

SEMLEP Business Survey 2023

Report: December 2023

SEMLEP

South East Midlands
Local Enterprise Partnership



Research
Evaluation
Community Engagement
Strategy Development

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Note: The survey was conducted over October and November 2023, with the initial draft report produced at the start of December 2023 and published in 2024. The survey was administered and reported on by independent research organisation Public Perspectives, on behalf of SEMLEP.

SEMLEP Business Survey 2023

Executive Summary

Introduction and background

1. The South East Midlands Local Enterprise Partnership (SEMLEP) brings together businesses, local authorities and educational institutions in partnership to determine local economic priorities and undertake activities to drive economic growth and the creation of jobs in their local area. It covers an area made up of 6 local authorities¹ that are home to over 77,000 businesses.
2. This report presents the findings from the 2023 SEMLEP business survey, designed to identify the economic challenges and opportunities facing businesses in the South East Midlands region, and help inform and shape the economic strategy and development activities of SEMLEP and the local authorities.
3. 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
 - Future priorities for regional economic development
4. A total of 1,882 interviews were completed via telephone in a six-week period spanning October to November 2023 with a sample of businesses that are representative of the business population in the area.
5. This is the 7th iteration of the SEMLEP business survey, which was first run in 2013 and has been conducted approximately every two years.

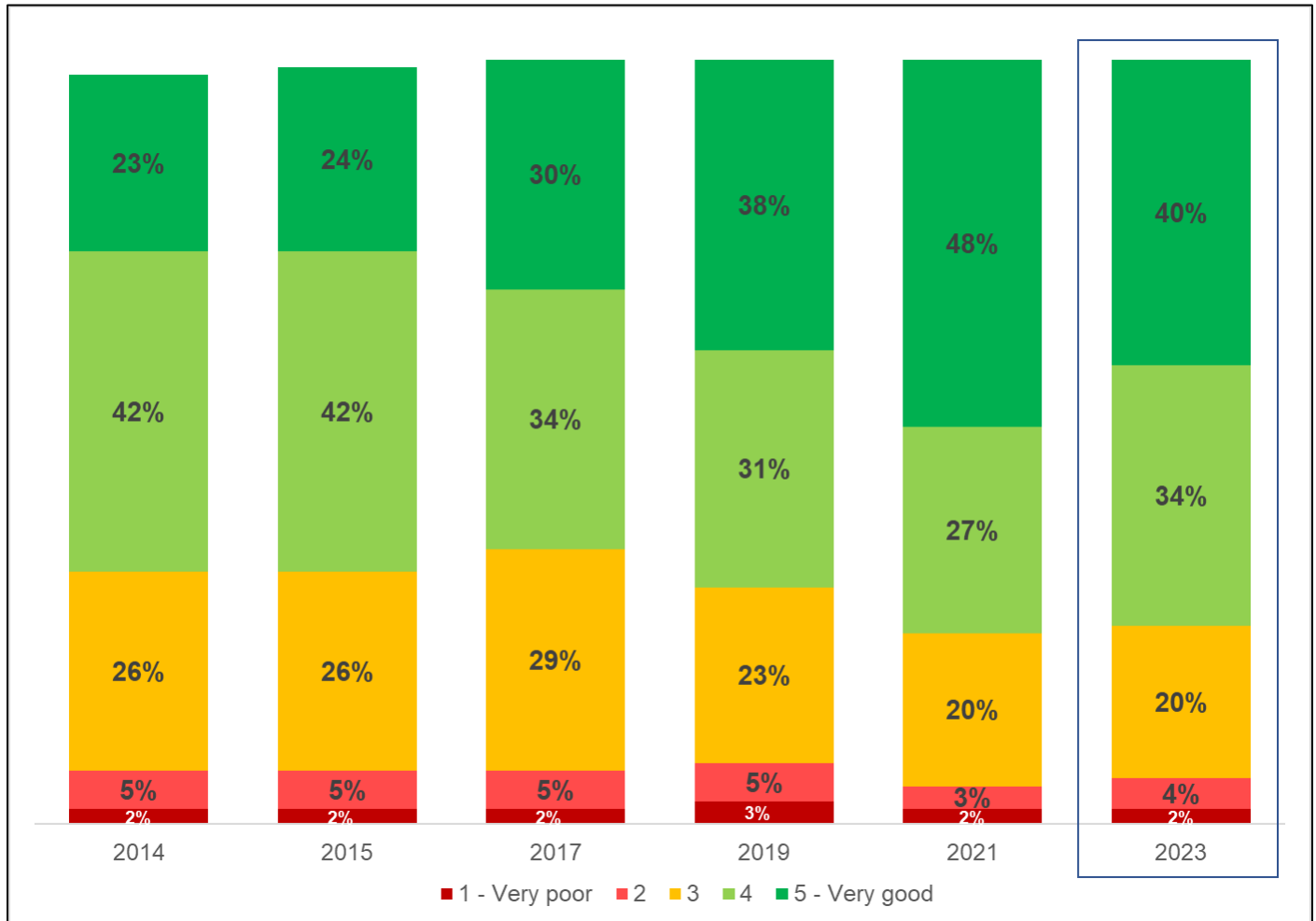
¹ Bedford, Central Bedfordshire, Luton, Milton Keynes, North Northamptonshire and West Northamptonshire.

Key findings

Quality of the Local Area for Business

6. Two-fifths of businesses (40%) gave their local area the top rating of 5 out of 5 when asked how they rated it as a place to do business. This is a decrease from the 48% seen in 2021, returning back to the level that was observed in 2019.
7. A further 34% gave a rating of 4 out of 5, meaning that a total of three-quarters of businesses (74%) gave their area a positive rating. This is comparable to 2021 (75%).

Figure 1: Rating of the local area as a place to do business over time



Number of respondents: 2023 1,882, 2021 1,841, 2019 1,647, 2017 2,035, 2015 1,918, 2014 1,573. Excludes 'don't know' responses.

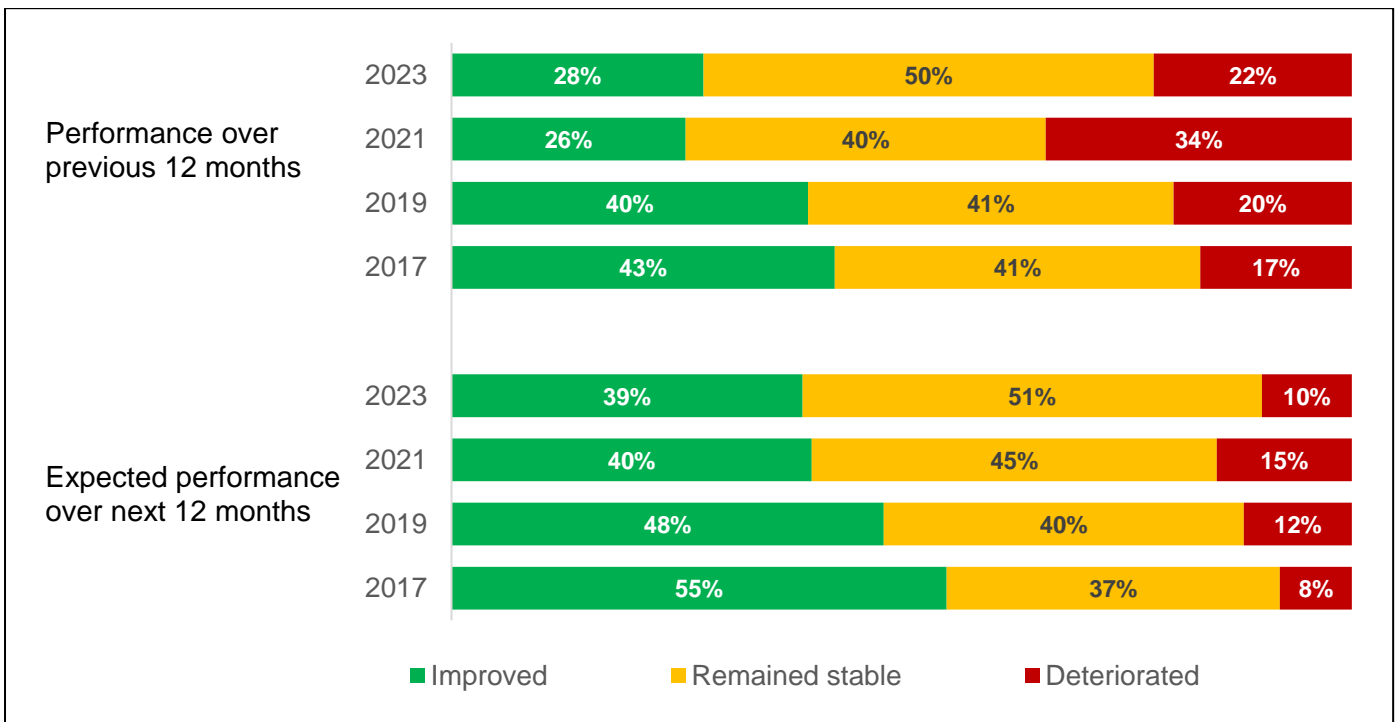
Question asked: Overall, how do you rate your location as a place to do business?

8. One-in-seventeen businesses (6%) said they were thinking of relocating their business. This was fewer than in the 2021 survey, when 8% were considering doing so and also lower than 14% in 2019, indicating a downward trend. The majority of these businesses were looking to relocate within the same Local Authority area (5%), none were looking to relocate outside of their Local Authority but within the SEMLEP region, and 1% were looking to relocate outside of the SEMLEP area. The most common reasons for considering relocation were to reduce cost (increased in importance since 2021) or to move to larger premises.

Business performance

9. Business performance has improved in the past 12 months relative to the previous survey. A fifth of businesses reported that their business performance had deteriorated in the past 12 months (22%), compared to three-in-ten (28%) saying it had improved. This represents a 'net' improvement (improvement minus deterioration) of +6%, compared to a net improvement in 2021 of minus 8%. However, these figures are still down on pre-pandemic levels of business performance.
10. In terms of their optimism for the coming year, businesses were still more likely to expect improvements than further deterioration (39% vs. 10%), similar to 2021, however these levels of optimism were lower than seen pre-pandemic.

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



Number of respondents: 2023 1,882, 2021 1,862, 2019 1,675, 2017 2,180.

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 improve, remain stable or deteriorate?

11. The general economic climate was the most commonly mentioned constraint on growth, with 18% of businesses mentioning it. This is different from 2021, when the Covid-19 pandemic was named as the single most common constraint on growth, with a quarter (25%) of businesses mentioning it. Now only 4% of businesses mentioned it as a constraint in 2023. Cash flow was the second most commonly mentioned issue at 15%, followed closely by a lack of skilled labour mentioned by 14% (lower than in 2021 when it was mentioned by 18%). Similar to previous years, a lack of skilled labour remains the biggest issue for larger businesses; it was mentioned by a third of businesses with 5 to 9 staff (32%), just above a fifth (22%) of those with 10-49 staff and just above a third (35%) of businesses with 50 or more staff.
12. The UK's withdrawal from the European Union was only explicitly mentioned as a constraint

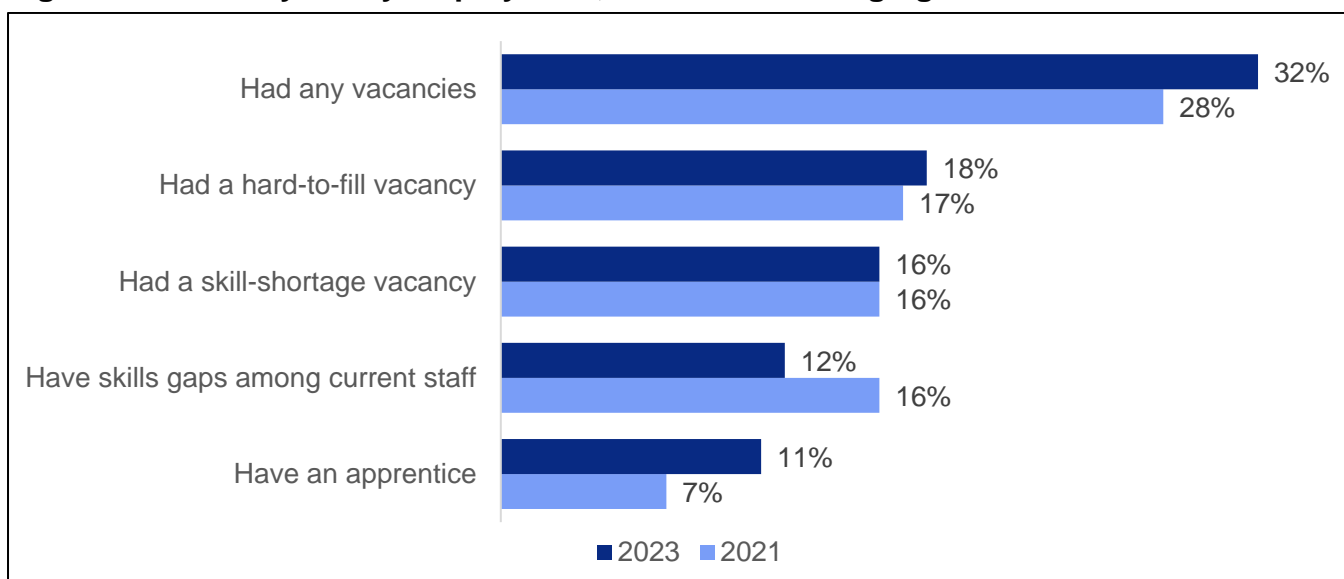
to growth by 3% in the 2023 survey (similar to the 4% seen in 2021), however a more specific question identified continued issues around importing from the EU, increased costs of business, exporting to the EU and labour availability amongst larger businesses.

13. “More financial support” was the most common type of support to help with business growth, mentioned by 25% of businesses. Furthermore, this was higher than in 2021, when 11% cited this as a factor to support growth.

Employment, skills and training

14. The survey covered staffing and skills issues both externally (recruiting) and internally (skills gaps and training). Figure 3 gives an overview of the key employment and skills measures in the survey compared to 2021:

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



Number of respondents: 2023 1,882, 2021 1,862, 2019 1,675.

15. Over three-in-ten (32%) businesses had had at least one vacancy in the 12 months preceding the survey. This was an increase on the figure of 28% seen in 2021. Approaching six-in-ten (56%) of these businesses reported that one or more of these vacancies had been hard-to-fill; a reduction from 60% in 2021.
16. The most common causes for finding vacancies hard-to-fill was a lack of applicants with the required skills, although this reduced from 54% in 2021 to 45% in 2023. Employers also reported increased challenges of securing people with the required work experience, attitudes, motivation and personality. Job specific and technical and practical skills remained the most difficult skills to obtain although fewer employers indicated as such (both reduced from 23% in 2021 to 13% in 2023). The proportion of businesses reporting issues with general employability increased to 11% in 2023 from 2% in 2021.
17. The most common reasons given for skills being difficult to obtain (skill shortages) remained a poor quality of applicants generally (down from 50% in 2021 to 31% in 2023) and a general lack of skills in the available workforce. Other reasons given were a reduction in the availability of EU applicants (10%) and a lack of work ready school leavers (10%).
18. Issues related to salaries became more common, with more employers (9%) citing poor

terms and conditions as a reason for hard-to-fill vacancies and high and unaffordable salary expectations as barrier to obtaining people with the skills required (13%).

19. Use of agencies to try to fill vacancies has decreased considerably since 2021, down from 40% to 22%, and is no longer the channel most used by businesses to fill their vacancies. Paid for websites are now the most popular method (28%).
20. Skills gaps in the current workforce became less common with 12% of businesses able to list at least one skill they felt their current staff were lacking. This was lower than the 16% seen in 2021, continuing a downward trend in the proportion of employers with skills gaps seen since 2014 (38%).
21. The skills staff lacked were diverse, and often specific to the role they were doing. Reasons for skills gaps stemmed primarily from training issues, with a fifth saying staff had received insufficient training. 18% stated a lack of appropriate training/courses down from 24% in 2021. Reasons for increases in skills gaps were seen for employers not releasing staff during working hours (11%) and a reduction in EU workers (8%).
22. A third (33%) of businesses had taken actions to increase the skills of their workforce, down from 45% in 2021, the most common being offering in-house or external training. There has also been an increase in investment in apprenticeships.
23. At the time of the survey, 11% of businesses had an apprentice, more than at the time of the 2021 survey (7%). A further 26% said they would consider hiring an apprentice in future. Of the 63% who would not consider an apprentice (no change from 2021), the main reasons were the business is not suited to apprentices, no current business need or the size of business was too small.
24. Far more apprenticeship levy payers were using the levy to take on new apprenticeships (60%) compared to 2021 (23%).
25. Just over a quarter of businesses (29%) reported offering at least one kind of work-experience placement, a slight reduction from 2021. This was most commonly to school students aged 14-16. Businesses who did not engage with these activities mostly said they did not see the value in it, that they lacked the time and/or opportunities to do it, or had concerns about safety of the students.
26. Just under two-fifths of businesses (39%) said that staff health and wellbeing was not currently a priority.

Innovation

27. Around a quarter of businesses (27%) reported that they had introduced new products, services, patents or processes in the previous 12 months, this was higher than the 21% seen in 2021, predominantly due to an increase in innovation of new products (which had increased from 17% to 21%) and services (from 7% to 10%).
28. The main constraints to innovation were related to current economic conditions and the UK's exit from the European Union. There were also constraints relating to financial reasons.
29. One in seventeen had been involved in a collaborative research and development project with an external partner in the 12 months preceding the survey.

Regional economic development priorities

30. Since 2011, SEMLEP has been a Local Enterprise Partnership which aims to create the right environment for businesses to grow locally. From April 2024, its functions will be transferred to, and delivered by, local councils, following an announcement in the government's 2023 Spring Budget. As a result, the survey asked what regional economic development functions they wanted to see local government focus on delivering in the future.
31. Businesses were keen that the local councils focus on delivering infrastructure improvements (34%). Securing funding to support new investment/projects was the second most commonly mentioned focus (24%). Helping to ensure an appropriate supply of skilled labour was mentioned by 19% of businesses, however, it was the top focus of businesses with 10-49 and 50+ staff (at 33% and 32%, respectively). Three-in-ten (28%) said they did not know what local government's priorities should be.
32. Above half (57%) 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). 29% said they had not received a grant in the previous 12 months and were not interested in receiving any, while 5% said they had received a grant previously and were not interested in receiving a new one. Businesses with under 50 staff are more interested in receiving grants – 57% are interested compared with 43% of businesses with 50+ staff.

The Green Agenda

33. Whilst 52% of businesses have the intention of being more environmentally friendly (up from 46% in 2021), just 13% have a specific target or aim to achieve net-zero and just 4% have set a deadline to this commitment. Larger businesses were more likely to have made a solid commitment and set a deadline.
34. The most common actions being taken by businesses were increasing recycling of waste (23%) and sourcing sustainable materials (20%). Use of renewable energies was also commonly mentioned.
35. The key barrier to doing more to reduce businesses' carbon footprint was the availability or cost of low carbon alternatives.

Inclusivity

36. Diversity in the leadership of SEMLEP businesses has stayed similar since 2021, in particular with regards to the population of sole traders: 77% of SEMLEP sole traders are male, 89% are white and 92% are not disabled.
37. The picture is more diverse in some cases among businesses with employees, with women-led businesses accounting for 45% of businesses with employees, similar to the figure of male-led businesses at 50%. One-in-six (18%) were ethnic minority-led, up from 10% in 2021 and 1% disabled-led, down from 6% in 2021 (i.e. 50% or more of the estimated partners or board directors are from these groups) (although once sampling error is taken into account, these changes are minimal).
38. More than half 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. 3% have provided training for recruiting staff on inclusive

practices, 3% ensure a diverse interviewer panel, 3% are reviewing job adverts to make sure they include inclusive language, and 3% mentioned inclusive methods of recruitment such as where and how jobs are advertised. Businesses with more than 50 staff were most likely to be adopting inclusive recruitment practices (approx. 70%+), with 27% training recruiting staff to use inclusive techniques, and 12% ensuring a diverse interviewer panel.

