity and healthy eating.

Section 5: Innovation

Key Findings:

- 26% reported that they had introduced new products, services, patents or processes in the previous 12 months. Innovation levels were in line with 2021 and the SEMLEP average.
- The main constraints to innovation were the cost of finance and the general economic climate and risk of investment (the general economic climate and risk of investment was the top constraint in SEMLEP overall).
- 9% had been involved in a collaborative research and development project with an external partner in the 12 months preceding the survey, similar to the SEMLEP wide average.

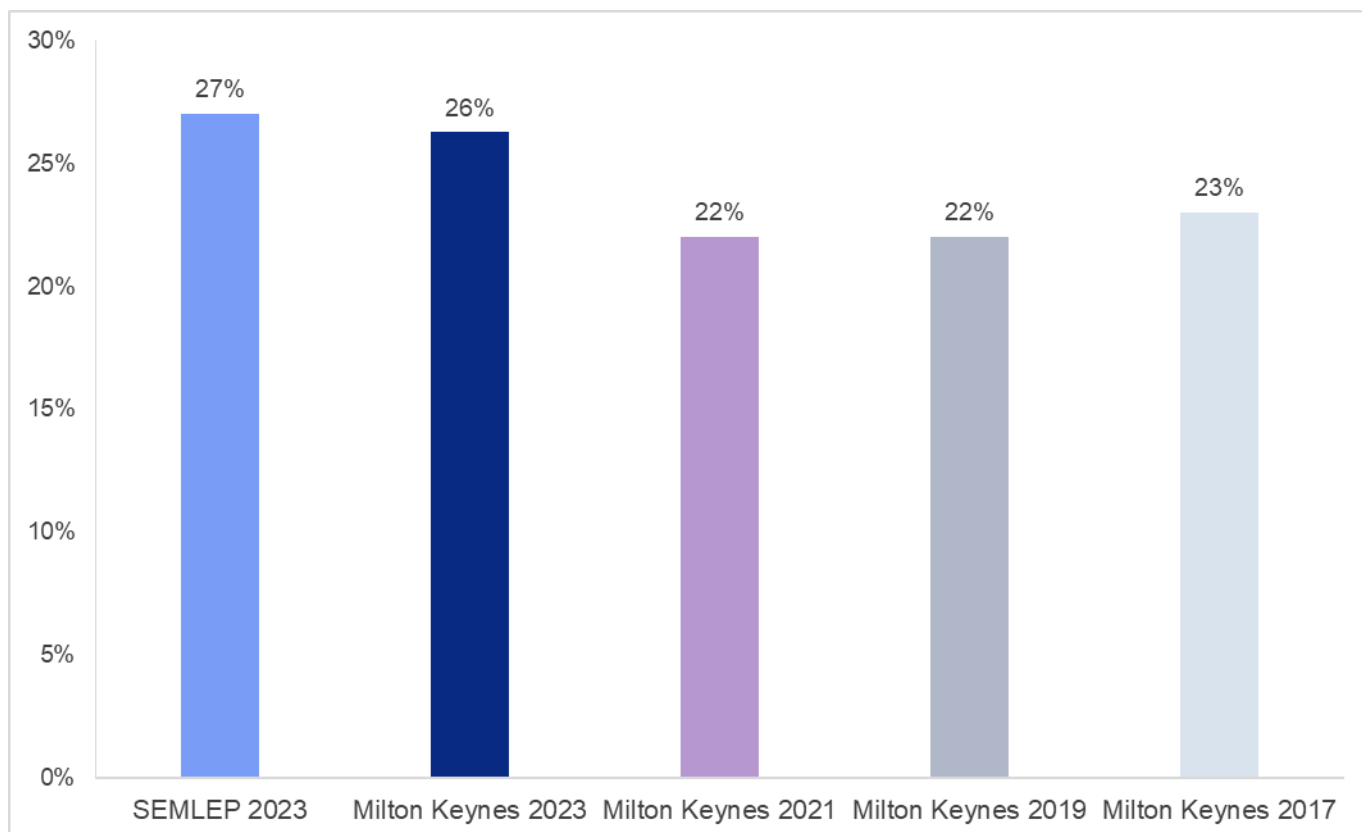
Introduction

5.1. This chapter looks at the level of innovation among Milton Keynes businesses in the past 12 months and explores barriers to innovation experienced by businesses. It also looks at businesses' involvement in collaborative research and development projects with external partners.

New products, services, patents and processes

- 5.2. Overall, 26% of businesses said they had introduced any new products, services, patents or processes in the 12 months preceding the survey. This is broadly in line with the proportion seen in 2021 (and earlier years) and similar to the SEMLEP average of 27%.
- 5.3. Innovation activity tended to be higher among larger businesses (as was the case across SEMLEP). For example, 22% of businesses with up to 4 employees said they innovated in the past 12 months, compared to 53% of businesses with 10+ employees.