Summary and issues to consider

39. The following represent themes and issues for consideration, based on the findings of this research:
- Business performance and confidence remain subdued compared to 2019, albeit less so compared to 2021, due to impacts of general economic conditions (rather than specific issues related to the pandemic or Brexit).
 - The impact of the UK leaving the European Union remains, but perhaps less so, with imports, exports and the cost of business the main issues, as well as labour availability for larger businesses.
 - The SEMLEP area is a positive business environment, which represents a potential pull for inward investment (although there is demand for continued progress and investment in the region).
 - The availability of skills remains an issue (albeit less so), especially amongst larger businesses, with hard-to-fill vacancies and skills shortages having implications for business growth, although skills gaps continue to reduce.
 - After a fall in the proportion of businesses offering or considering apprenticeship programmes (including among levy payers), this is back at earlier, pre-COVID levels.
 - Levels of innovation are back at 2019 levels, albeit with the economic climate and financial issues the main constraints.
 - Whilst there is a lot of goodwill and good intentions towards cutting carbon and becoming more environmentally friendly, solid commitments to targets and deadlines are few and far between, although there is perhaps subtle positive change.
 - Only a minority of businesses are actively adopting inclusive recruitment practices, although this is more prevalent amongst larger businesses.
 - There is an appetite for tangible regional economic development activity, centred around infrastructure and investment, as well as demand for business grants especially amongst smaller businesses.
 - Some businesses are experiencing challenges around access to finance and financial constraints impacting on business growth and innovation, which in part may be caused by the challenging economic conditions, as well as high interest rates limiting affordable access to credit. Consequently, support around access to finance, managing cash flow and business grants could help businesses through the current economic challenges and promote growth.
 - Whilst there is some consistency in findings across different types of businesses, there are also variations based on business size, sector and geography (including urban and rurally located businesses). This demonstrates the importance of segmenting businesses and developing appropriate strategies and support packages based on those segments (including for scale-up and pre-scale-up businesses), within a wider regional economic development and business growth approach.

SEMLEP Business Survey 2023

Main Report

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 authorities² that are home to over 77,000 businesses. The area contributes some £51bn to the national economy annually³.
- 1.3. Much of the support SEMLEP gives local businesses is delivered via the SEMLEP Growth Hub. This was born in 2019 from a merger of the Velocity Growth Hub, which had been operational since 2014, and the Northamptonshire Growth Hub. The creation of the SEMLEP Growth Hub streamlines SEMLEP's business support into one single source making it simpler for businesses to access, and more efficient to deliver.
- 1.4. There are four "showcase sectors", identified by SEMLEP, which are of particular importance to the South East Midlands' economy. These are sectors which have a strong presence in the region and great potential for growth. The showcase sectors are Creative and Cultural, High Performance Technology, Logistics, Manufacturing and Advanced Technology.
- 1.5. This report presents the findings from the 2023 SEMLEP business survey. It provides analysis to support and inform SEMLEP strategy and activities, and shows comparisons by business size, sector and over time to identify the needs and priorities of businesses in the area.
- 1.6. This is the 7th iteration of the SEMLEP business survey, which was first run in 2013 and has been conducted approximately every two years.

² Bedford, Central Bedfordshire, Luton, Milton Keynes, North Northamptonshire and West Northamptonshire.

³ Source ONS (accessed 26/05/2021)

Aims and objectives

- 1.7. The purpose of the survey was to identify the economic challenges and opportunities facing businesses in the South East Midlands region. This will help inform and shape the economic strategy and development activities of SEMLEP and its partner local authorities.
- 1.8. 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
 - SEMLEP and its activities, and priorities for future regional economic development
- 1.9. The context of the time in which the survey was undertaken should be taken into consideration when reviewing the survey findings, especially comparing 2023 with the previous survey in 2021. The 2021 survey was conducted when the country was emerging from the Covid-19 pandemic; after successive lockdowns and restrictions on businesses and individuals in place since March 2020, and restrictions had been lifted in the summer of 2021, while the Government's furlough scheme finished at the end of September 2021. In addition, the UK completed its withdrawal from the European Union as the "transition period", where the UK was not part of the EU but was still following its laws and rules, ended on 31st December 2020, ten months before the survey fieldwork. Subsequently, in 2023, the global and UK economy is experiencing challenges related to the war in Ukraine and other geo-political events, which in part have led to high inflation (including wages), rising interest rates, increased energy costs and a cost of living crisis, all with the potential to impact consumer demand.

Approach to the research

- 1.10. 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.
- 1.11. 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.
- 1.12. The questionnaire was based on that used in the 2021 survey, with a few changes to reflect updated priorities and challenges of the area.
- 1.13. The local authorities that boosted their interview numbers were also able to include some questions specific to their area; these are not shown in this overarching report but are presented in individual reports that have been provided to each relevant authority. The full questionnaire can be found in the appendix to this report.
- 1.14. Quota sampling was used to ensure a representative split of businesses by size, sector and geography. Quotas were set in proportion to the latest SEMLEP business population

statistics, sourced from the Office of National Statistics⁴. Quotas were achieved to within 2 to 3 percentage points of the original target. Weighting was then applied to ensure the final data was representative of the business population. The proportion of interviews by different criteria are shown in Figure 1.1.

Figure 1.1: Business profile by size and sector with proportion of interviews achieved (weighted)

Quota	Percentage of interviews achieved (weighted)
Business size	% of total
1-4 staff	78
5-9 staff	11
10-49 staff	9
50+ staff	2
Business sector	
Accommodation and food service activities	5
Administrative and support services	9
Agriculture, forestry and fishing	3
Arts, entertainment and recreation	4
Construction	12
Education	3
Financial and insurance activities	2
Health	5
Information and communication	6
Manufacturing	6
Motor trades	4
Other activities	3
Professional, scientific and technical activities	11
Property	3
Transportation and storage	5
Wholesale	5
Retail	11

1.15. As Figure 1.1 shows, the business population in SEMLEP is heavily weighted towards small and micro establishments with 98% of businesses having fewer than 50 staff and almost 80% fewer than 5.

⁴ ONS UK Business Activity - Size and Location 2022.

- 1.16. Construction, professional, scientific and technical activities, retail, and administrative and support services are the dominant sectors in terms of the number of establishments there are in the area.
- 1.17. The interview target for each local authority was set at 250 to allow statistically valid analysis by authority area. Four local authorities chose to boost the number of interviews carried out in their area to between 300 and 400 interviews, to allow for more robust survey findings over these specific geographies; these were Central Bedfordshire (400 interviews), Luton (350), Milton Keynes (300) and West Northamptonshire (300). Data were then re-weighted to ONS statistics to ensure the final results accurately reflected the size, sector and local authority profile of businesses in the SEMLEP area.

A note on this report

- 1.18. This report presents the findings for the SEMLEP area as a whole, with analysis presented by key business characteristics such as business size and sector where sample sizes allow. Local authority differences are not analysed in this report; tables presenting the findings broken down by local authority are available separately.
- 1.19. Where possible, comparisons are made to previous years, however changes to the population and survey approach over the years should be noted. In 2013 only six of the local authorities then in the region participated in the survey, and the 2014 survey did not include social enterprise organisations (albeit which only make up a small proportion of the current sample).
- 1.20. It should also be noted when drawing comparisons over time that the local authorities covered by SEMLEP have changed over recent years, with some re-organising and others leaving. The 2017 survey covered two additional local authorities than the 2015 survey; and Cherwell ceased to be part of SEMLEP between the 2017 and 2019 surveys. To allow for direct comparisons between 2019 and 2017, data from 2017 were re-analysed and re-weighted to remove Cherwell from the sample. It should be noted however that this means 2017 data presented in this report does not match that presented in the report of the 2017 survey. Similarly, between 2019 and 2021, Aylesbury Vale Local Authority is no longer part of the SEMLEP area, after it became a part of the new Buckinghamshire Unitary Authority, and the data has been adjusted to reflect this.
- 1.21. With 1,882 respondents, the survey provides for statistically reliable data. At this number of respondents, the sample error or accuracy of the survey results is around +/-2.3% at a 95% confidence level, for a finding of 50%⁵. This means that there is 95% confidence that the “real” result for any given question would be within 2.3 percentage points of that stated within the survey findings. This provides for robust data when analysed at a headline level and when different questions are cross-referenced against each other. It also allows for reliable comparison over time and nationally (differences of at least 4.5 percentage points and over between 2021 and 2023 are likely to be statistically significant). Differences by sector are less reliable, given the relatively small sample sizes in some cases. The report only comments on differences where they are statistically significant and/or where they tell/show an important or clear story/pattern.

⁵ Sampling error exists because even when surveying as robustly as has been the case with this survey, only a proportion of the population has been interviewed. Sampling error, therefore, is the measure of accuracy between the survey results and those that would have been obtained if all businesses in the area had been surveyed, i.e. a census conducted.

Section 2: Quality of the Local Area for Business

Key Findings:

- Three-quarters of businesses rated their local area as “a good place to do business”, in line with the 75% seen in 2021. However, the proportion giving the top rating of 5 out of 5 decreased from 48% in 2021 to 40% in 2023.
- Businesses were particularly positive about the availability of good quality water (70% rated at least “good”), the access to nature to support health and wellbeing (67%), the availability of utilities such as broadband, energy and water (66%) and the local supply chain (63%).
- Businesses were less positive about the availability of affordable housing in their area and about the local support available to their businesses, with just a quarter giving a positive rating to each of these.
- Fewer businesses were considering relocation than in 2021, just 6% (down from 8%). The main reasons for considering relocation were to lower costs and to move to larger premises.

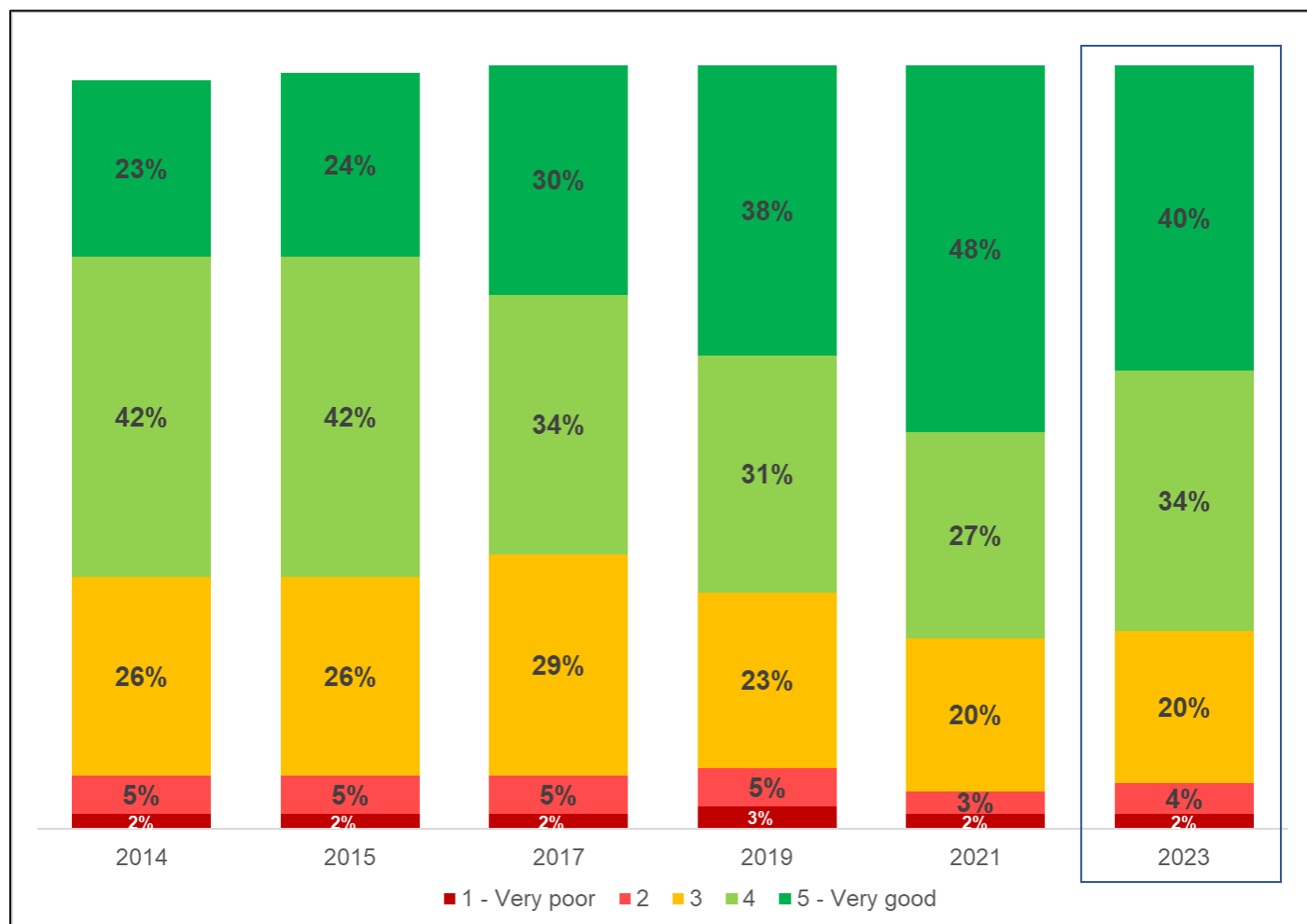
Introduction

- 2.1. This section looks at businesses’ perceptions of their local area as a place to do business, both at an overall level and in terms of specific aspects such as local business conditions, the attractiveness of the area as a place to live and work, the local infrastructure, and health and wellbeing. It also considers future relocation intentions within and outside of the SEMLEP region.
- 2.2. 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”.

The area as a place to do business

- 2.3. Two-fifths of businesses (40%) gave their local area the top rating of 5 out of 5 when asked how they rated it as a place to do business. This is a decrease from the 48% seen in 2021, returning back to the level that was observed in 2019 (see Figure 2.1).
- 2.4. A further 34% gave a rating of 4 out of 5, meaning that a total of three-quarters of businesses (74%) gave their area a positive rating. This is comparable to 2021 (75%).

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

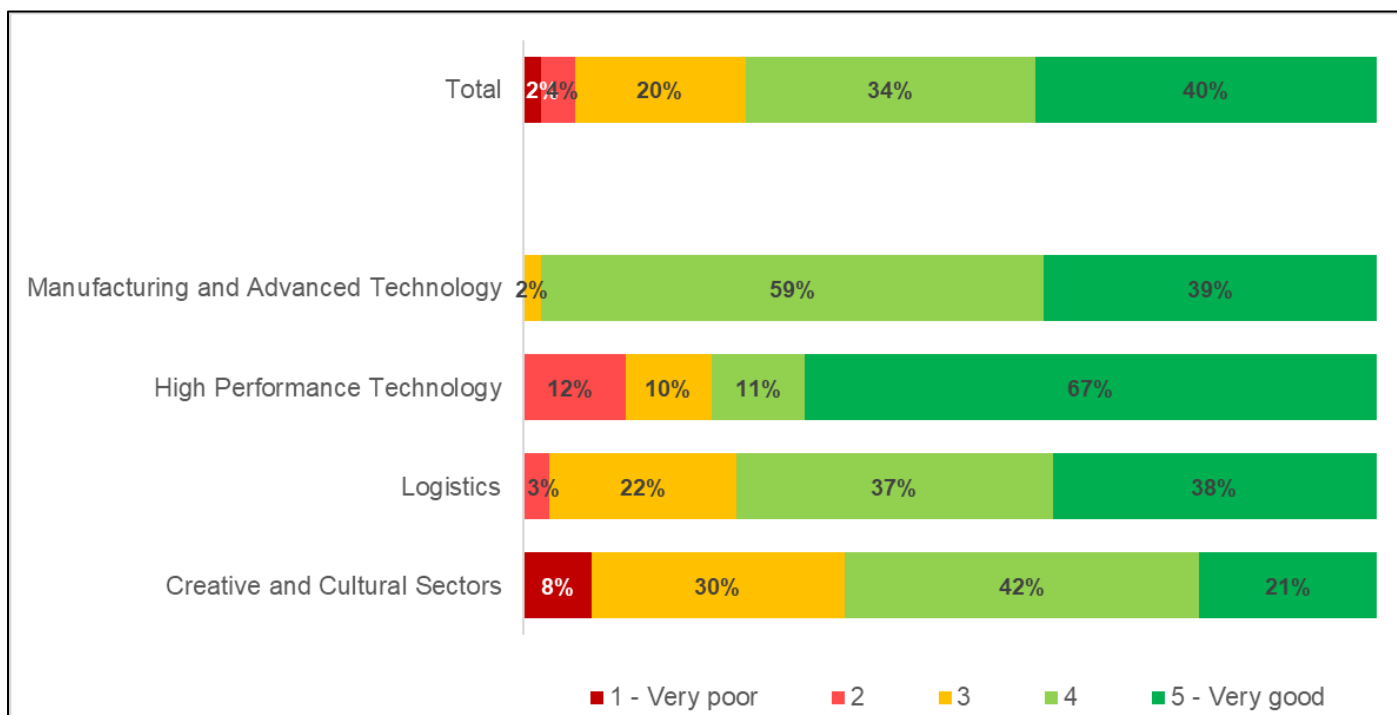


Number of respondents: 2023 1,882, 2021 1,841, 2019 1,647, 2017 2,035, 2015 1,918, 2014 1,573. Excludes 'don't know' responses.

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

- 2.5. Large businesses (50+ staff) were less likely to give their local area a positive rating (64%). On a more positive note, a lower proportion of these businesses (4%) gave their local area a "poor" rating, compared to 2021, when 19% of businesses with 50 or more staff gave their local area a rating of one out of five ("very poor").
- 2.6. By showcase sector, businesses operating in High Performance Technology were more likely to give a rating of 5 out of 5 (67%, compared to 40% across all businesses). This is different from 2021, when businesses operating in Logistics were most likely to give a rating of 5 out of 5 (68%, which is down to 38% in 2023).
- 2.7. Similar to 2021, Manufacturing & Advanced Technology were more likely to give a positive rating overall (98% and 92% rated 4 or 5 out of 5 in 2023 and 2021, respectively).
- 2.8. Businesses in the Creative and Cultural sector were less positive than average, with 21% giving a 5 out of 5, and 63% either a 4 or 5 out of 5.

Figure 2.2: Rating of the local area as a place to do business by showcase sector



Number of respondents: Manufacturing & AT 41, High Performance Tech 92, Logistics 151, Creative & Cultural 281. Excludes 'don't know' responses.

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

- 2.9. In terms of non-showcase sectors, businesses in Agriculture, Forestry and Fishing were more likely to give their local area as a place to do business a rating of 5 out of 5 (76%).
- 2.10. Businesses in the sectors Transport and Storage (88%) and Administrative and Support Service Activities (86%) were more likely to give a positive rating (4 or 5 out of 5).⁶

⁶ The differences by sector are statistically reliable, although they are subject to relatively small sample sizes and therefore a degree of caution should be exercised. This comment relates to all sector analysis in this report.

Ratings of key features of the local area

2.11. Businesses gave ratings for their location, 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

As a general point, results are analysed excluding ‘don’t know responses’ as per convention so only analysing results by valid responses. That said, in some cases there are quite high levels of don’t know/N/A responses, which reflects a lack of relevance or engagement with the aspect/feature of the local area.

Ratings of business and labour market conditions

2.12. Businesses were generally positive about the availability of utilities, with 66% rating this as “good”. However, this is lower than the 79% seen in 2021. Businesses with 50 or more staff were more likely to give this a rating of 5 out of 5 (“very good”), with 59% doing so.

Businesses in the Manufacturing and Advanced Technology showcase sector were more likely to give a rating of five out of five (“very good”), with 60% doing so. Similarly, urban businesses were more likely to give a rating of five out of five (“very good”), with 38% doing so, compared to 16% of rural businesses.⁷

2.13. Businesses were also generally positive about the supply chain located locally (63% good – comparable to the 65% seen in 2021). This figure was higher among businesses with 50 or more staff (79%).

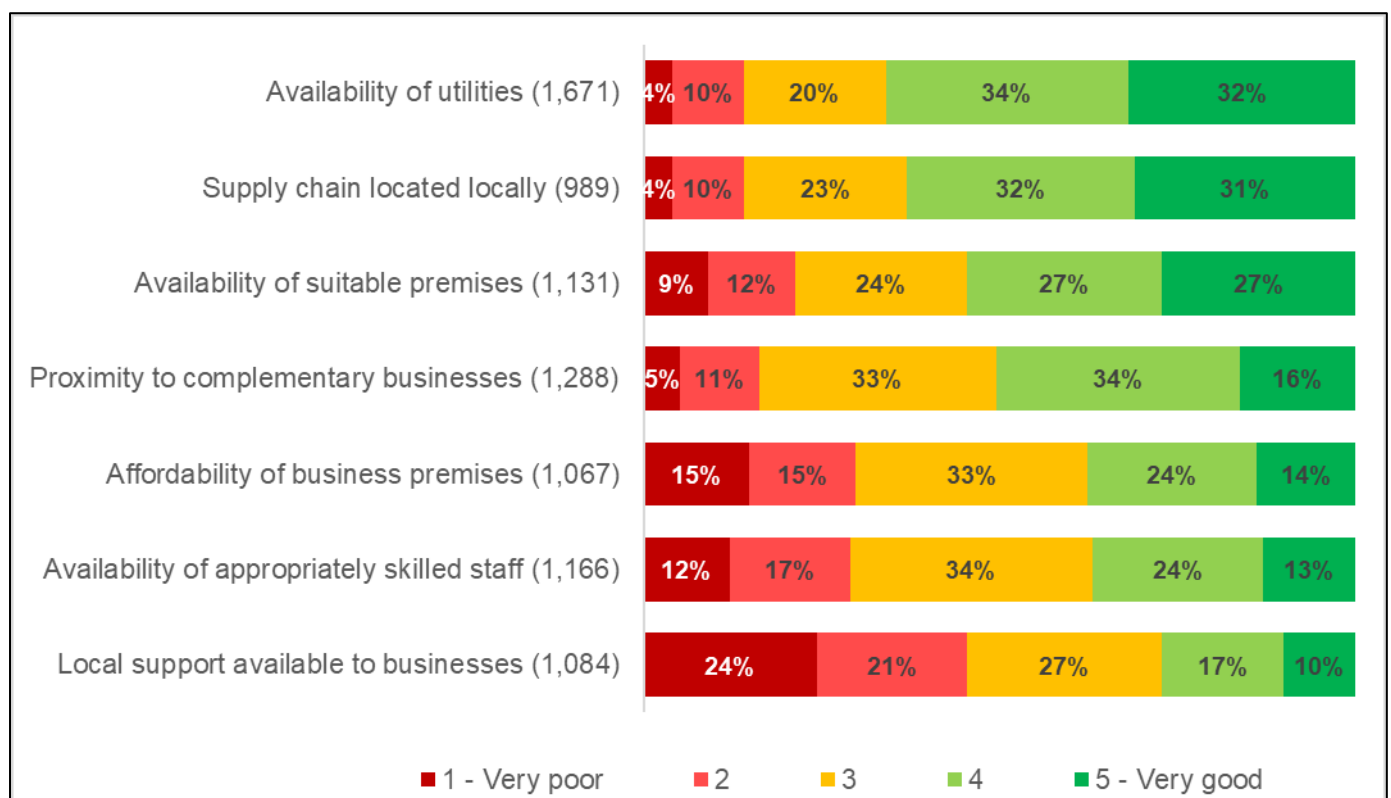
2.14. Above half of businesses were positive about the availability of suitable premises for their business (54% “good”), lower than the 64% seen in 2021. This figure was higher for

⁷ The research has coded the data into rural and urban classifications based on postcode using ONS’s rural-urban classification look-up tables for small geographies.

businesses with 50 or more staff (67%) and urban businesses (59%). Conversely, rural businesses were less positive, with 45% rating it good.

- 2.15. Whilst businesses were less positive about the affordability of business premises (38% “good”) this varied considerably by size. 63% of those with 50 or more staff rated this positively, 41% with 10-49 staff, 29% with 5-9 staff and 38% of those with 1-4 staff. By showcase sector, businesses in Logistics were most positive about this aspect, with 59% rating their area positively for the affordability of business premises.
- 2.16. Half (50%) gave a positive rating to their proximity to other complementary businesses, a decrease from 58% in 2021. Businesses in the Logistics and High Performance Technology showcase sectors were less positive about this (33% and 29% rated it “good”, respectively). High Performance Technology ratings were more likely to be neutral, at 3 out of 5, however a fifth, 18%, of businesses in Logistics rated the proximity to complementary businesses as “poor”.
- 2.17. Around four-in-ten (37%) rated the availability of appropriately skilled staff as “good”, and 29% rated it as poor. Skills challenges are covered in more detail in Section 4 of this report. Businesses in Agriculture were far more positive (95%).
- 2.18. Positive views on the quality of local support available to businesses were down to 27% (from 40% in 2021).

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



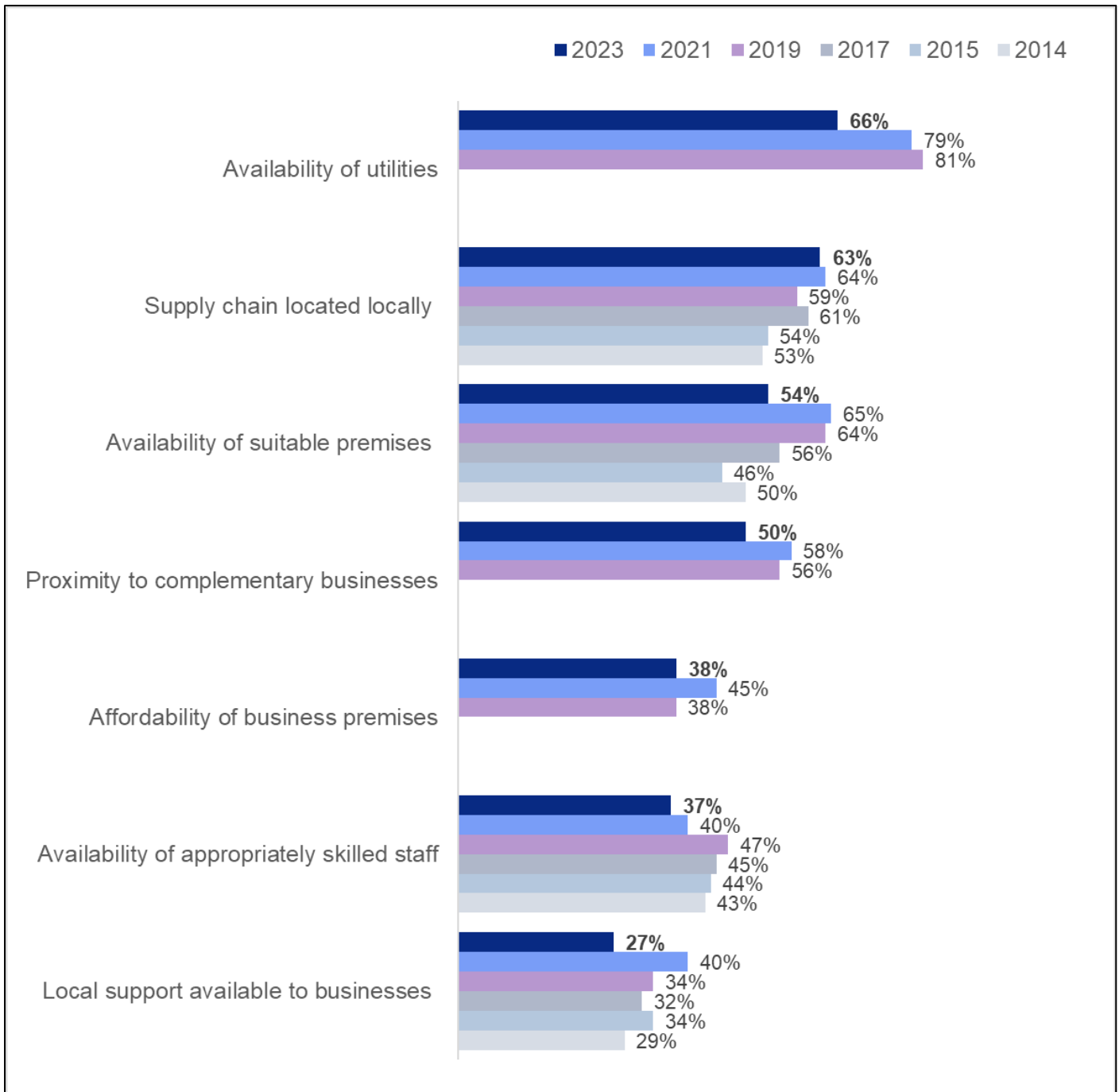
Numbers in brackets are the number of responses to each question. Excludes ‘don’t know’ responses.

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

- 2.19. 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 utilities (66%, down from 79% in 2021).

- 2.20. There has also been a decrease in positive ratings for the local support available to businesses (27%, down from 40%), availability of suitable premises (54%, down from 65%) and the proximity to complementary businesses (50%, down from 58%). There were no significant differences in proximity to complementary businesses by business size – this is different from the finding seen in 2021 that larger businesses were less positive than average, when 38% with 50 or more staff rated this element as good.
- 2.21. Similarly, there has been a decrease in positive ratings for the affordability of business premises, down from 45% in 2021 to 38% in 2023. Whereas in 2021, larger businesses were less likely than smaller to rate the affordability of premises as good, the opposite is true in 2023.
- 2.22. Ratings for availability of appropriately skilled staff have remained relatively static, with no significant differences seen since 2021.
- 2.23. A similar proportion of businesses, compared to in 2021, rated their local supply chain as good – 63%, compared to 64% in 2021.

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: 2023 1,890, 2021 1,862, 2019 1,675, 2017 2,180, 2015 1,918, 2014 1,573. Excludes 'don't know' responses.

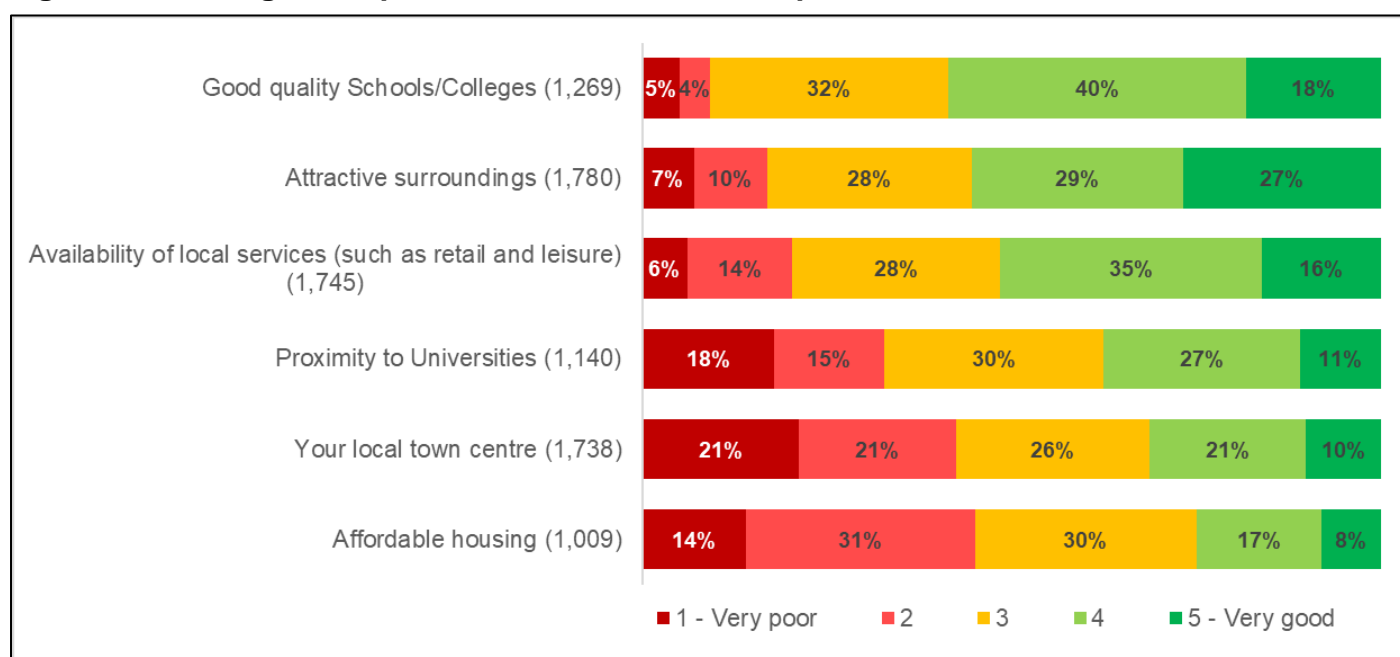
Question asked: How do you rate the availability of, or quality of, the following aspects of your location from a business perspective?

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

- 2.24. 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.
- 2.25. Businesses in the SEMLEP area were mainly positive about the quality of schools and colleges in the area, with 58% rating these as “good”. Businesses with 5-9 staff were less likely however to give a positive rating here, with 43% giving a positive rating. This is different from 2021, when larger businesses were less likely to give a positive rating.
- 2.26. Businesses were also positive, in the main, about having attractive surroundings, with 56% rating this as good. Businesses in the Logistics showcase sector were less likely to give a positive rating here, with 34% rating it good. Rural businesses, however, were far more likely to give a positive rating (75%).
- 2.27. The availability of local services was rated good by around half of businesses (51%), however ratings for the local town centre were lower with 31% rating it good, and a higher proportion (42%) rating it as poor. Businesses in the High Performance Technology showcase sector were more likely to rate availability of local services as good (77%). Businesses with 5-9 staff were more likely to rate the local town centre positively (44%), whereas businesses in the Logistics showcase sector were less likely to rate it as good (15%).
- 2.28. Just under two-fifths (38%) rated their area’s proximity to universities as “good”, and a third (33%) rated it as “poor”. Larger businesses were more likely to rate proximity to universities as good, with 57% of businesses with 50 or more staff rating it good, whereas rural businesses (24%) and scale-up businesses (23%) were less likely to rate it as good.
- 2.29. Ratings of the area having affordable housing were more negative than positive, with a quarter (25%) rating it “good” and 45% rating it “poor”. Businesses in the Creative and Cultural sectors, however, were more likely to give a positive rating (41%). Rural businesses were less likely to rate it as good (21%).

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

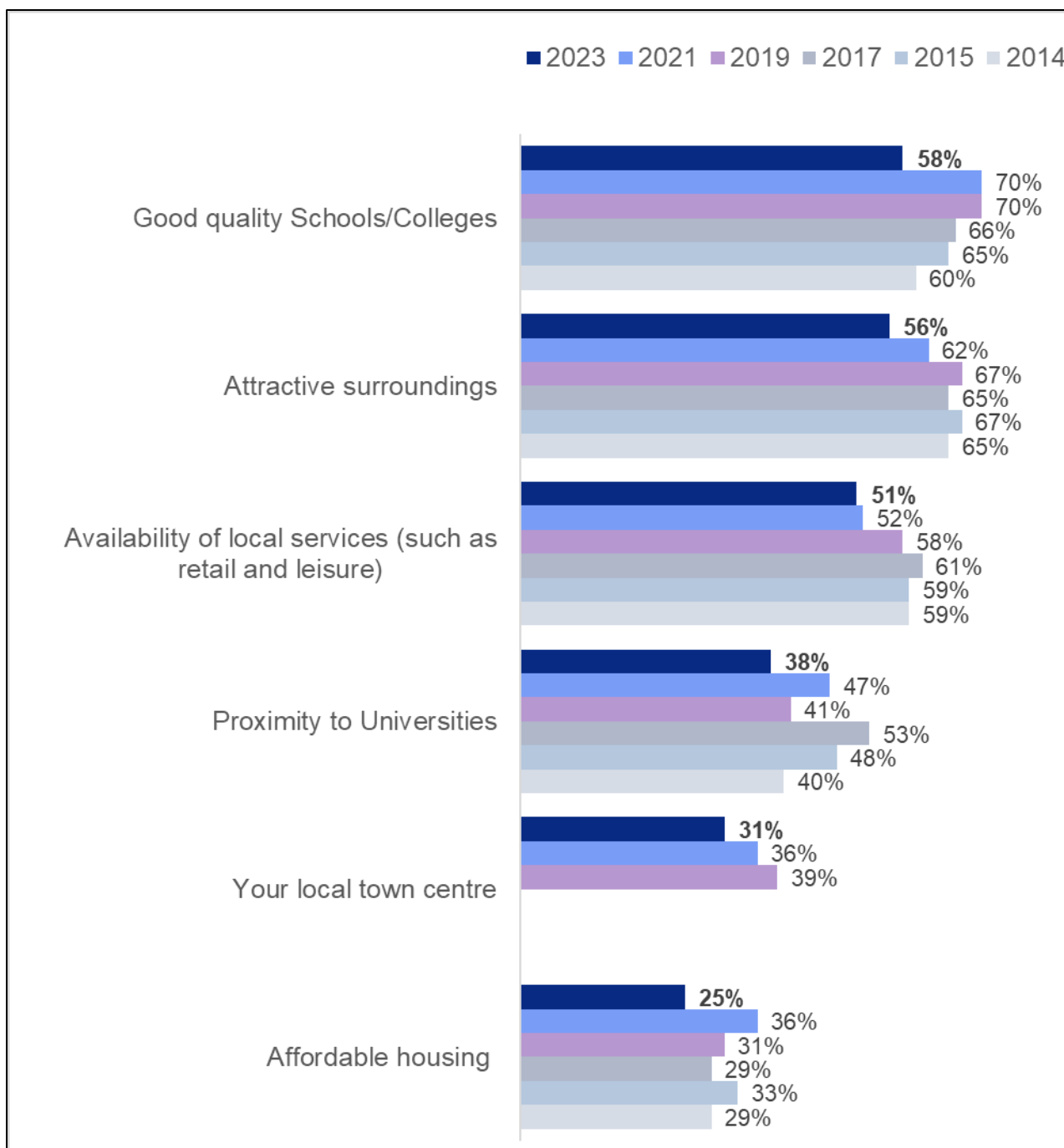


Numbers in brackets are the number of responses to each question. Excludes ‘don’t know’ responses.

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

- 2.30. Comparing the figures to 2021, we can see there has been a general decrease in positive ratings for the local area as a place to live and work. The proportion of businesses positively rating good quality schools/colleges has decreased from 70% to 58%. There has also been a decrease in positive ratings for the affordability of housing, down from 36% to 25%.
- 2.31. There has also been a decrease in positive ratings for the proximity to universities (down from 47% to 38%).
- 2.32. The proportion of businesses rating attractive surroundings as good has decreased from 62% to 56% and the proportion rating the local town centre as good has decreased from 36% to 31%.

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: time series



Number of respondents: 2023 1,890, 2021 1,862, 2019 1,675, 2017 2,180, 2015 1,918, 2014 1,573. Excludes 'don't know' responses.

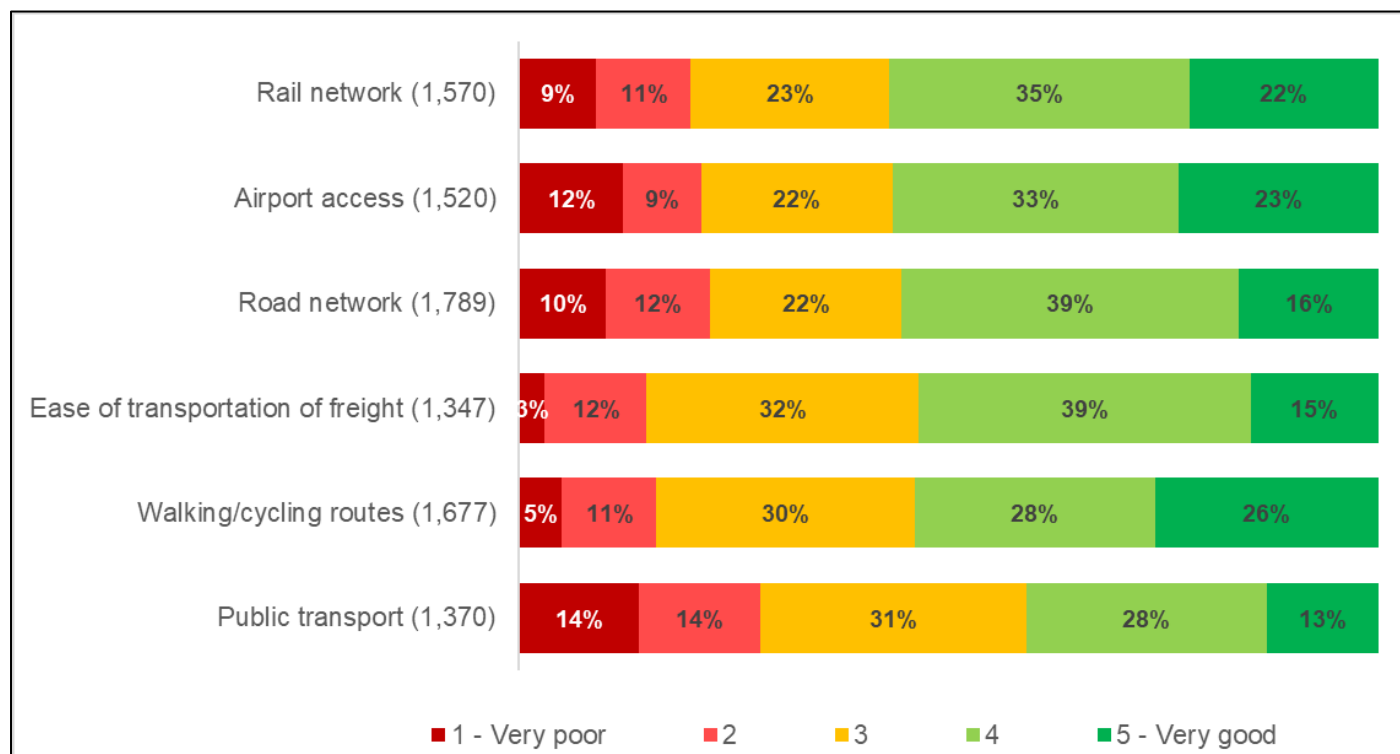
Question asked: How do you rate the availability of, or quality of, the following aspects of your location from a business perspective?