Figure 5.1: Innovation in the past 12 months



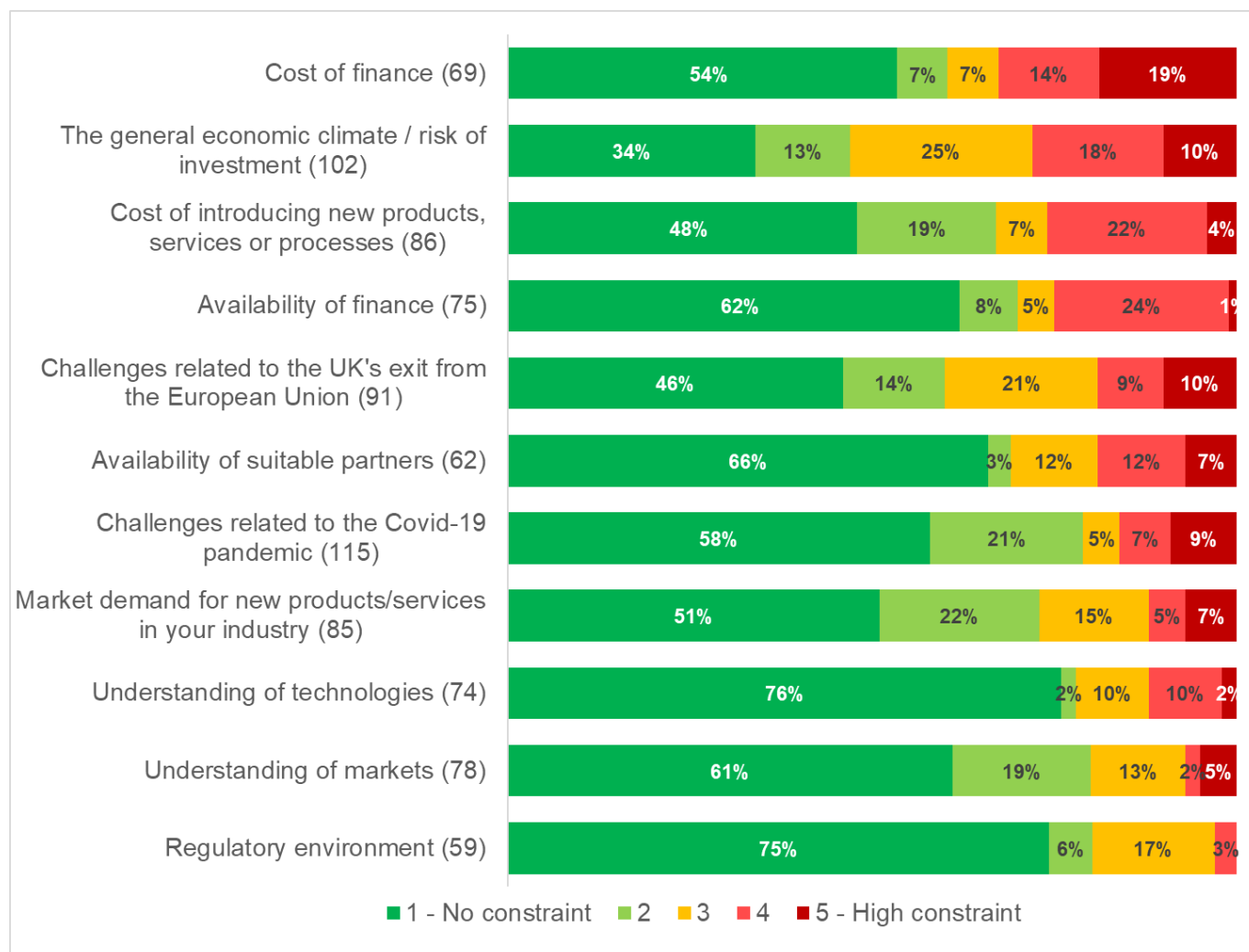
Number of respondents: SEMLEP 2023 1,867; Milton Keynes 2023 294, 2021 332, 2019 251, 2017 251. Excludes don't know responses.

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

- 5.4. Businesses rated a list of factors on the extent to which it had constrained them from innovating more (or at all), using a scale of one to five, where one equalled “no constraint” and 5 was a “major constraint”. Figure 5.2 shows the ratings given in full. In the following analysis we consider a rating of 4 or 5 out of 5 to be a high constraint on innovation.
- 5.5. The top constraints on innovation were financial; most commonly the cost of finance (33% rated it as a notable constraint) and the general economic climate and risk of investment (28%).
- 5.6. The cost of introducing new products, services or processes was a concern for a quarter (26%), as was the availability of finance (25%); businesses with 5 or more staff were less likely to give the cost of introducing new products, services or processes a low rating of 1 or 2 out of 5 (low constraint) (48%).
- 5.7. A fifth (19%) mentioned the UK’s exit from the EU and one-in-six (16%) mentioned the Covid-19 pandemic; businesses with 5 or more staff were less likely to give the latter a rating of 1 out of 5 (“no constraint”) (38%).
- 5.8. A lack of market demand for innovation in the industry was a constraint for a tenth (12%) and one-in-thirty-three (3%) felt the regulatory environment was not conducive to innovation.
- 5.9. 12% said they were constrained by their understanding of technologies and 7% by their understanding of markets. These barriers could be addressed by an innovation partnership; however, a fifth (19%) reported a lack of suitable collaborators as a constraint on their

innovation.

Figure 5.2: Constraints to innovation



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

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

Collaboration with external partners

5.10. The South East Midlands region has several universities within its boundaries and many more colleges. Partnerships or other links with these institutions can facilitate the research and development needed to introduce new products and services. Businesses can also team up with each other or with business support hubs to facilitate research and development.