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

Ratings of the local infrastructure

- 2.33. Infrastructure is important to businesses in terms of staff travel and the movement of goods and products both in and out of the company.
- 2.34. Businesses were generally positive about the rail and road networks, with 57% and 55% respectively rating them as “good”. That said, there was a sizeable minority who disagreed – just above a fifth (22%) said the road network was “poor” and 20% gave a poor rating to the rail network. Businesses with 50 or more staff were more likely to give a rating of five out of five (“very good”) to the rail and road networks, with 32% and 38% respectively doing so. Looking by showcase sector, businesses in the Manufacturing and Advanced Technology showcase sector were less likely to rate the rail network as good (36%). Rural businesses were also less likely to rate the rail network as good (44%).
- 2.35. Ratings for the access to airports were also positive, with 56% rating them as “good” and 21% “poor”. Larger businesses were less happy with access to airports – 39% of businesses with 10-49 staff and 48% of businesses with 50 or more staff rated it as “good”. Businesses in the High Performance Technology showcase sector were also less positive about access to airports, with 28% rating it as good.
- 2.36. Ratings for the ease of transportation of freight and walking and cycling routes were also positive, with 54% rating each of them as “good”, and just 15% and 16% rating them as “poor” respectively. Businesses with 5-49 staff were more likely to rate ease of transportation of freight as “good” – 69% of businesses with 5-9 staff and 65% of businesses with 10-49 staff said the ease of transportation of freight was “good”. Businesses in the High Performance Technology showcase sector were less likely to rate ease of transportation of freight (41%) and walking and cycling routes (32%) as “good”. Scale-up (73%) and pre-scale-up (71%) businesses were more likely to rate the ease of transportation of freight as “good”.
- 2.37. Views on public transport remain more mixed compared to 2021 – just over four-in-ten (41%) felt it was “good”, but just under three-in-ten (28%) rated it as poor. Businesses with 50 or more staff were more likely to give a positive rating to public transport – 55% said it was “good”. Looking by sector, businesses in Arts (83%) were more likely to say that public transport was “good”. Businesses in the High Performance Technology showcase sector were less positive about public transport – just 15% said it was “good”. Rural businesses were also less positive about public transport, with 27% rating it as “good”.

Figure 2.7: Ratings of aspects of the local infrastructure

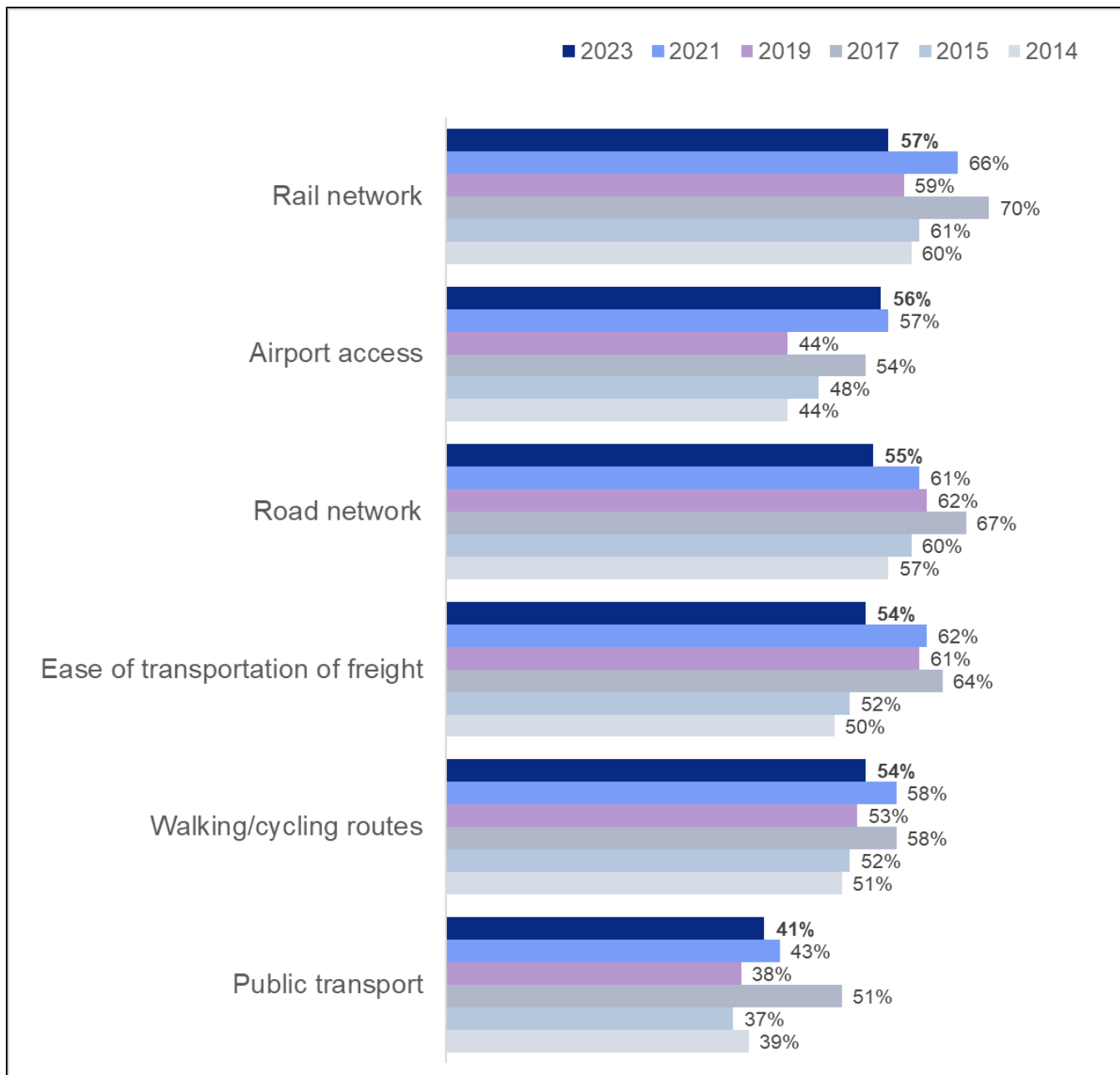


Numbers in brackets are the number of responses to each question. Excludes 'don't know' responses.

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

- 2.38. There has been a decline in ratings in a number of elements of the infrastructure since the 2021 survey.
- 2.39. Positive ratings for the rail network had fallen between 2021 and 2023 (from 66% to 57%), after the improvement witnessed in 2021 to 66% of businesses rating it as “good” from 59% in 2019.
- 2.40. Similarly, the ratings of the road network had fallen from 61% rating them positively in 2021 to 55% in 2023.
- 2.41. Ratings for ease of transportation of freight had also declined, with positive ratings decreasing from 62% in 2021 to 54% in 2023.
- 2.42. The ratings for walking and cycling routes had also fallen from 58% rating them positively in 2021 to 54% in 2023; back from the recovery witnessed in 2021 from 53% in 2019.
- 2.43. Ratings for accessibility to airports remained stable (56%), maintaining the improvement seen in 2021 (57% from 44% in 2019). Similarly, the proportion rating public transport as good had remained stable (41%).

Figure 2.8: Proportion of businesses giving a rating of 4 or 5 out of 5 for aspects of the local infrastructure: time series



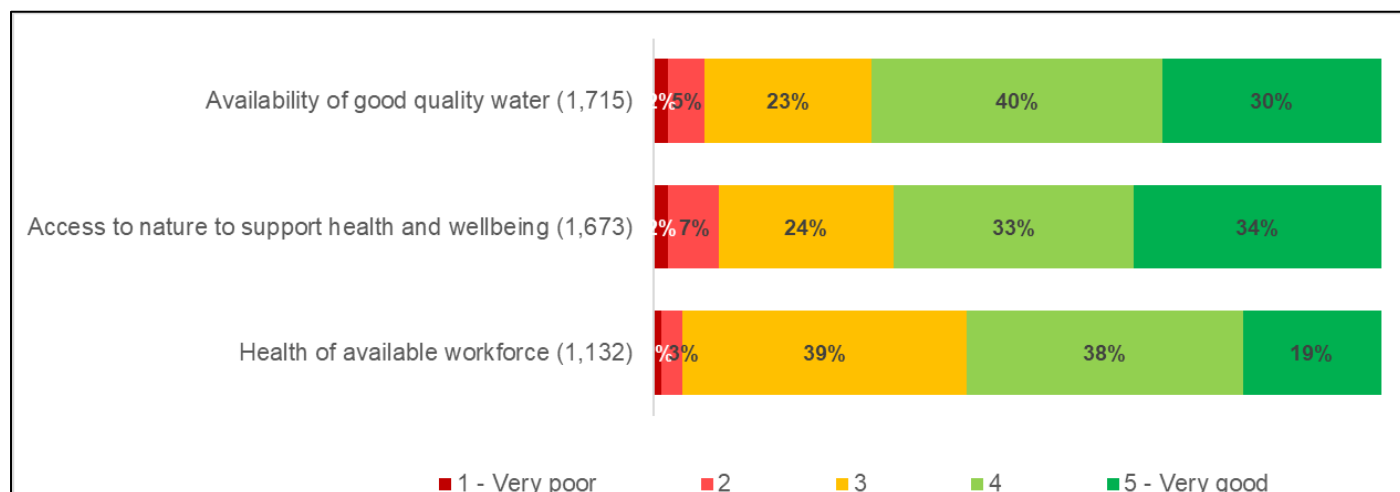
Number of respondents: 2023 1,890, 2021 1,862, 2019 1,675, 2017 2,180, 2015 1,918, 2014 1,573. Excludes 'don't know' responses.

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

- 2.44. Businesses were generally positive about the availability of good quality water, with 70% rating it as “good”. Businesses with 50 or more staff were more likely to give a rating of five out of five (“very good”) to the availability of good quality water, with 44% doing so. Looking by showcase sector, businesses in the Manufacturing and Advanced Technology showcase sector were more likely to give a rating of five out of five (58%). Rural businesses were more likely to rate the availability of good quality water as good (75%).
- 2.45. Ratings for the access to nature to support health and wellbeing were also positive, with 67% rating them as “good”. Businesses in Transport were less happy with access to nature – 32% rated it as “good”. Businesses in the Logistics showcase sector were also less positive about access to nature, with 44% rating it as good. Rural businesses were more likely to rate access to nature as “good” (74%).
- 2.46. Ratings for the health of available workforce were also positive, with 57% rating it as “good”. Businesses with 5 or more staff were more likely to rate the health of available workforce as “good” – 66% of businesses with 5-9 staff, 69% of businesses with 10-49 staff and 67% of businesses with 50+ staff said the health of available workforce was “good”. Rural businesses were less likely to rate the health of available workforce (51%) as “good”.

Figure 2.9: Ratings of aspects of health and wellbeing



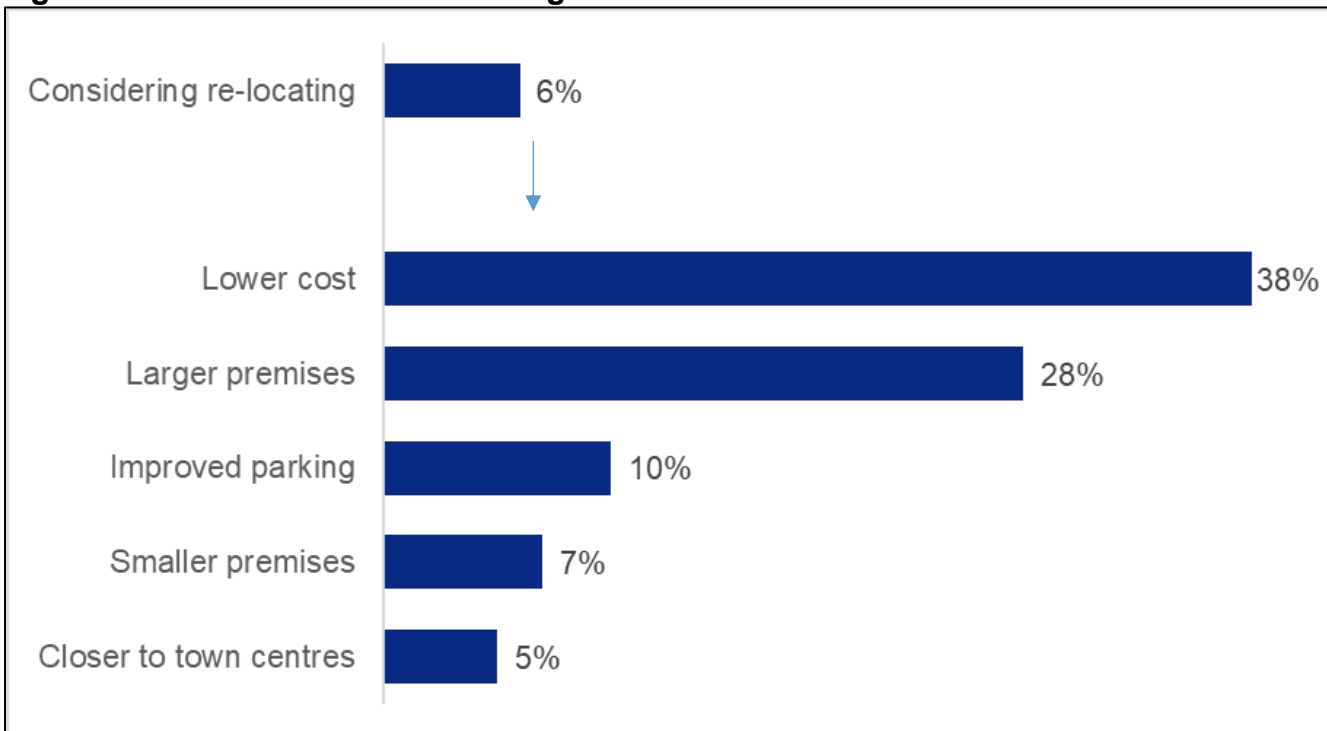
Numbers in brackets are the number of responses to each question. Excludes ‘don’t know’ responses.

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

Potential for business relocation

- 2.47. One-in-seventeen businesses (6%) said they were thinking of relocating their business. This was fewer than in the 2021 survey, when 8% were considering doing so and also lower than 14% in 2019, indicating a downward trend.
- 2.48. The majority of these businesses were looking to relocate within the same Local Authority area (5%), none were looking to relocate outside of their Local Authority but within the SEMLEP region, and 1% were looking to relocate outside of the SEMLEP area.
- 2.49. Businesses with 50 or more staff were less likely than smaller businesses to be considering relocation; 3% of those with 50+ staff said this was the case.
- 2.50. Looking by showcase sector, businesses in High Performance Technology were more likely than average to be looking at relocating (10%).
- 2.51. Rural businesses were more likely than urban businesses to be considering relocation; 12% of rural businesses said they were thinking of relocating their business.
- 2.52. Reasons for wanting to relocate were diverse, with a third of businesses giving a range of reasons other than those listed in Figure 2.10. These reasons were mixed, but included not wanting to renew a lease and deciding to work remotely/from home, or looking to move into short-term offices.
- 2.53. The most common reason for considering relocation was to lower cost (38%). Above a quarter (28%) wanted to move to larger premises; access to improved parking was mentioned by a tenth (10%) and moving to smaller premises was mentioned by a handful (7%).
- 2.54. Rural businesses were more likely than urban businesses to mention lower cost as a reason for considering relocation (49%).

Figure 2.10: Reasons for considering relocation of business

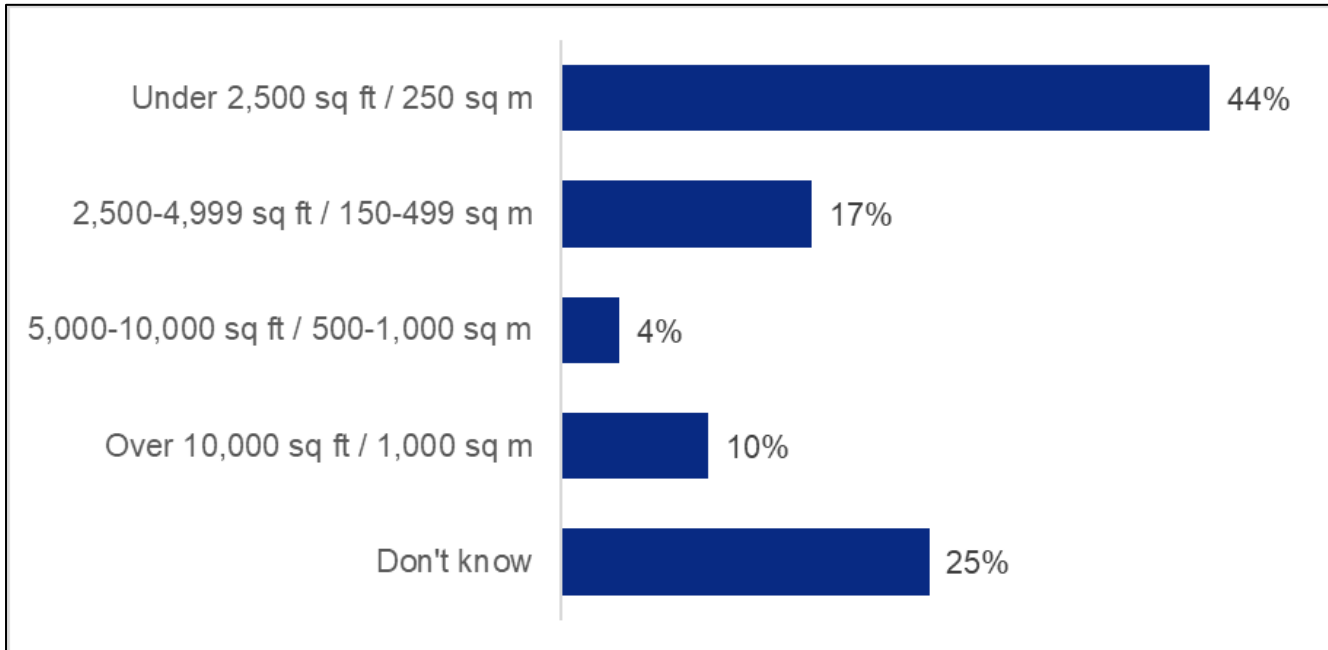


Number of respondents: 1,905 / 124

Questions asked: Are you thinking of relocating your business? / Why are you thinking of relocating? (latter question only asked to those considering relocating). Note: Respondents could select more than one answer.

2.55. Businesses looking to relocate to a smaller or larger premises were asked for the size of premises they were looking for. Businesses were more commonly looking for premises under 5,000 sq. ft (500 sq. m), with 61% saying so (including 44% seeking premises under 2,500 sq ft or 250 sq m). A quarter did not yet know what size premises they needed (see Figure 2.11).

Figure 2.11: Size of premises sought



Number of respondents: 42.

Questions asked: Approximately, what size of new premises are you or would you be looking for, in square feet?

2.56. Businesses looking to relocate were asked whether they had faced any problems with the premises on the market when they were searching for their new location. Those that had actively begun searching (which represents about 4% of the businesses interviewed) most commonly mentioned unaffordable prices (48%). Low quality or specification of premises was mentioned by 11% of businesses that had actively begun searching and 10% said the available premises were too small.