5.11. Overall, 9% reported being part of a collaborative research and development project in the 12 months preceding the survey, compared with 6% in SEMLEP overall.

Section 6: Business Support and SEMLEP

Key Findings:

- The majority of businesses had sought or received business support (72%), most commonly from private sector professionals such as accountants or solicitors.
- 13% of businesses in Milton Keynes were aware of SEMLEP – in line with the 15% seen in 2021, and in line with the level seen across SEMLEP as a whole. These businesses had most commonly heard of SEMLEP through networking with other businesses.
- Businesses in Milton Keynes most commonly thought the local council should focus on infrastructure improvements, securing funding to support new investment/projects and attracting new businesses to the area. A third said they did not know what the local council's role should be.
- Above half of businesses were interested in receiving business grants.

Introduction

6.1. This section presents analysis of businesses' use of support services, including their awareness of SEMLEP and their views on how SEMLEP can help the local economy grow.

Sources of business advice for all businesses

6.2. The majority of businesses (72%) had used some form of business advice or support in the past 12 months. This is lower than 2021 (87%). This was most commonly advice from a private sector professional such as an accountant, solicitor, or a bank (55%), followed by family and friends (38%). These results are similar to SEMLEP overall. Larger businesses were less likely to have sought support.

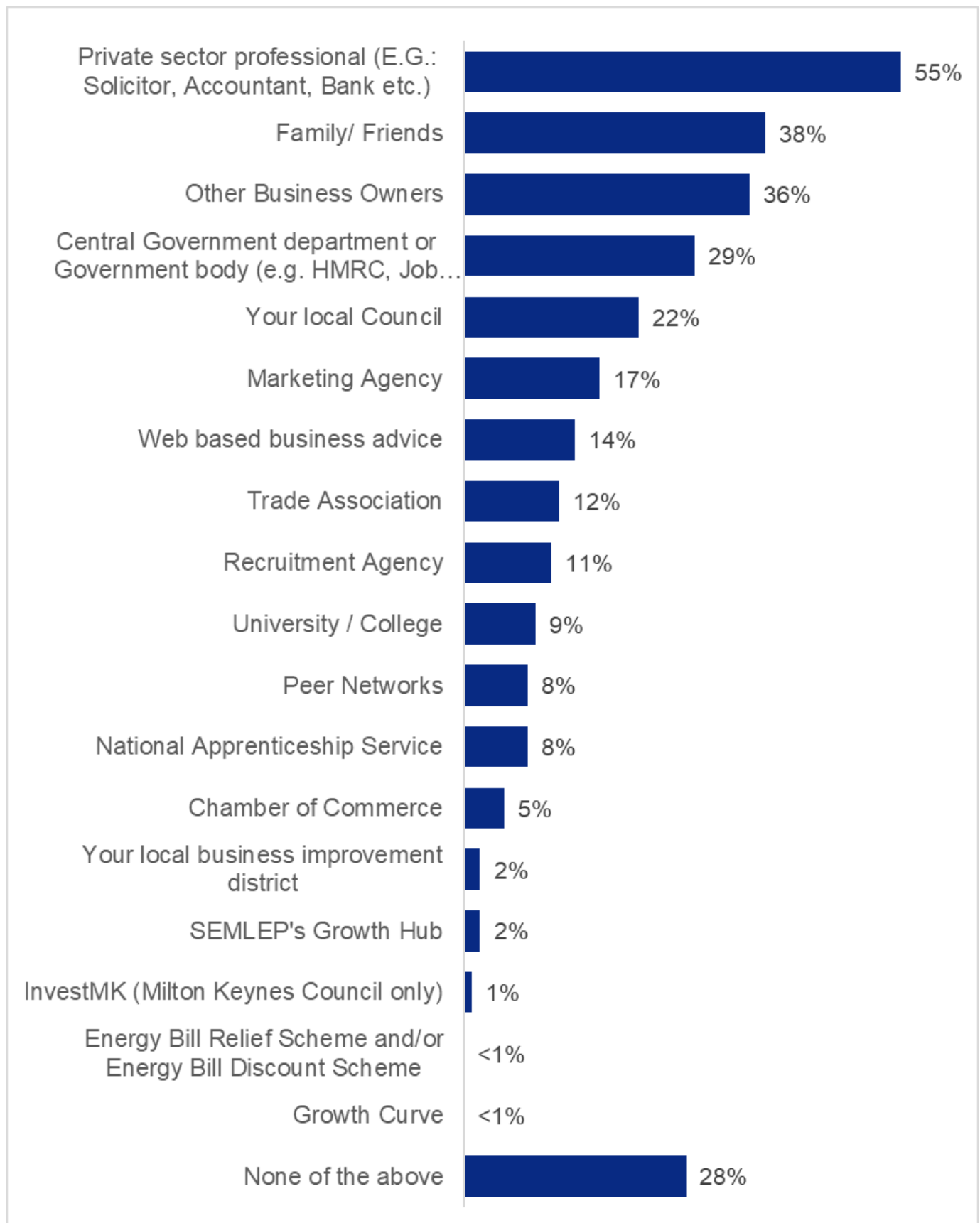
6.3. Over a third (36%) had sought advice from other business owners.

6.4. 29% had sought advice from Central Government departments and bodies such as HMRC or Job Centre Plus, 22% had approached the Council and 17% had used marketing agencies.

6.5. Web-based business advice was mentioned by 14% and trade associations were mentioned by 12%.

6.6. Figure 6.1 shows reported usage of the different sources of support in full.

Figure 6.1: Sources of business advice and support



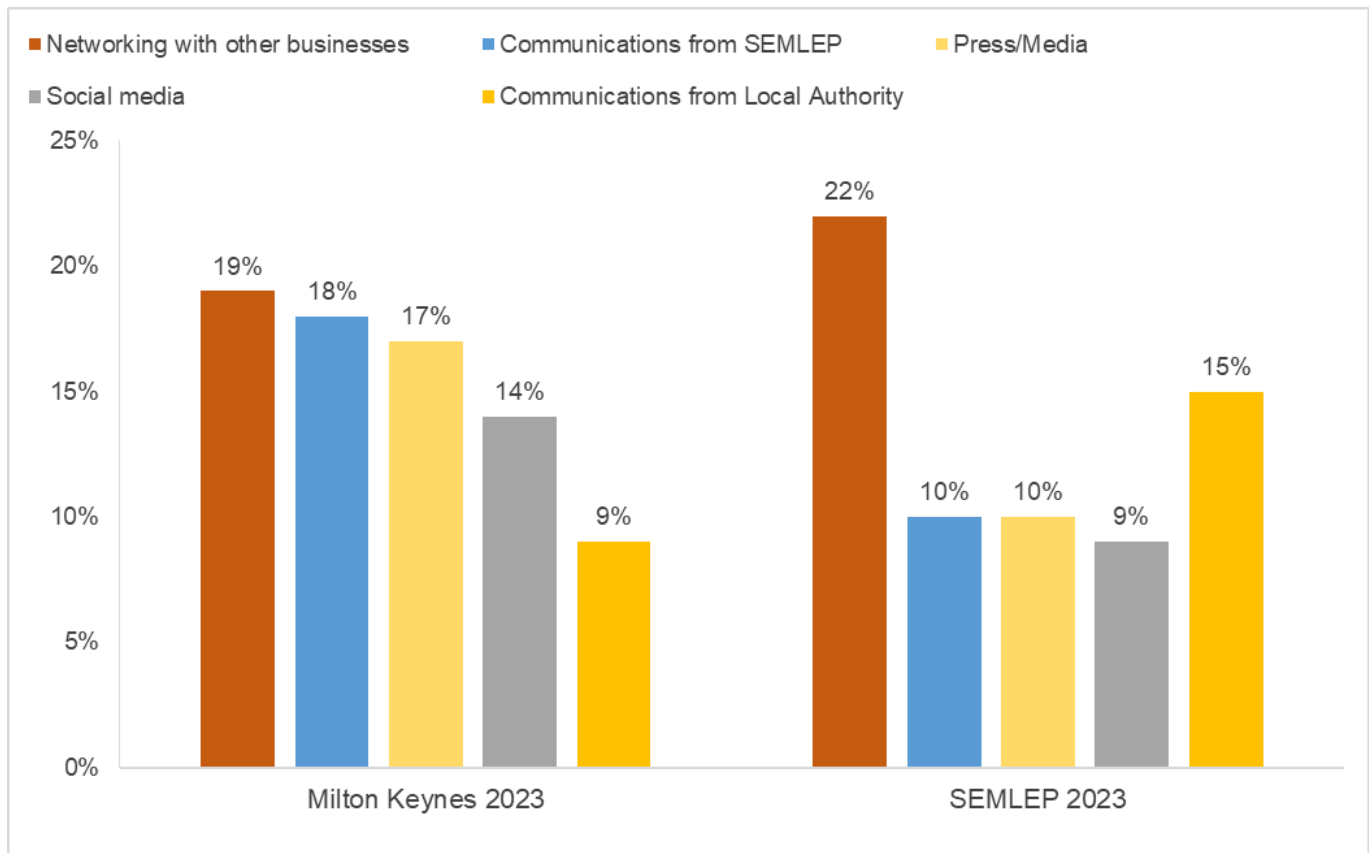
Number of respondents: 304. Excludes 'don't know' responses.

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

Awareness of SEMLEP

- 6.7. Businesses were asked their awareness of SEMLEP and associated services. Overall, three-in-ten (29%) had heard of at least one.
- 6.8. Businesses were most commonly aware of Community Grants (15%).
- 6.9. 13% of businesses said they had heard of SEMLEP prior to the survey. This was in line with the 15% seen in 2021 and in line with the 12% seen in SEMLEP as a whole.
- 6.10. Businesses aware of SEMLEP most commonly said this was through networking with other businesses (19%) or through direct communications from SEMLEP (18%). Networking with other businesses was also the most common source in 2021 (43%) and is similar in Milton Keynes to the SEMLEP average (22%).
- 6.11. The press or media was also a common source, mentioned by one sixth (17%).