Section 3: Business Performance

Key Findings:

- Businesses were more likely to say performance over the past 12 months had improved (28%) rather than deteriorated (22%). This represented an improvement in business performance overall from the last survey in 2021, when 26% had seen performance improve and 34% had seen it deteriorate.
- In terms of their optimism for the coming year, businesses were still more likely to expect improvements than further deterioration (39% vs. 10%), and these levels of optimism were also better than seen in 2021 (40% expected an improvement and 15% a downturn).
- The general economic climate was the most commonly cited constraint on business growth, followed by cash flow and the availability of skilled labour, which was a particularly common issue for larger businesses.
- The top challenges reported by businesses as a result of the UK leaving the EU were problems importing, and general higher cost of doing business, but businesses were less likely to report any issues compared to 2021.
- Businesses were asked what support from the Council and other support organisations would help them grow their business. The top two factors were financial: More financial support generally (25%) and lower business rates (18%).

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 constraints on growth and the 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.

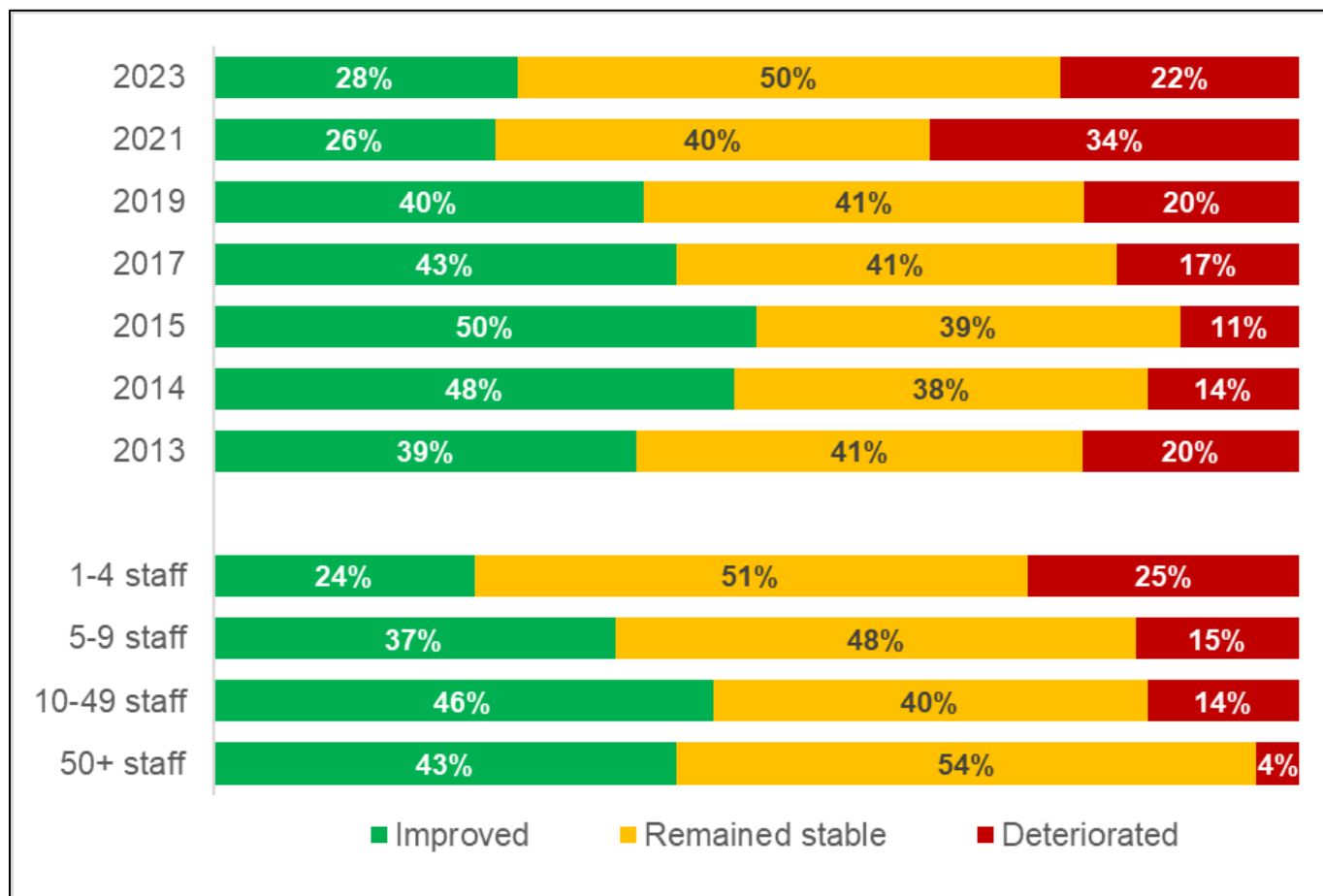
Past business performance

- 3.3. Business performance has improved in the past 12 months compared to 2021. A fifth of businesses reported that their business performance had deteriorated in the past 12 months (22%), compared to three-in-ten (28%) saying it had improved.
- 3.4. Up until 2021, the proportion rating their business performance as improving had been declining steadily since the 2015 survey, and conversely the proportion saying performance had deteriorated was increasing over the same period. However, the overall picture had still been positive with more businesses reporting improvements than deterioration in performance, except for 2021, when for the first time more businesses reported a decline in performance (34%) than report an improvement (26%).
- 3.5. Changes in business performance varied by size. Larger businesses were more likely to say business performance had improved and less likely to say it had deteriorated; 43% of businesses with 50+ staff reported an improvement in performance (compared to 20% in 2021), while only 4% reported a decline (compared to 23% in 2021). 46% of businesses with 10-49 staff reported an improvement, while 14% reported a deterioration in performance. For businesses with 5-9 staff, 37% of businesses reported an improvement,

while 15% reported a deterioration in performance. Businesses with 1-4 staff were equally likely to say business performance had improved or deteriorated (24% and 25%, respectively), whereas in 2021, they were less likely to say business performance had improved (24%) than deteriorated (36%).

3.6. Nationally, whilst not an exact comparison, there is a similarly subdued picture - 15% said their performance had improved, 55% stayed the same, 17% decreased and 12% not sure compared to the same month a year ago (ONS Business Survey, November 2023).

Figure 3.1: Business performance over the previous 12 months, by size and time series

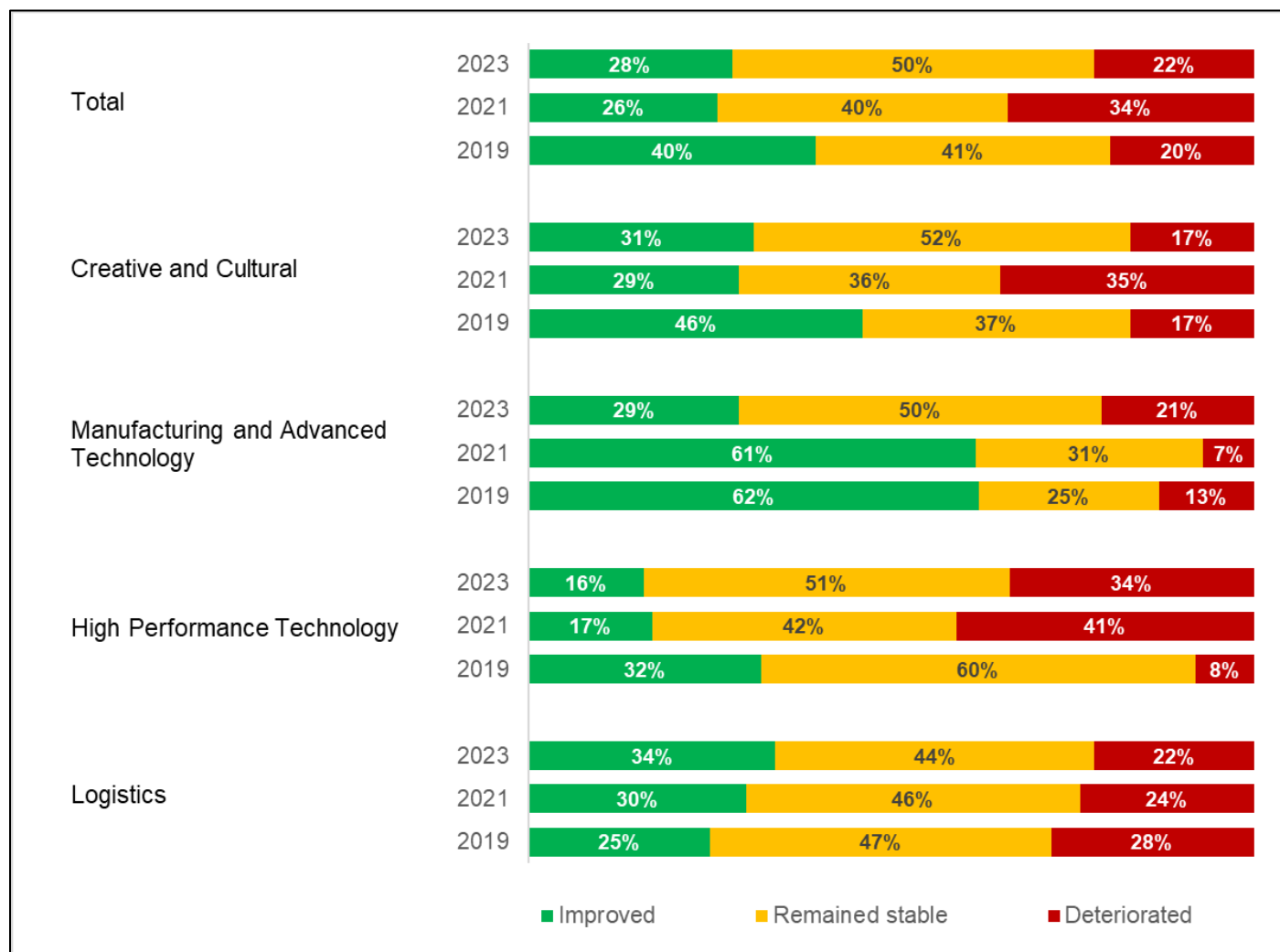


Number of respondents: 2023 1,902, 2021 1,858, 2019 1,651, 2017 2,091, 2015 1,918, 2014 1,573, 2013 897; 1-4 staff 1,465, 5-9 staff 205, 10-49 staff 178, 50+ staff 54. Excludes 'don't know' responses.

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

3.7. Looking at the data by showcase sector highlights some significant differences. Businesses in High Performance Technology remain less positive, with just 16% reporting an improvement. And although businesses in Manufacturing and Advanced Technology were in line with average business performance, only 29% reported an improvement compared to 61% in 2021, whereas the proportion reporting a stable performance increased from 31% in 2021 to 50% in 2023.

Figure 3.2: Business performance over the previous 12 months, by showcase sector



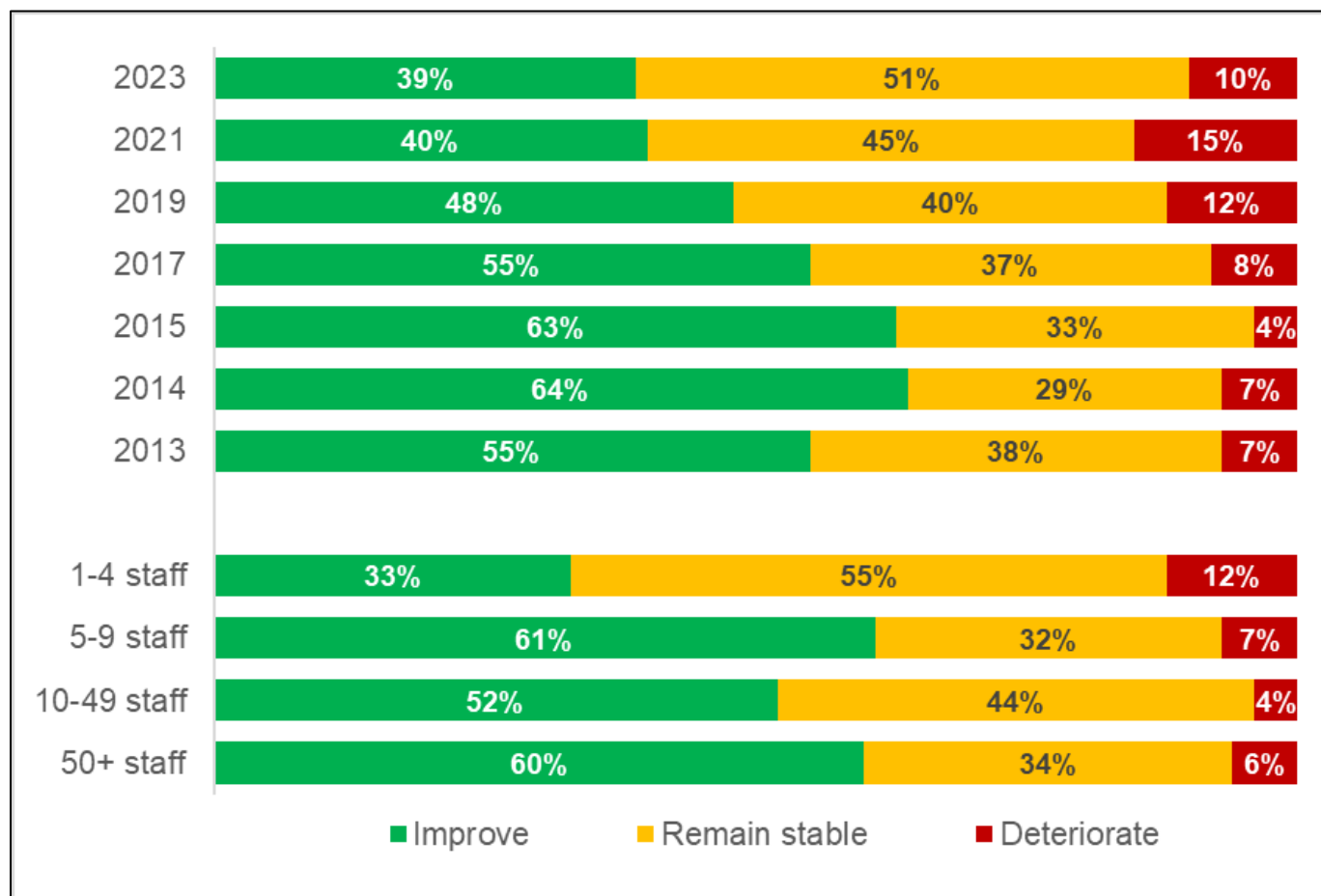
Number of respondents: Total 2023 1,902, 2021 1,858, 2019 1,651; Creative and Cultural 2023 281, 2021 315, 2019 287; Manufacturing and Advanced Technology 2023 41, 2021 79, 2019 40; High Performance Technology 2023 92, 2021 154, 2019 74; Logistics 2023 151, 2021 199, 2019 207.

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. Similar to previous years, business optimism for future performance was more likely to be positive than negative, with 39% expecting an increase in performance over the next 12 months compared with 10% expecting things to get worse.
- 3.9. This is also similar to the level of optimism seen in 2021 (40%). However, the proportion of businesses expecting performance to remain stable has increased from 45% in 2021 to 51% in 2023, moving from those who had expected a deterioration (15% in 2021 to 10% in 2023).
- 3.10. As seen in previous years, smaller businesses were more cautious in their outlook. Just 33% of the smallest businesses (1-4 staff) expected performance to improve in the coming 12 months, compared to 61% of businesses with 5-9 staff, 52% with 10-49 and 60% of businesses with 50 or more staff.
- 3.11. Nationally, the picture is also one of greater optimism than pessimism - 21% expect their performance to improve over the next 12 months, 49% stay the same, 10% decrease and 20% are not sure (ONS Business Survey, November 2023).

Figure 3.3: Predictions of future business performance by size and time series

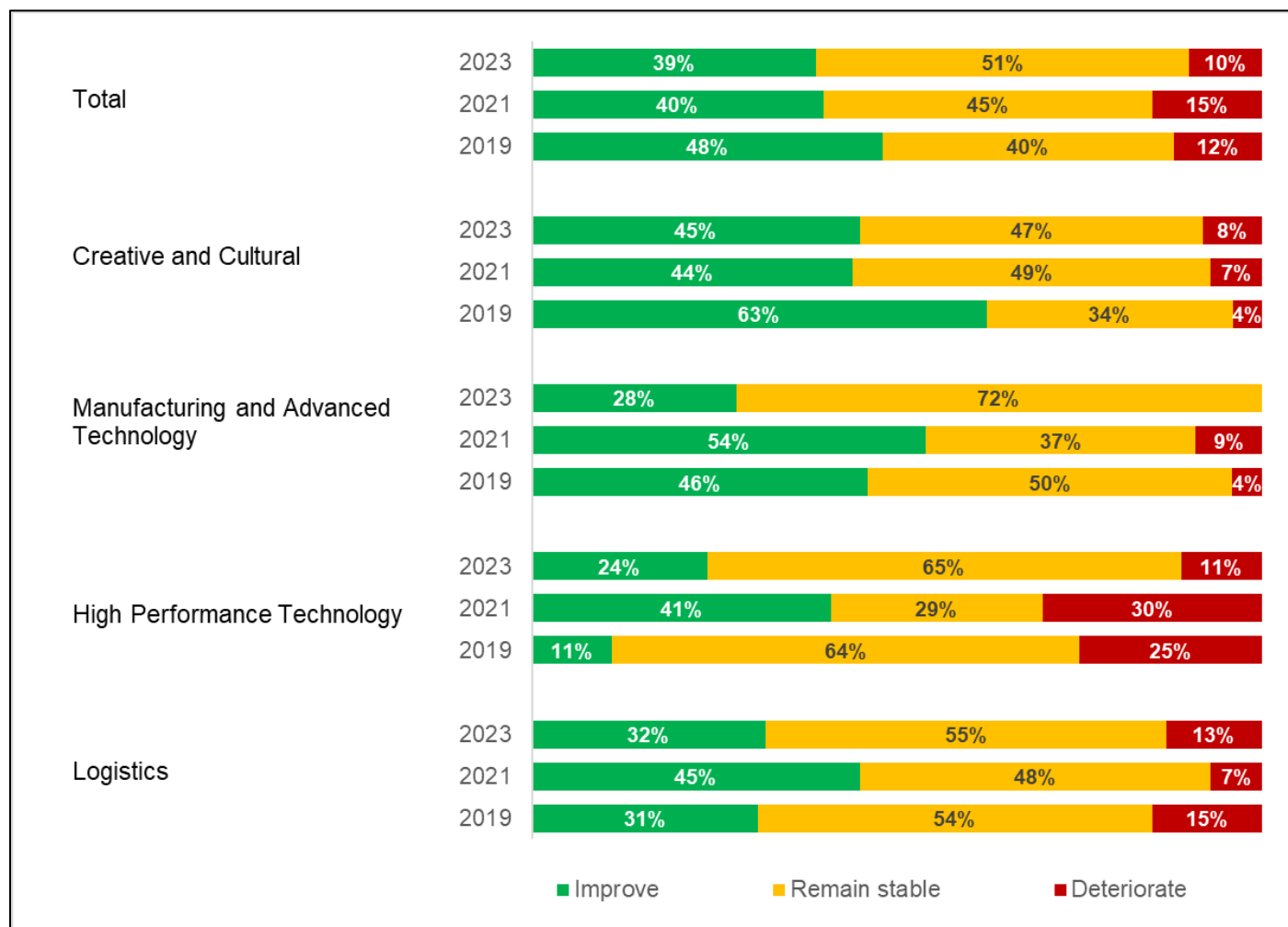


Number of respondents: 2023 1,888, 2021 1,852, 2019 1,547, 2017 2,121, 2015 1,918, 2014 1,573, 2013 896; 1-4 staff 1,450, 5-9 staff 206, 10-49 staff 178, 50+ staff 55.

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

- 3.12. There were some differences in the overall level of confidence for business by showcase sector, as well as some changes within each sector over time.
- 3.13. Businesses in the Manufacturing and Advanced Technology and the High Performance Technology sectors were more likely to say that they expected business performance to remain stable (72% and 65%, respectively).
- 3.14. Businesses in the Manufacturing and Advanced Technology sector were less likely to be optimistic about the future than they had been in 2021, with around three-in-ten (28%) expecting growth, compared to 54% in 2021.
- 3.15. Businesses in the High Performance Technology sector were more likely to expect business performance to remain stable compared to 2021, with around two-thirds (65%) expecting stability. That said, a quarter (24%) expected growth, down from 41% in 2021 and around one-in-ten (11%) expected things to deteriorate, also down from 30% in 2021.
- 3.16. Optimism was lower in 2023 than 2021 in the Logistics sector, with 32% expecting things to improve compared to 45% in 2021, and 13% expecting things to deteriorate (compared to 7% in 2021), going back to the level of confidence witnessed in 2019.