Figure 6.2: Sources of awareness of SEMLEP among those aware of them



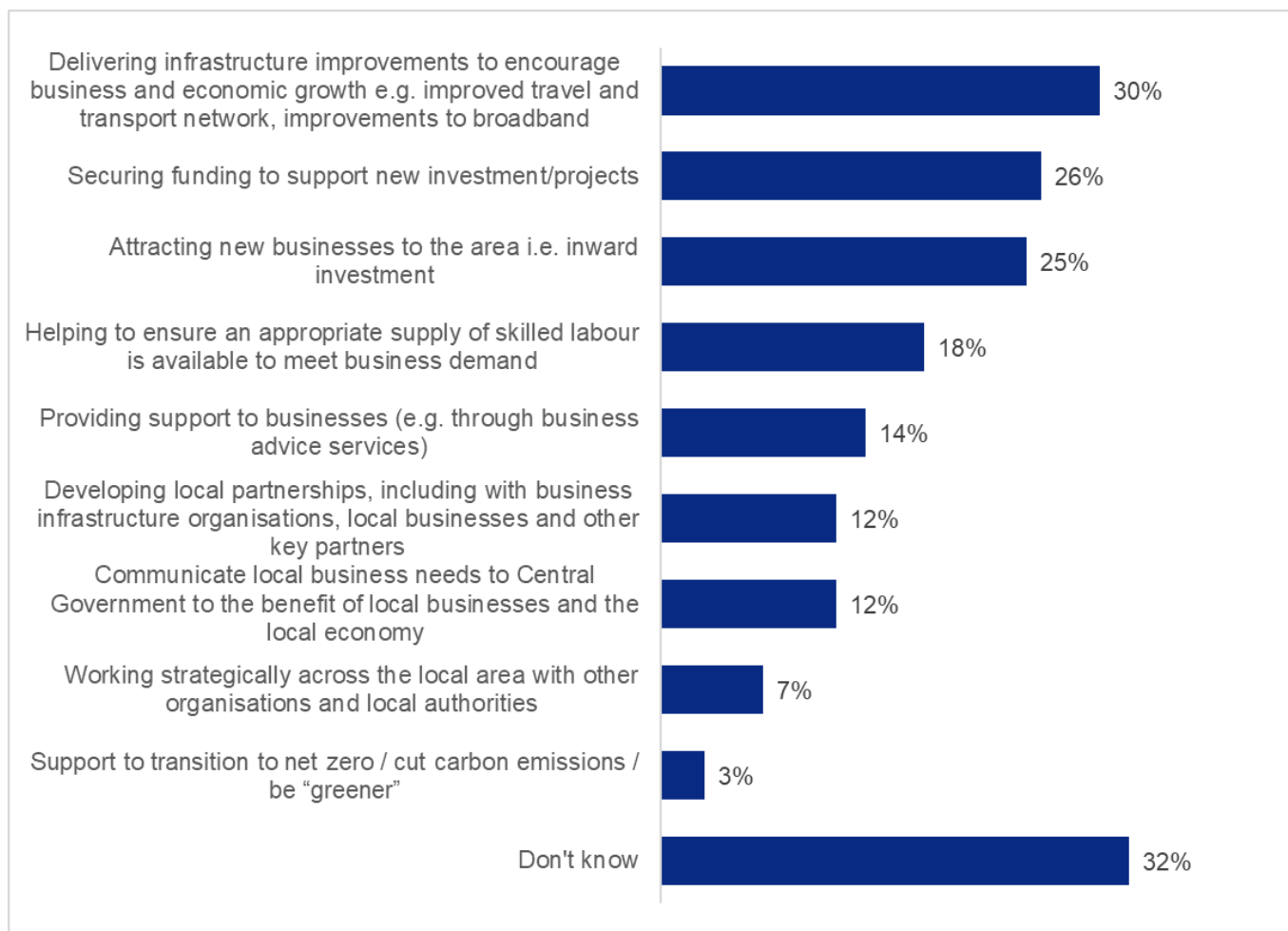
Number of respondents: SEMLEP 544, Milton Keynes 86 (only businesses aware of SEMLEP).

Question asked: How had you heard of any of the above?

Strategic focus of local government

- 6.12. Businesses believe that the strategic focus of the local council should primarily be on infrastructure improvements (30%), in line with the SEMLEP figure of 34%. Securing funding to support new investment and projects (26%) and attracting new businesses to the area (25%) were also commonly mentioned.
- 6.13. 18% mentioned help to ensure an appropriate supply of skilled labour.
- 6.14. A seventh of businesses (14%) mentioned providing business support.
- 6.15. A third (32%) said they did not know what the focus should be. This was similar to the figure across SEMLEP as a whole (28%).

Figure 6.3: Businesses' suggestions for local government's regional focus areas



Number of respondents: 297.

Question asked: What regional economic development functions would you want to see local government focus on delivering in the future?

Business grants

- 6.16. Above half (53%) of businesses were interested in business grants to support their business growth (only 2% said they were interested and received a grant in the 12 months previous to the survey), in line with the SEMLEP figure of 57%.
- 6.17. 35% said they had not received a grant in the previous 12 months and were not interested in receiving any, while 3% said they had received a grant previously and were not interested in receiving a new one.
- 6.18. Receiving information about grants available (80%) and a clearer guidance on eligibility/conditions of grants (71%) were the top forms of support required by businesses who were interested in receiving grants.