Figure 3.4: Predictions of future business performance by showcase sector



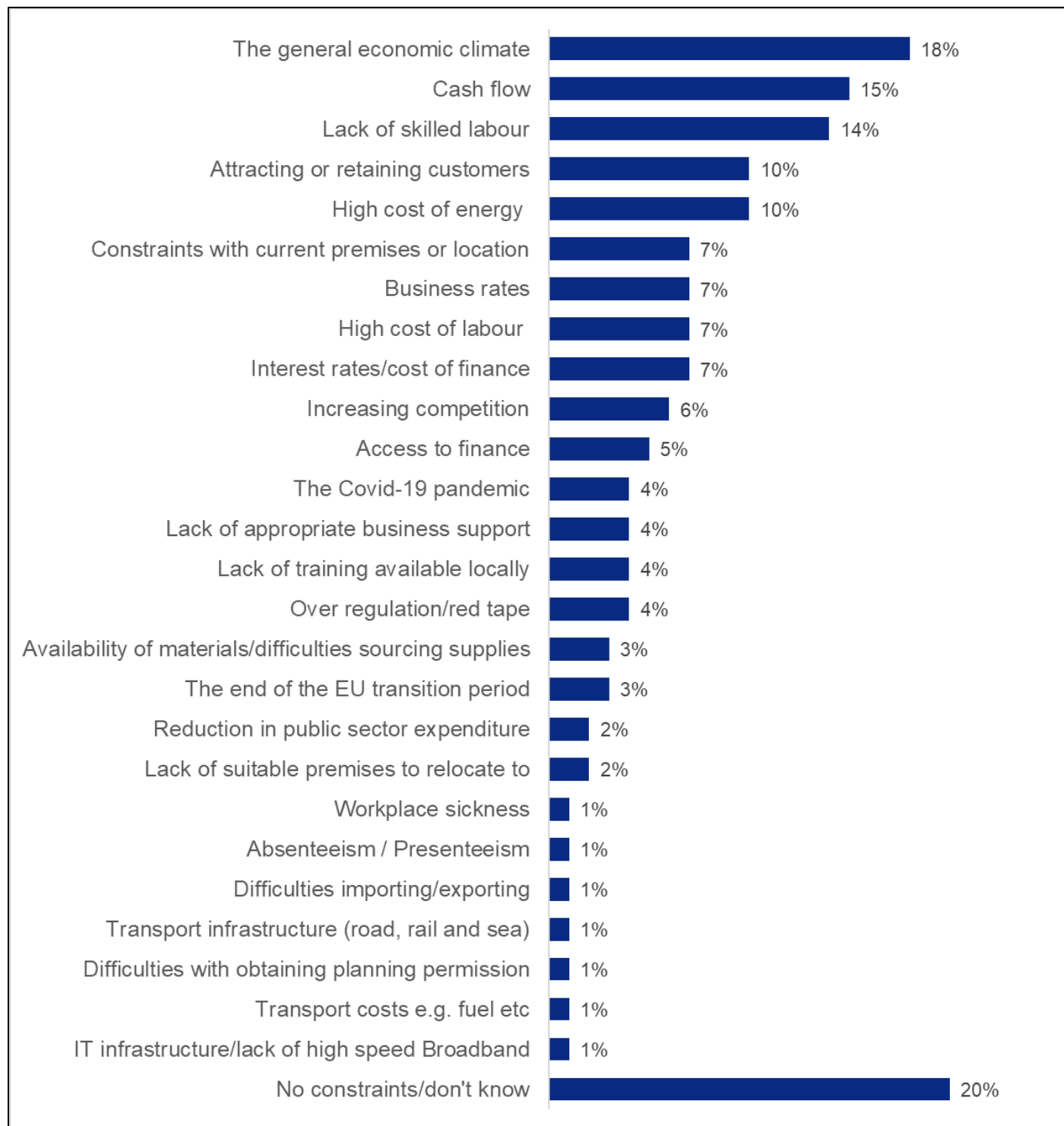
Number of respondents: Total 2023 1,888, 2021 1,853, 2019 1,546; Creative and Cultural 2023 281, 2021 313, 2019 278; Manufacturing and Advanced Technology 2023 38, 2021 79, 2019 42; High Performance Technology 2023 92, 2021 154, 2019 67; Logistics 2023 146, 2021 199, 2019 185.

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

Constraints on business growth

- 3.17. The vast majority (80%) of businesses were able to name at least one external factor they considered to be a constraint on their business growth. However, this is lower than in 2021 (87%).
- 3.18. The general economic climate was the most commonly mentioned constraint on growth, with 18% of businesses mentioning it. This is different from 2021, when the Covid-19 pandemic was named as the single most common constraint on growth, with a quarter (25%) of businesses mentioning it. Now only 4% of businesses mentioned it as a constraint in 2023. Businesses in the High Performance Technology showcase sector were more likely to cite the general economic climate as a constraint on growth, with 42% doing so. Rural businesses were also more likely to mention the general economic climate (27%).
- 3.19. Cash flow was the second most commonly mentioned issue at 15%, followed closely by a lack of skilled labour mentioned by 14% (lower than in 2021 when it was mentioned by 18%). Similar to previous years, a lack of skilled labour remains the biggest issue for larger businesses; it was mentioned by a third of businesses with 5 to 9 staff (32%), just above a fifth (22%) of those with 10-49 staff and just above a third (35%) of businesses with 50 or more staff. However, this figure for the largest businesses with 50 or more staff is significantly lower than it was in 2021 (57%). It was also more likely to be mentioned by businesses in the High Performance Technology showcase sector (29%).
- 3.20. The UK's withdrawal from the European Union was only explicitly mentioned as a constraint to growth by 3% in the 2023 survey (similar to the 4% seen in 2021), however its impact on other commonly cited constraints (such as availability of labour, sourcing supplies, import/export) is explored in the next section of this chapter.
- 3.21. Figure 3.5 shows all constraints mentioned by at least 1% of the business population surveyed.

Figure 3.5: Constraints on business growth



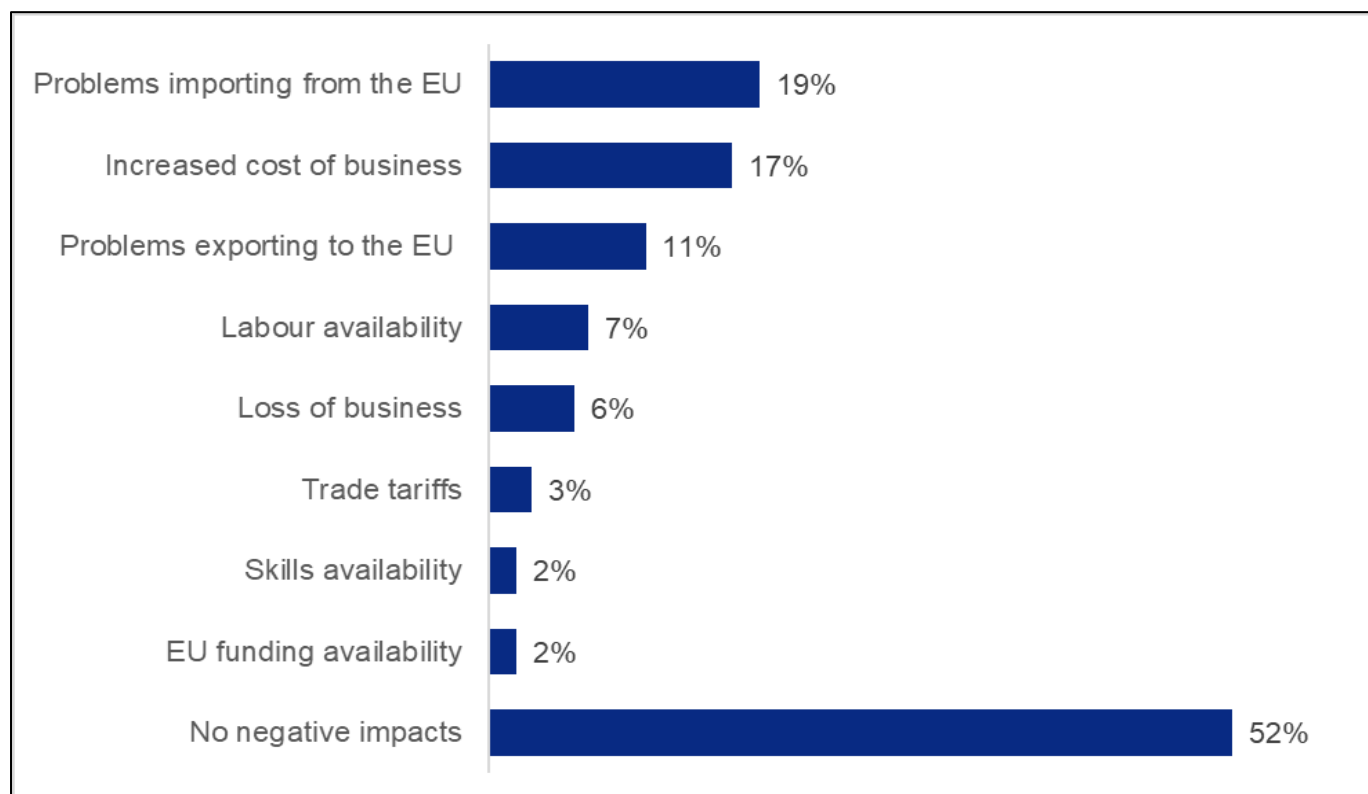
Number of respondents: 1,889.

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

Leaving the European Union

- 3.22. The UK formally left the European Union on 31st January 2020, and entered into a transition period that ended on 31st December 2020. The survey was carried out in the context of the UK having been independent from the EU for almost 3 years.
- 3.23. 45% of businesses were able to name at least one negative impact from the leaving the EU (52% said they had seen no negative impacts at all, 3% were not sure). This is lower than the 55% of businesses who were able to name at least one negative impact in 2021.
- 3.24. Similar to 2021, most commonly this was problems importing from the EU, experienced by 19% of businesses (29% of businesses in 2021). This was being felt especially keenly by the Logistics showcase sector (36%), the Wholesale sector (42%), Motor Trade (34%) and Construction (33%). Rural businesses were less likely to mention problems importing from the EU (15%).
- 3.25. Also similar to 2021, increased cost of business generally was the second most common issue (17%), higher than the 12% seen in 2021. This was particularly common in the Agriculture sector (36%) and Construction (35%).
- 3.26. Whilst labour availability was lower down the list, at 7%, for larger businesses this was a big issue with 29% of those with 50 or more staff (26% in 2021) reporting a negative impact on labour availability. In 2021, skills availability was also a big issue for larger businesses, with 20% of those with 50 or more staff saying that leaving the EU had negatively impacted skills availability, this is no longer the case with 0% of businesses with 50 or more staff reporting a negative impact on skills availability in 2023.
- 3.27. In addition, about 5% of businesses in the 'other' comments mentioned increased red tape/form filling/bureaucracy.

Figure 3.6: Negative impacts observed from leaving the EU

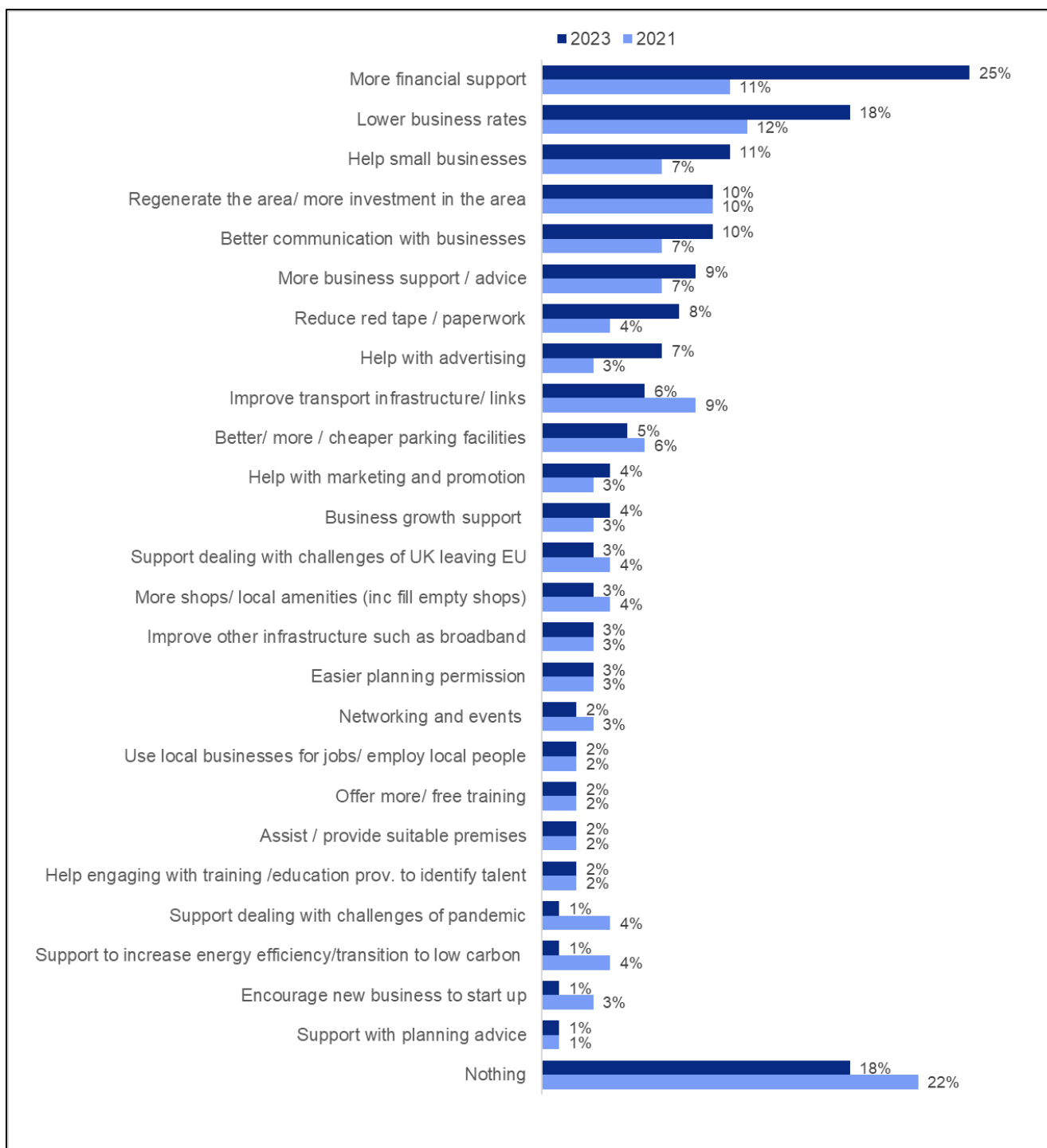


Number of respondents: Total 1,878. Question asked: What have been the main negative impacts, if any, you have seen on your business of the UK leaving the EU and its impact on your business? Note: Respondents could select more than one answer.

Support to assist growth

- 3.28. Businesses were asked to choose the three most important things councils and other support organisations could do to help them grow their business. This helps identify their priorities in terms of their support needs.
- 3.29. Similarly to 2021, the top two factors were financial. “More financial support” was the most common type of support, mentioned by 25%. Furthermore, this was higher than in 2021, when 11% cited this as a factor to support growth.
- 3.30. “Lower business rates” was the second most common factor, mentioned by 18%. This was also higher than in 2021, when 12% mentioned this factor.
- 3.31. The third most commonly mentioned way was helping small businesses (11%). This was also higher than in 2021, when 7% mentioned this factor. 10% said they would like to see more investment/regeneration in the local area and 10% wanted better communication with businesses (higher than 7% in 2021).
- 3.32. More businesses than in 2021 also mentioned reduced red tape/paperwork (8%, compared to 4%).
- 3.33. Events in the period preceding the 2021 survey had given rise to new forms of support being required. Support dealing with the challenges of the pandemic specifically was mentioned by 4%, this is now down to 1% in 2023. Support dealing with the challenges of the UK leaving the EU was mentioned by 4% in 2021 and 3% in 2023. Support increasing energy efficiency and transitioning to low carbon was up from 1% in 2019 to 4% in 2021, and is now back to 1% in 2023.
- 3.34. A fifth (18%) of businesses could not think of any form of support that would help their business grow.

Figure 3.7: Support businesses would like to see from councils and other support organisations to help business grow



Number of respondents: 2023 1,898; 2021 1,806.

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

3.35. Whether it is because they need more support or because they have better awareness of what might be available and what would be helpful, larger businesses were more likely to be able to name priorities for support to help their businesses grow. Just 13% and 12% respectively of those with 5-9 staff and 10-49 staff said there was nothing they needed, and 4% of businesses with more than 50 staff said they did not need support.

3.36. The priorities for support also differed by size. Similarly to 2021, small businesses were far

less likely to be looking for reductions in business rates (15% of those with 1-4 staff compared to 33% with 5-9, 26% with 10-49 and 30% with 50 or more staff); this is likely because smaller businesses are less likely to have premises and pay rates.

- 3.37. Mid-sized businesses were more likely than smaller and larger businesses to require more general financial support, with 34% of those with 5-9 staff and 31% of those with 10-49 staff mentioning financial support, compared to 23% of businesses with 1-4 staff and 16% of those with 50 or more staff.
- 3.38. Urban businesses were more likely than rural ones to require more investment in the area (13% of rural, compared to just 3% of urban businesses).
- 3.39. Businesses in the showcase sectors also had differing priorities:
 - Businesses in Creative and Cultural were most likely, out of all the factors listed, to say more financial support would help their business growth (31%, compared to 25% overall), followed by lower business rates (16%), more help for small businesses (14%) and improved transport infrastructure and links (also 14%).
 - Those in High Performance Technologies were most likely to say easier planning permission would be helpful to them (32%), followed by lower business rates (25%) and reduced red tape/paperwork (18%).
 - Businesses in Logistics were looking for lower business rates (37%, compared to 18% overall), followed by investment in the local area (25%, compared to 10% overall) and more financial support (20%).
 - Businesses in Manufacturing and Advanced Technologies were most likely to say lower business rates would be of use to them (27%), followed by more help for small businesses (17%) and support to deal with the challenges of the UK leaving the EU (also 17%).

Section 4: Employment, Skills and Training

Key Findings:

- Above three-in-ten (32%) businesses had had at least one vacancy in the 12 months preceding the survey. This was an increase on the figure of 28% seen in 2021. Approaching six-in-ten (56%) of these businesses reported that one or more of these vacancies had been hard to fill; this equates to 18% of all businesses which is comparable as an overall figure to that seen in 2021 (17%) and also comparable to the proportion of those who had actually had vacancies (56% vs. 60% in 2021).
- Use of agencies to try to fill vacancies has decreased considerably since 2021, down from 40% to 22%, and is no longer the channel most commonly used by businesses to fill their vacancies. Paid for websites are now most commonly used (28%).
- The most common reason for finding vacancies hard to fill was a lack of applicants with the required skills. Just under half of employers reported they'd had difficulties finding recruits with the skills they needed; they reported that they found it difficult to obtain job specific and technical and practical skills in particular. The most common reasons given for this included a poor quality of applicants generally, a general lack of skills in the available workforce and a low number of applicants available. 10% blamed a reduction in the availability of EU applicants.
- Skills gaps occur when current staff do not have the required skills to carry out their job role. Overall, 12% of businesses were able to list at least one skill they felt their current staff were lacking. This was lower than the 16% seen in 2021, showing an improvement, and continued the downward trend in the proportion of employers with skills gaps seen since the survey was first conducted.
- The skills staff lacked were diverse, and often specific to the role they were doing. Reasons for skills gaps stemmed primarily from training issues, with a fifth saying staff had received insufficient training. Current events played a part, with 8% saying skills gaps were due to a reduction in EU workers.
- A third (33%) of businesses had taken actions to increase the skills of their workforce, down from 45% in 2021, most commonly including offering in-house or external training.
- At the time of the survey 11% of businesses had a current apprentice, more than at the time of the 2021 survey (7%). A further 26% said they would consider hiring an apprentice in future. Of the 63% who would not consider an apprentice the majority said this was because they thought their business is not suited to apprentices.
- Far more apprenticeship levy payers were using the levy to take on new apprenticeships (60%). In 2021, 23% of levy payers in the survey said they had used it to take on new apprenticeships.
- Just over a quarter of businesses (29%) reported offering at least one kind of work-experience placement, comparable to the figure seen in 2021. This was most commonly to school students aged 10-12. Businesses who did not engage with these activities most commonly said they did not see the value in it or lacked the time to do it.
- Just under two-fifths of businesses (39%) said that health and wellbeing was not a priority.