Section 7: The Green Agenda

Key Findings:

- Whilst 52% of businesses have the intention of being more environmentally friendly, just 8% have a specific target or aim to achieve net-zero and just 3% have set a deadline to this commitment of 2030. This is broadly comparable to the proportions seen across SEMLEP as a whole.
- The key barrier to doing more to reduce businesses' carbon footprint was the availability or cost of low carbon alternatives, similar to SEMLEP as a whole.

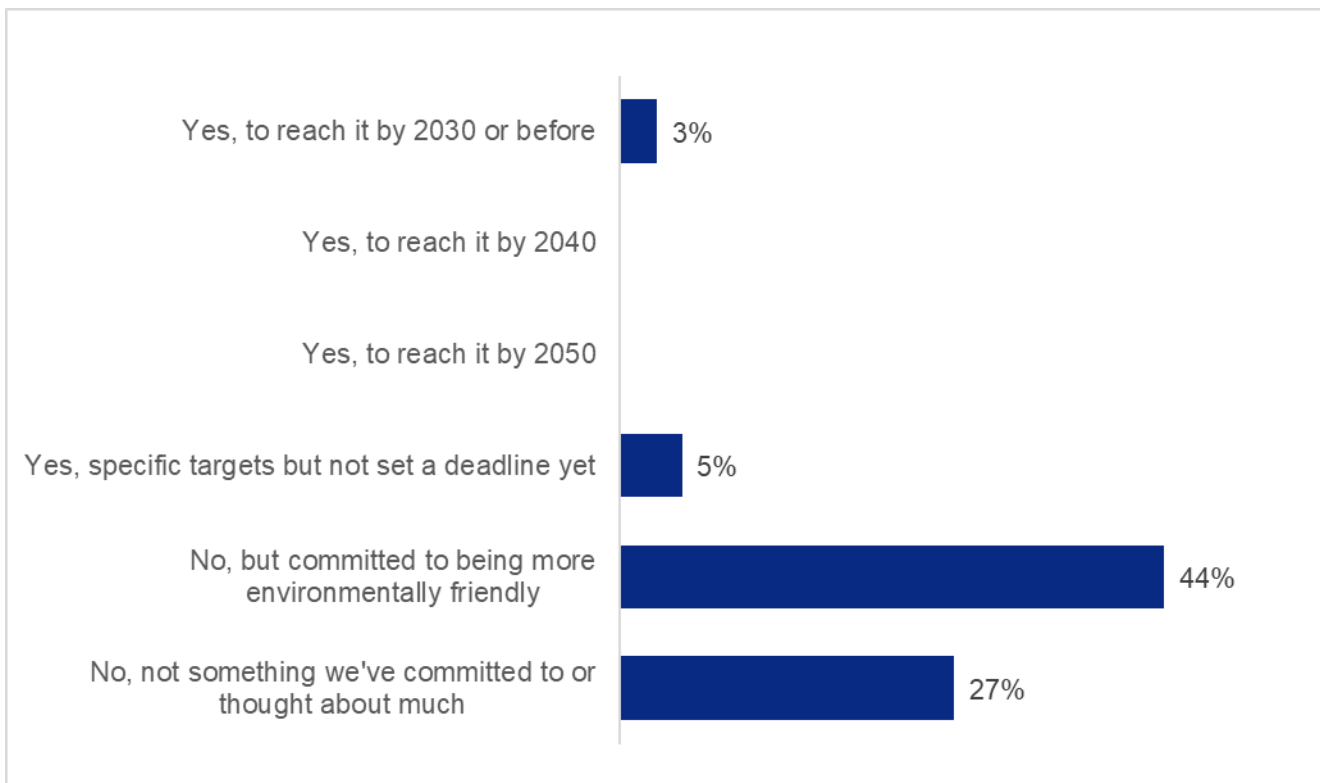
Introduction

- 7.1. The SEMLEP Business Survey included questions about businesses' intentions of achieving net-zero and reducing their carbon footprint (introduced for the first time in the 2021 survey).
- 7.2. This section looks at the commitments made, the actions being taken and barriers to reducing businesses' carbon footprint.

Commitment to net-zero

- 7.3. Just above half of businesses (52%) have made some commitment to becoming more environmentally friendly. This is comparable to SEMLEP (52%). 8% have a specific target or aim to become net-zero, lower than SEMLEP (13%).
- 7.4. However, just 3% of businesses have put a deadline on this commitment of 2030 (4% have put a deadline on commitment across SEMLEP overall).
- 7.5. Above two fifths (44%) have not set any targets but are committed to being more environmentally friendly.
- 7.6. Above a quarter (27%), however, have not made any commitment nor given much thought to it, lower than SEMLEP (34%).
- 7.7. Figure 7.1 shows reported commitment to net-zero.

Figure 7.1: Whether made a commitment to become net-zero



Number of respondents: 281.