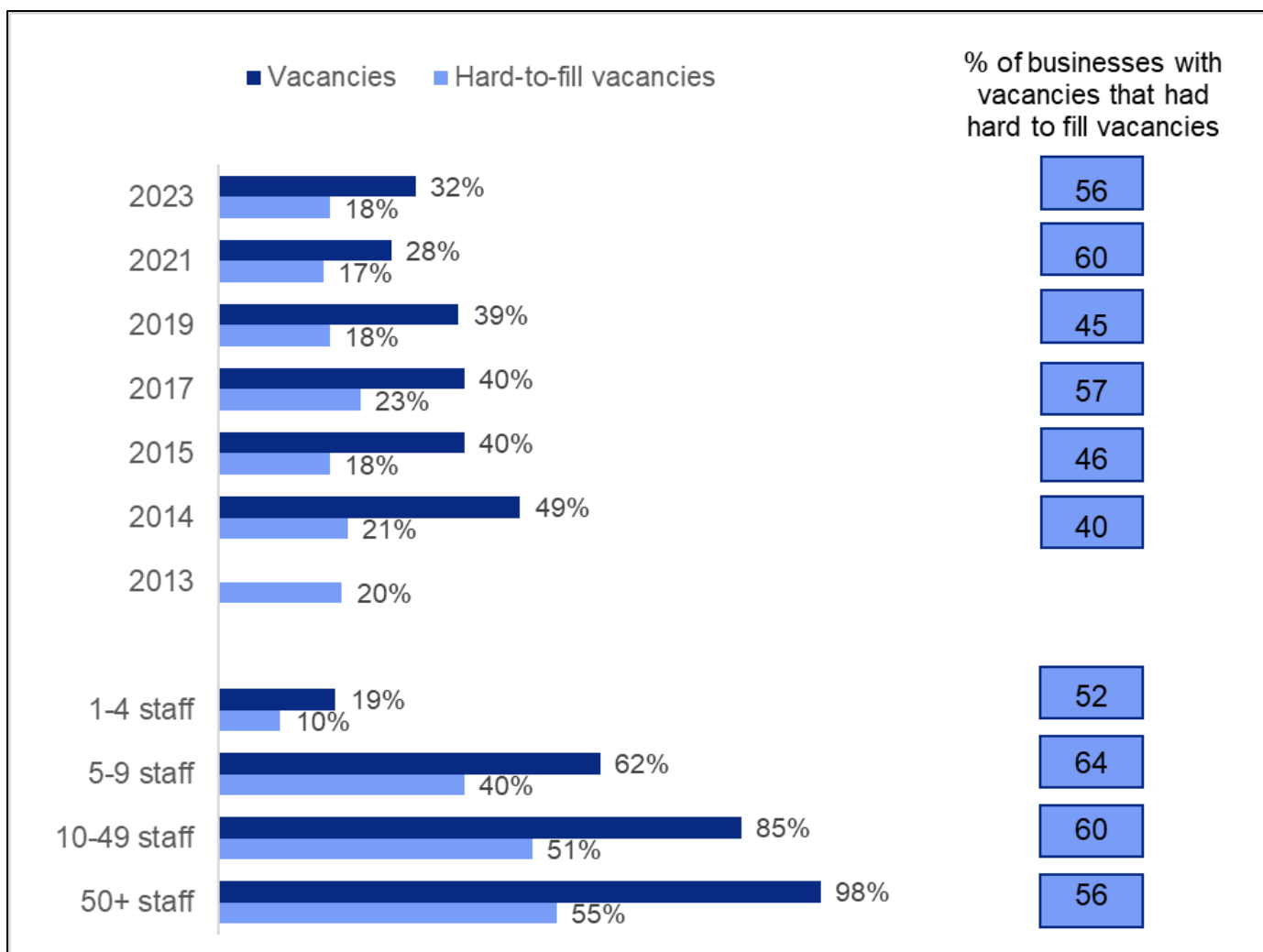
Introduction

- 4.1. This section of the report looks at businesses' experiences of issues surrounding their staff. 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.
- 4.2. It also looks at the businesses' health and wellbeing priorities, as well as current and potential future provision of apprenticeships and of work-experience placements.

Vacancies and recruitment difficulties

- 4.3. Above three-in-ten (32%) business had had at least one vacancy in the 12 months preceding the survey. This was higher than in 2021, when 28% had had one or more vacancies.
- 4.4. Nationally, the latest employer skills survey shows that at the time of interviewing 23% of businesses had at least one vacancy (up from 20% in 2017) (Employer Skills Survey, 2022). Please note this is not a direct comparison as it asks for current vacancies, rather than over the past 12 months.
- 4.5. Similar to 2021, larger businesses were more likely to have had vacancies: 98% of businesses with 50 or more staff had had a vacancy in the past 12 months, compared to just 19% of those with 1-4 staff (see Figure 4.1).
- 4.6. The increase in the proportion having vacancies in the past year was more focused on the smaller businesses. Whilst the proportion of large businesses reporting vacancies had slightly increased, among those with 1-4 staff they had increased from 12% in 2021 to 19% in 2023.
- 4.7. By showcase sector, the Creative and Cultural sector had seen a slight increase in the proportion of businesses with vacancies since 2021, from 36% to 44%. The proportion of businesses with vacancies in the past 12 months had also slightly risen in High Performance Technology from 28% to 35%. Levels of businesses with vacancies remained similar in the Logistics sector (39% in 2023, 36% in 2021), whereas the Manufacturing and Advanced Technology had seen a fall from 51% to 18%.
- 4.8. Approaching six-in-ten (56%) businesses that had had vacancies reported that one or more of these vacancies had been hard to fill; this equates to 18% of all businesses.
- 4.9. This overall figure is comparable to 2021 (when it was 17% of all businesses), and as a proportion of businesses who had actually tried to recruit this 56% was also comparable to the 60% seen in 2021.
- 4.10. Mid-sized businesses with vacancies were more likely than the smallest and largest businesses to have had trouble filling any of their vacancies (64% and 60% respectively of businesses with 5-9 staff and 10-49 staff with vacancies had had difficulty filling one or more of their vacancies, compared to 52% and 56% respectively of businesses with 1-4 and 50 or more staff). However, the proportion of those with vacancies reporting difficulties has decreased among businesses with 10-49 staff (from 77% to 60%).
- 4.11. Nationally, 15% of businesses overall said they had at least one hard-to-fill vacancy (representing 57% of all vacancies), up from 8% in 2017 (Employer Skills Survey, 2022).

Figure 4.1: Businesses with vacancies and hard-to-fill vacancies in the past year, over time and by size



Number of respondents: 2023 1,897, 2021 1,857, 2019 1,675, 2017 2,121, 2015 1,918, 2014 1,573, 2013 915; 1-4 staff 1,459, 5-9 staff 207, 10-49 staff 177, 50+ staff 55.

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?

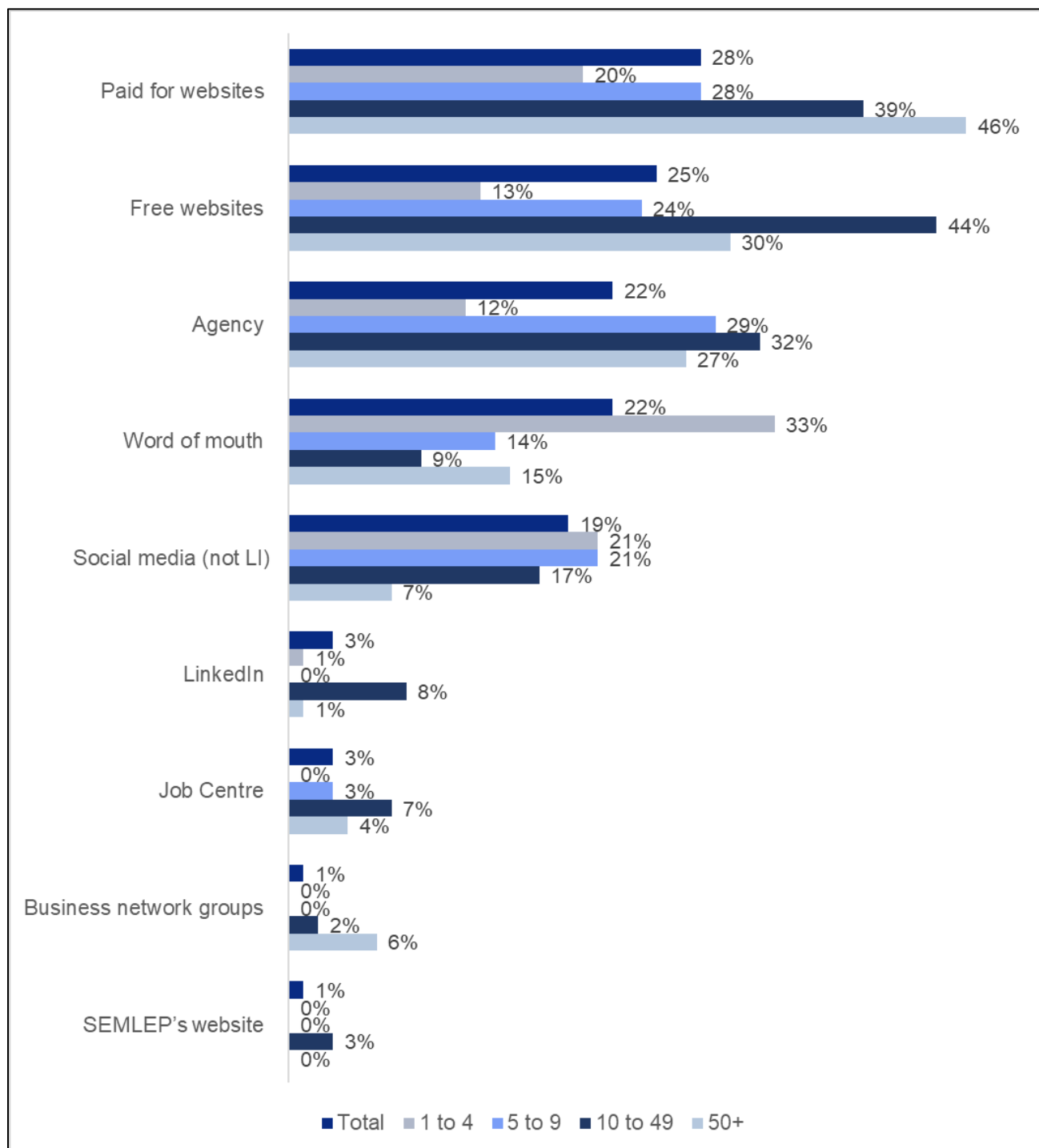
No data is available for the proportion of businesses with vacancies in 2013.

- 4.12. In 2021, the use of agencies to try to fill vacancies had increased considerably, up from 18% in 2019 to 40% in 2021, and had become the channel most commonly used by businesses to fill their vacancies. This was possibly due to increased difficulties in recruitment, the scale of their recruitment challenges, or limitations on meeting candidates for interviews and assessment during lockdown. In 2023, the use of agencies to fill vacancies has decreased again to 22% and is no longer the top channel for recruitment. Paid-for websites are currently most commonly used by businesses to fill their vacancies (28%).
- 4.13. The decrease in use of agencies was particularly marked in larger businesses, with 32% and 27% respectively of businesses with 10-49 and 50+ staff using this method in the 2023 survey compared to 61% and 56% respectively in 2021. These businesses' use of social media (other than LinkedIn) has also decreased from 32% and 47% of businesses with 10-49 staff and 50+ staff respectively to 17% and 7%, respectively.
- 4.14. There was also a big decrease in use of word of mouth as a recruitment channel among

businesses in the 50+ sizeband, from 42% to 15%. For these businesses, paid-for websites (46%) have replaced agencies as the top recruitment channel used; there was also a reduction in use of LinkedIn for recruitment in this sizeband (from 15% to 1%).

4.15. Very few businesses had used SEMLEP’s website for recruitment – 1% overall.

Figure 4.2: Recruitment channels used by size

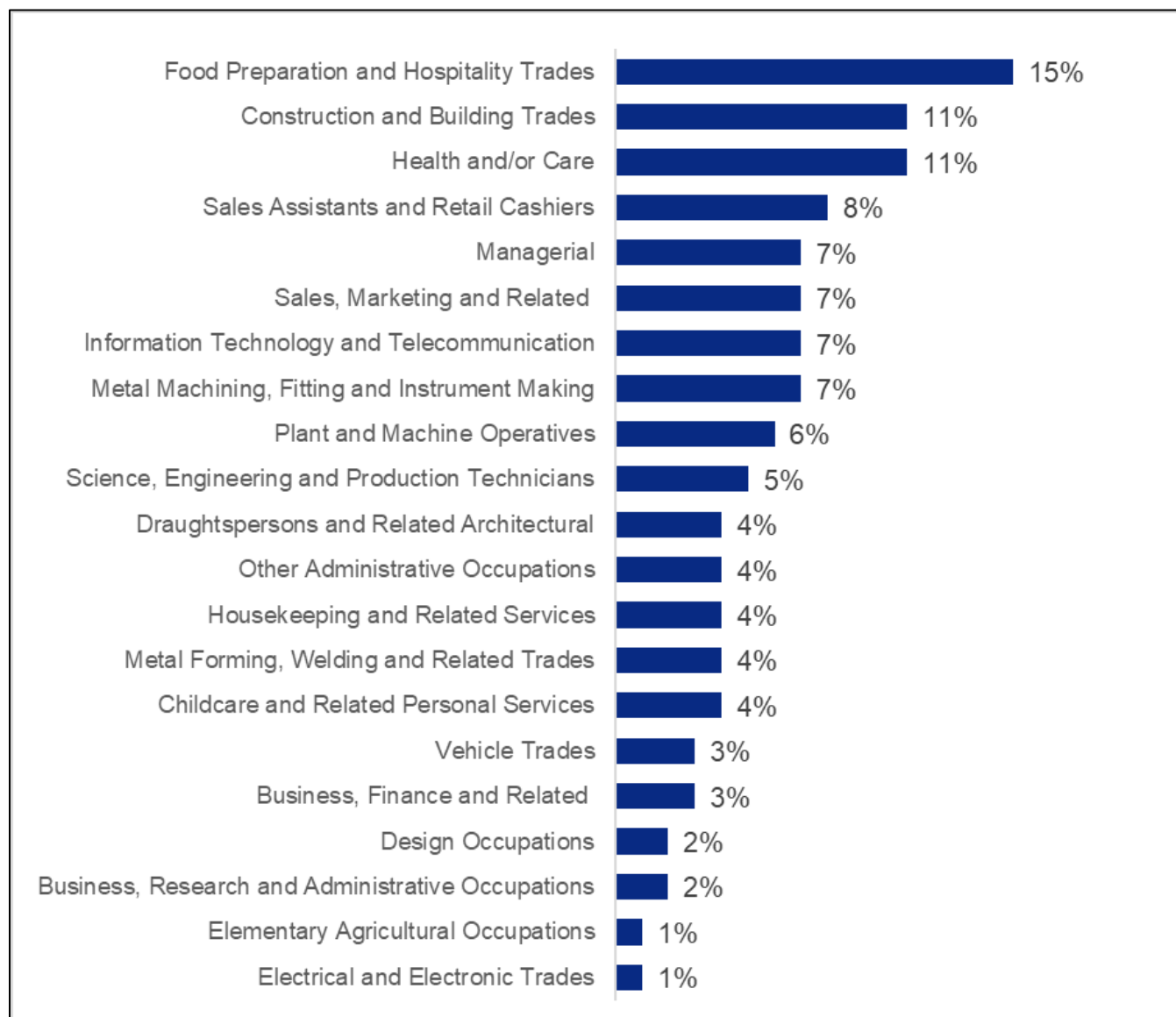


Number of respondents: 615; 1-4 283, 5-9 128, 10-49 150, 50+ 54 (only asked to businesses with vacancies). Excludes 'don't know' responses.

Questions asked: How do you advertise or promote your vacancies?

- 4.16. Businesses that had had difficulty filling any of their vacancies were asked which specific occupations they had had trouble recruiting. The top three occupations businesses were finding it hard to fill vacancies for were food preparation and hospitality trades (15%, similar to the 12% seen for this occupation in 2021), construction and building trades (11%, comparable to the 7% seen in 2021), and health and care (11%, an increase from the 3% in 2021).
- 4.17. While “food preparation and hospitality trades” was among the top three occupations in 2021, “construction and building trades” and “health and care” ranked lower in the list in 2021. “Science, engineering and production technicians” stands out with less than half as many citing it as a role that they had struggled to recruit for in 2023 compared to 2021 (5% in 2023, down from 13% in 2021). That said, rural businesses were more likely to find it hard to fill vacancies for science, engineering and production technicians (20%). Similarly, the difficulty filling vacancies for other administrative occupations had reduced from 10% of those with hard-to-fill vacancies in 2021 to just 4% in 2023.
- 4.18. To an extent this list will reflect the demand for each occupation in the workforce. However, this data does show the occupations where there is a higher demand from employers than there are suitable applicants in the SEMLEP region. The reasons for why this might be are explored below.

Figure 4.3: Occupations businesses have had trouble recruiting

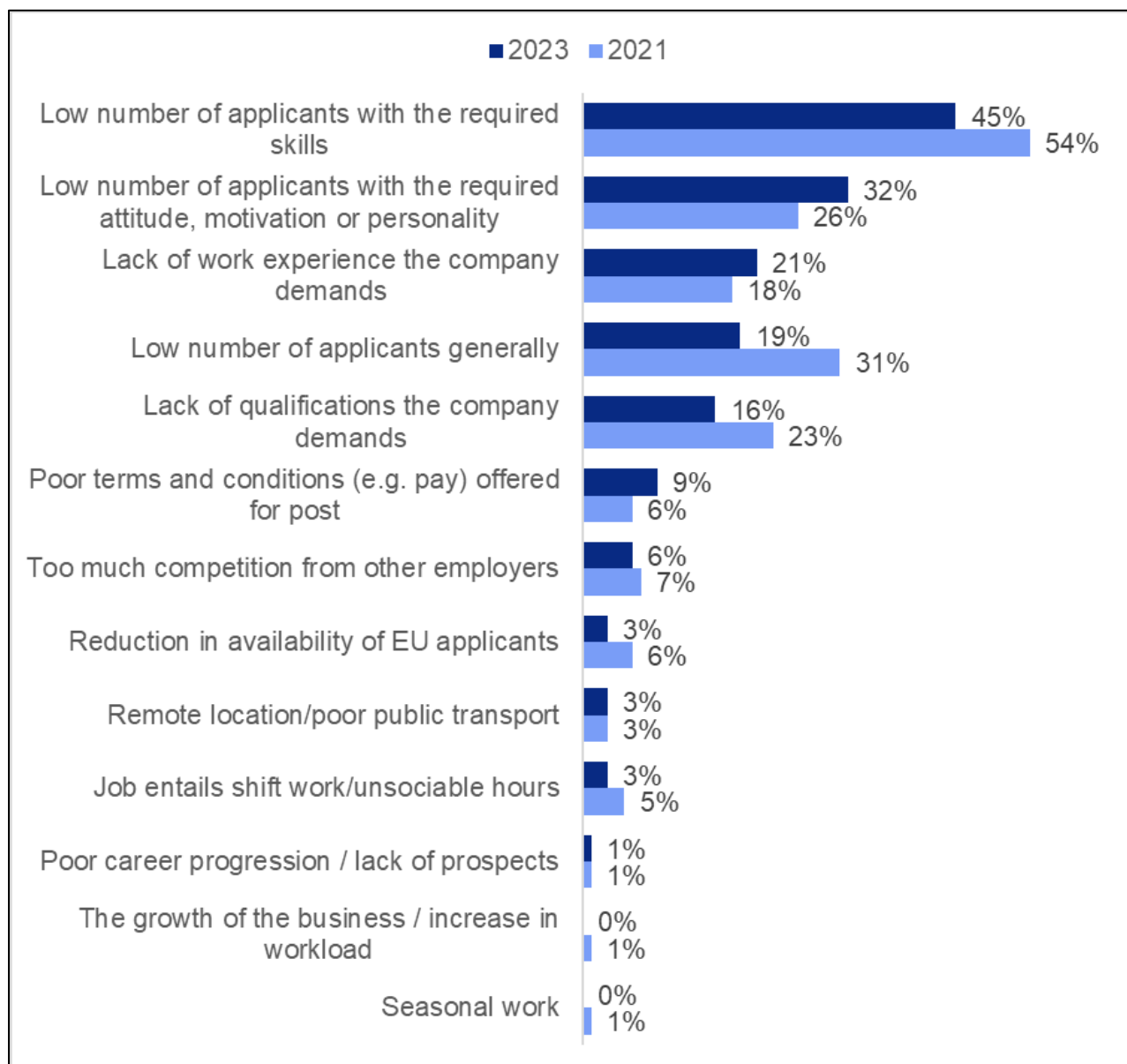


Number of respondents: 322 (only asked to businesses with hard-to-fill vacancies). Excludes 'don't know' responses. Question asked: Which specific occupations have you found hard to fill?