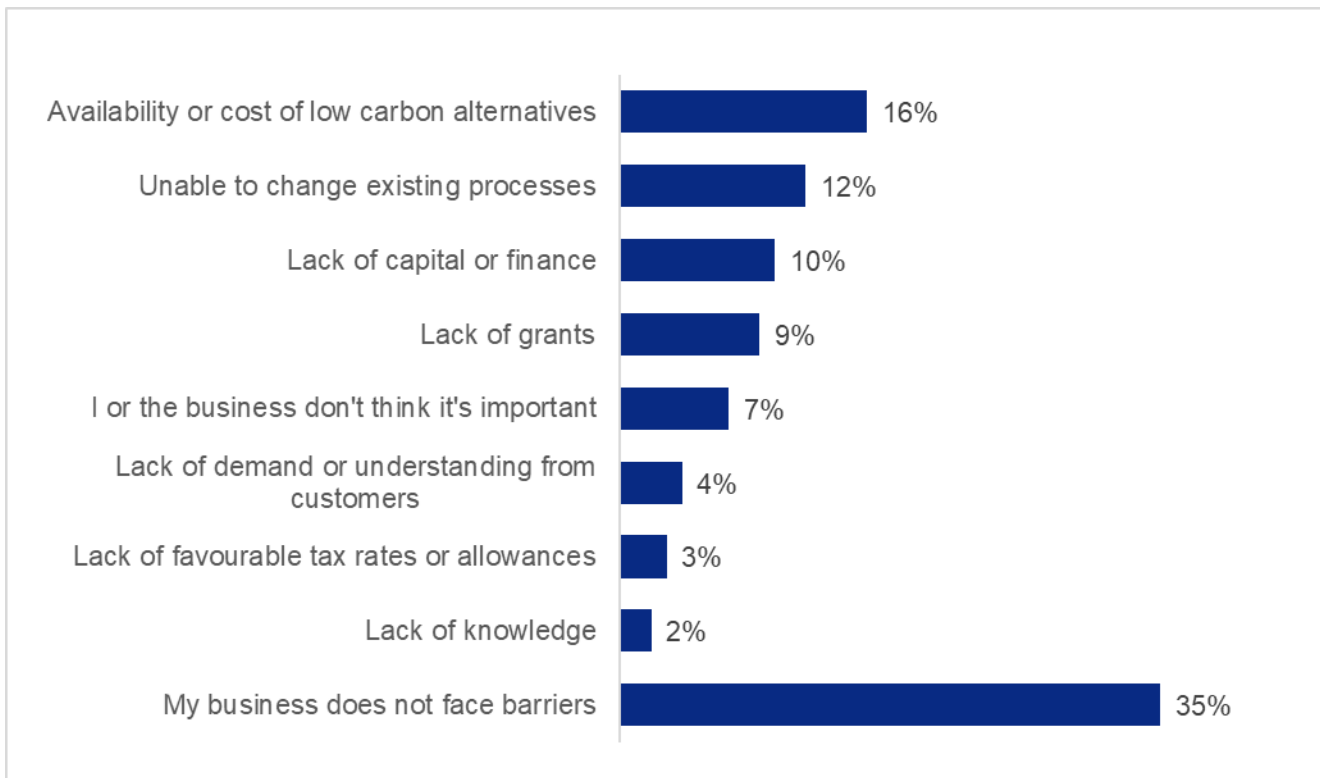
Question asked: Has your organisation made a commitment to become net-zero, and if so by when?

7.8. The main activities of businesses aiming to become net-zero are increasing recycling (36%), sourcing sustainable materials (35%), reviewing the energy efficiency of their buildings, encouraging staff to drive less, and measuring their carbon footprint (all 15%).

Barriers to reducing carbon footprint

- 7.9. The most commonly cited barrier businesses gave to reducing the carbon footprint of their business was the availability or cost of low carbon alternatives (16%), similar to SEMLEP (16%). This was less troublesome to larger businesses (5% of those with 5-9 staff, and 2% of those with 10 or more).
- 7.10. One-in-eight (12%) said they were unable to change their existing processes (higher than the 6% SEMLEP average).
- 7.11. Financial barriers were common, with 10% mentioning a lack of capital or finance and 9% a lack of grants.
- 7.12. Other reasons given by 1% or more are shown in Figure 7.2.
- 7.13. 35% stated that their business does not face barriers in cutting their carbon footprint.

Figure 7.2: Barriers to reducing businesses' carbon footprint



Number of respondents: 281.

Question asked: What do you consider, if anything, is a barrier to reducing your business's carbon footprint?

Section 8: Inclusivity and social value

Key Findings:

- 95% of Milton Keynes sole traders are male and 100% are white. This is broadly lower than the proportions seen across SEMLEP as a whole. 80% are not disabled.
- The picture is more diverse among businesses with employees with women-led businesses at 45%, Ethnic minority-led businesses at 18%, and disabled-led businesses at 6%.
- Two fifths of businesses said inclusive recruitment practices were not applicable to them as they do not recruit staff, and 16% said they were not doing anything to ensure recruitment practice is inclusive, but 6% ensure a diverse interviewer panel, 5% have provided training for recruiting staff on inclusive practices, and 5% mentioned inclusive methods of recruitment such as where and how jobs are advertised.
- Businesses in Milton Keynes were asked how social value was embedded within their business practices. Approaching a half of businesses said they did not know and 20% said they had not embedded social value in their business, suggesting a lack of understanding of social value.

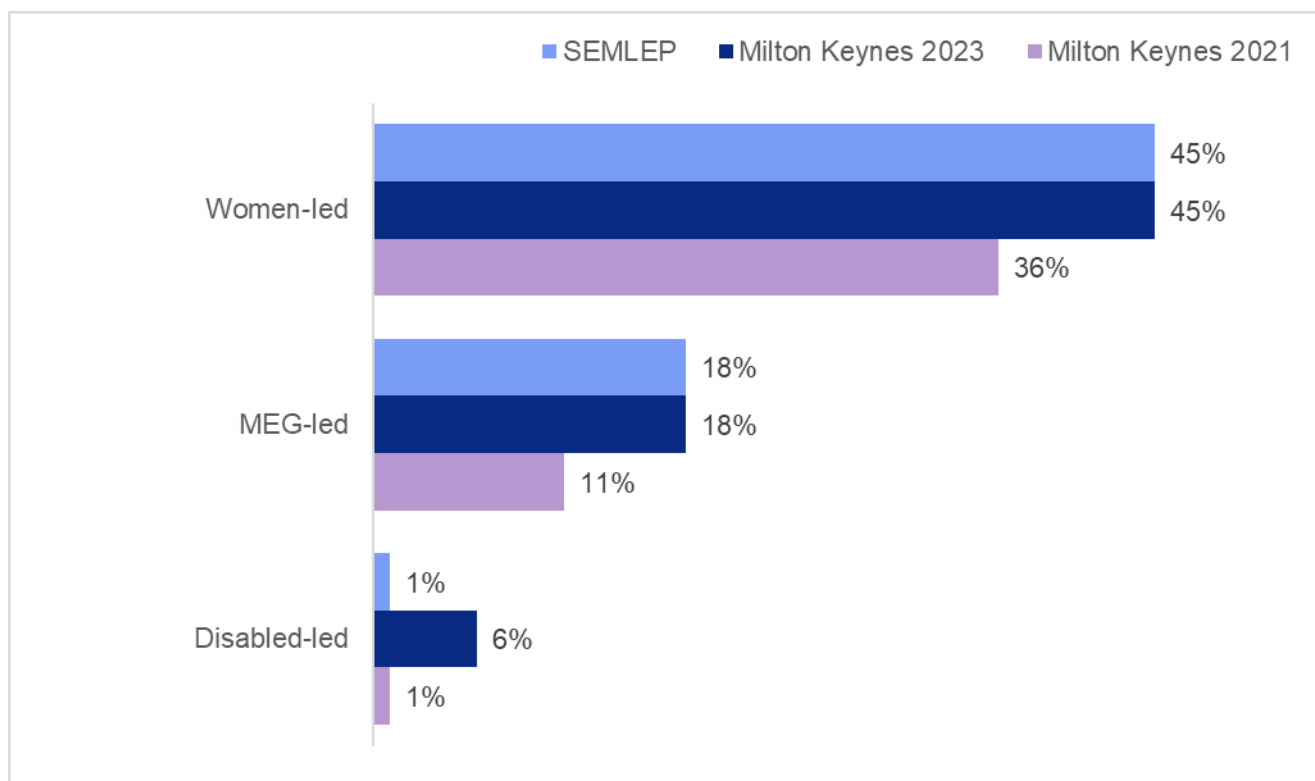
Introduction

- 8.1. This section looks at the diversity of leadership among businesses in Milton Keynes, and actions to ensure recruitment practices are inclusive.

Business ownership and leadership

- 8.2. In terms of diversity, among businesses with employees the figures are: women-led businesses at 45%, ethnic minority-led businesses at 18%, and disabled-led businesses at 6%. This compares to the SEMLEP average of 45% female-led, one-in-six (18%) ethnic minority-led and 1% disabled-led (i.e. 50% or more of the estimated partners or board directors are from these groups).

Figure 8.1: Proportion of businesses led by women, minority ethnic groups and disabled people, over time



Number of respondents: 234 (not asked to sole traders).

Question asked: For each of the following, please estimate the percentage of partners or board directors in your business that are . . . ?

Inclusive recruitment practice

- 8.3. Businesses were asked to share the ways in which they ensure their recruitment practice is inclusive. Four-in-ten (41%) said this was not applicable to them as they do not recruit staff, lower than SEMLEP (53%).
- 8.4. 16% said they do not do anything (in line with the 16% SEMLEP average).
- 8.5. Actions that were taken included ensuring a diverse interviewer panel (6%), training for recruitment or HR staff so they can adopt inclusive practices (5%), inclusive methods of recruitment (5%) and actively targeting advertising to recruit a diverse workforce (4%).

Social value embedded within Milton Keynes business practices

- 8.6. Businesses in Milton Keynes were asked how social value was embedded within their business practices.
- 8.7. Approaching a half of businesses said they did not know and 20% said they had not embedded social value in their business, suggesting a lack of understanding of social value.
- 8.8. 14% of businesses had contributed to staff wellbeing. This was more common among larger businesses (41% of businesses with 10+ staff).
- 8.9. 12% of businesses mentioned prioritising social value in the procurement process. This was more common among businesses with 10+ staff (31%). 9% mentioned prioritising sustainable business practices.

Figure 8.2: Social value embedded within Milton Keynes business practices



Number of respondents: 262.

Question asked: How is social value embedded within your business practices, if at all?

Respondents could select more than one answer.

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