- 4.19. The reason businesses most commonly gave for finding vacancies hard to fill was a lack of applicants with the required skills, which was cited by nearly half (45%). This was also the top reason in 2021, however the proportion that mentioned it had declined (from 54%). Rural businesses were more likely to mention a lack of applicants with the required skills (61%).
- 4.20. Low number of applicants with the required attitude, motivation or personality was also commonly mentioned, by 32% (comparable to 26% in 2021).
- 4.21. The proportion saying that they struggled with a low number of applicants generally had declined from 31% to 19% and the proportion saying that they struggled to get applicants with the right qualifications had also declined from 23% to 16%.
- 4.22. In 2021, fewer employers had believed the location of the role and poor transport links was the cause of the difficulty in filling the vacancies than did in 2019, at just 3% (down from 10%). This could have been due to the increase in home working over the course of the pandemic. In 2023, the same proportion (3%) mentioned location and poor public transport

as a reason for hard-to-fill vacancies. This stability could be due to businesses being able to adapt with pandemic conditions and experiencing overcoming location barriers first hand during the pandemic, and hence not giving this much weight as an obstacle from then on.

Figure 4.4: Reasons for having hard-to-fill vacancies



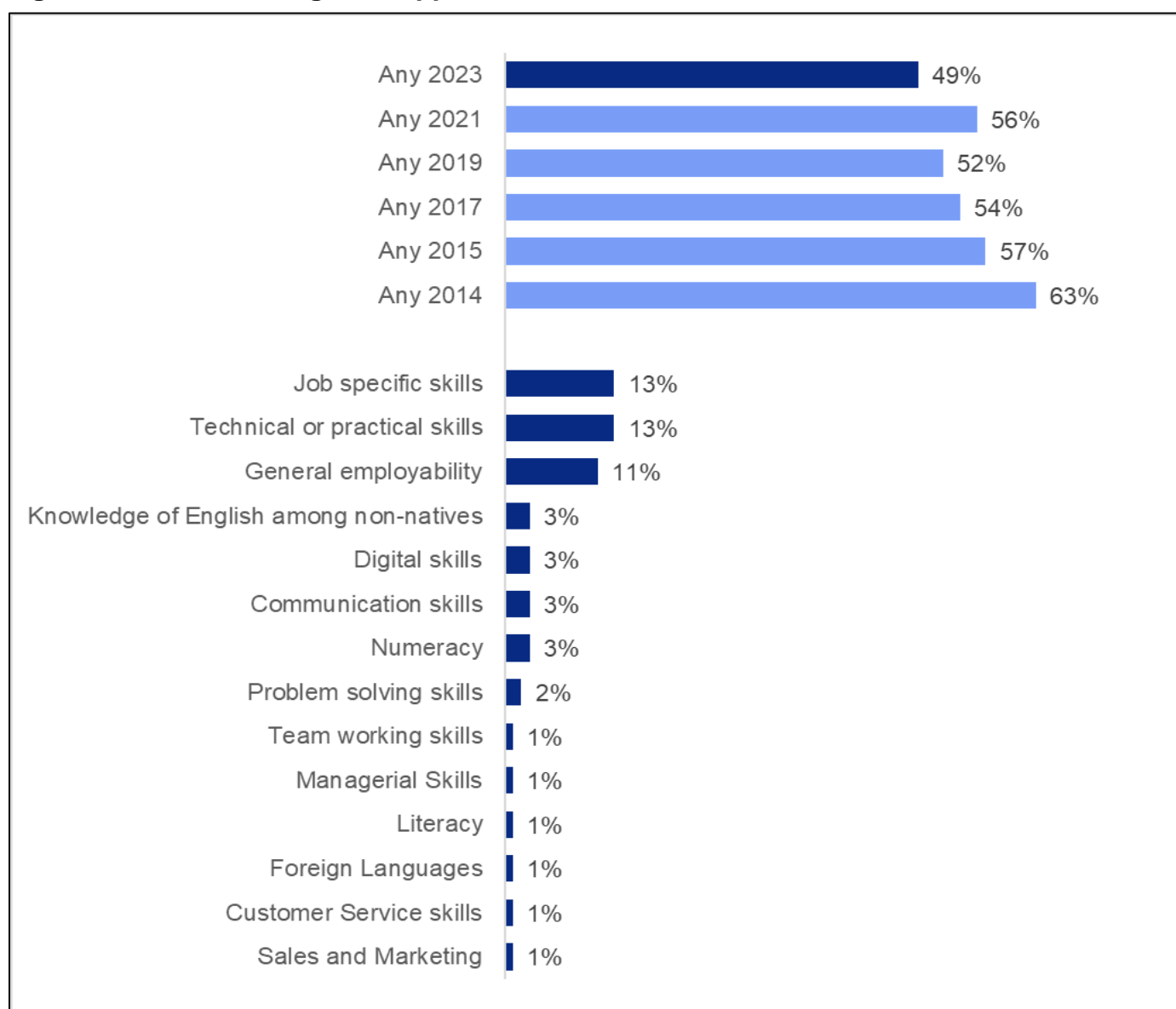
Number of respondents: 2023 326, 2021 279 (only asked to businesses with hard-to-fill vacancies).

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

Skills shortages

- 4.23. A “skill-shortage vacancy” is defined as a vacancy that is hard to fill due to a lack of skills, qualifications or necessary experience among applicants.
- 4.24. Just under half employers with vacancies (49%) could list at least one skill they had trouble recruiting for in the previous year (equating to 16% of all businesses). This is lower than the 2021 figure of 56%. Businesses with 50 or more staff were less likely to mention any skill, with 33% mentioning at least one skill they had trouble recruiting for.
- 4.25. Nationally, 10% of businesses said they had skills shortages (36% of businesses with vacancies), up from 6% in 2017 (Employer Skills Survey, 2022).
- 4.26. As in previous years, employers most commonly reported technical and practical skills and job-specific skills as the skills they have most trouble sourcing in job candidates (both 13%, lower than the 23% seen for both in 2021). Other skills mentioned by 1% or more are shown in Figure 4.5.

Figure 4.5: Skills lacking from applicants in last 12 months

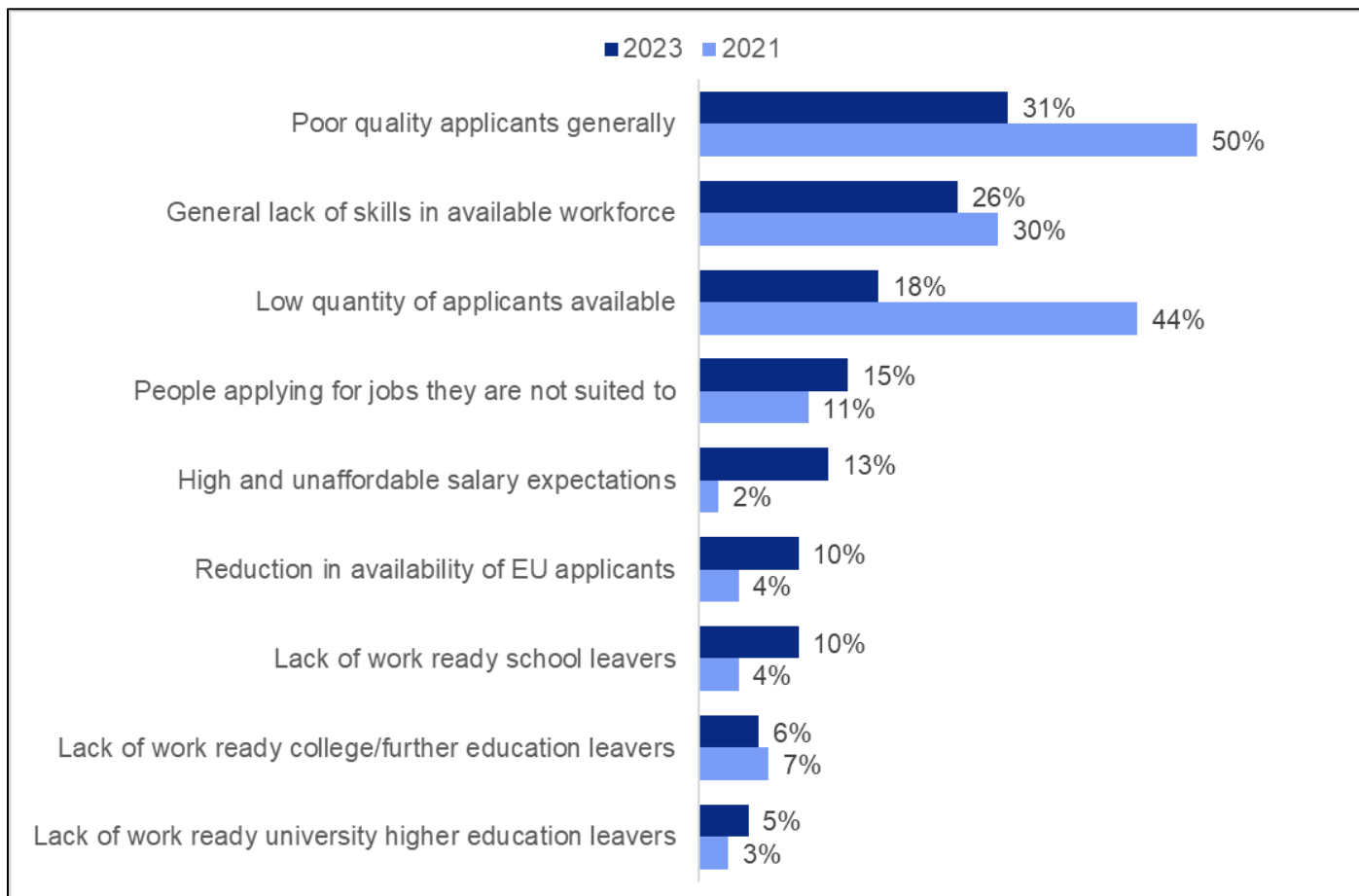


Number of respondents: 608 (only asked to businesses with vacancies). Excludes ‘don’t know’ responses.

Question asked: Have you found any skills difficult to obtain when recruiting staff in the last 12 months, if so which ones?

- 4.27. Businesses who had had difficulty finding any skills in applicants for their vacancies most commonly said the applicants had been of a poor quality generally (31%). This was also the most common reason in 2021, although the proportion is lower than the 50% seen then.
- 4.28. Businesses were also far less likely to mention a low quantity of applicants available.
- 4.29. 13% said the reason they were struggling to recruit some skills was the unaffordable salary expectations (up from 2% in 2021). See Figure 4.6.

Figure 4.6: Reasons for finding skills difficult to obtain among job applicants, time series

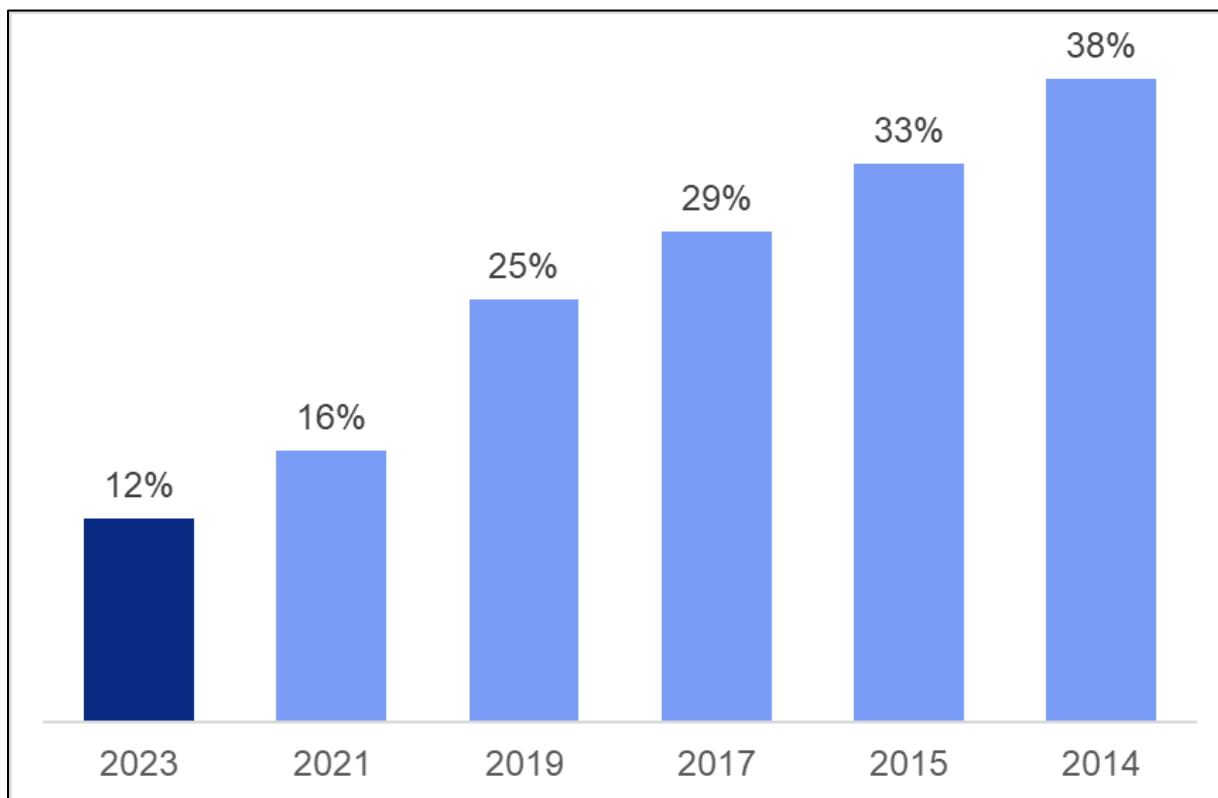


Number of respondents: 297 (only asked to businesses who had found any skills difficult to obtain in applicants).
 Question asked: Why have you found these skills difficult to obtain?

Skills gaps in existing workforce

- 4.30. Skills gaps occur where current staff do not have the skills to adequately carry out their job role.
- 4.31. Overall, 12% of businesses listed at least one skill they felt their staff was lacking. This is an improvement on the figures seen in 2021 (16%), and continues a trend seen since 2015.
- 4.32. Nationally, 15% of businesses have a least one skills gap (up from 13% in 2017) (Employer Skills Survey, 2022).

Figure 4.7: Incidence of skills gaps over time

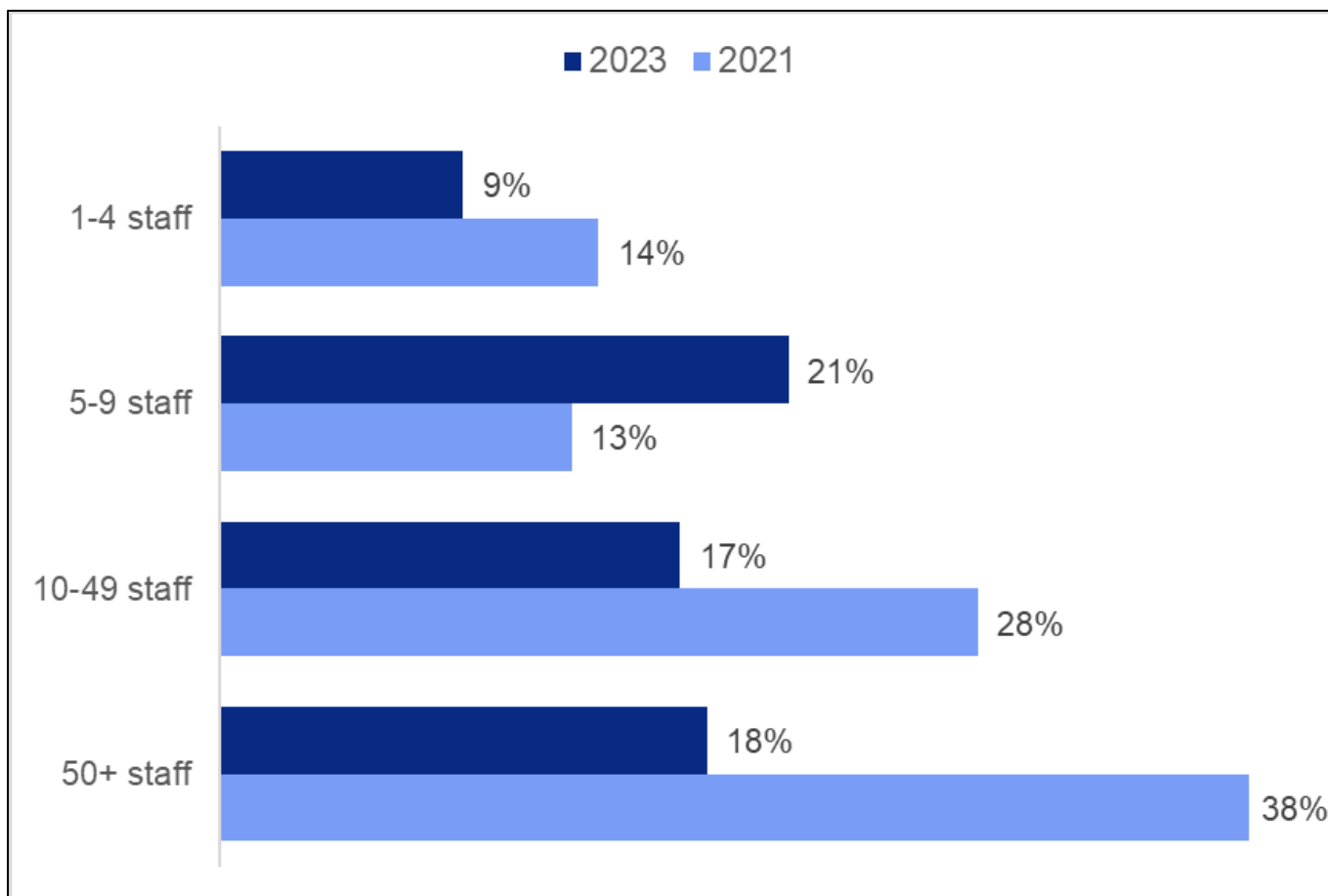


Number of respondents: Total 2023 1,882, 2021 1,849, 2019 1,672, 2017 2,109, 2015 1,918, 2014 1,573; 1-4 staff 1,391, 5-9 staff 223, 10-49 staff 160, 50+ staff 74. Excludes 'don't know' responses.

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

- 4.33. Incidence of skills gaps had fallen across all business size bands, except for those with 5-9 staff, most notably among the largest employers (see Figure 4.8).
- 4.34. Businesses with 5-9 staff reported a higher level of employees with skills gaps than that seen in 2021 (21% in 2023, 13% in 2021), which may reflect training and development challenges amongst smaller employers and the need for staff to fulfil multiple activities in smaller businesses rather than specialised roles.

Figure 4.8: Incidence of skills gaps by business size, compared to 2021



Number of respondents: 1-4 staff 2023 1,454, 2021 1,391; 5-9 staff 2023 201, 2021 223; 10-49 staff 2023 172, 2021 160; 50+ staff 2023 55, 2021 74. Excludes 'don't know' responses.

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

- 4.35. The majority of the showcase sectors were in line with the SEMLEP average in terms of the proportion who had skills gaps in their workforce, with the exception of businesses in Manufacturing and Advanced Technology who were less likely than average to report this (0%).
- 4.36. The skills businesses felt were lacking in their workforce were diverse, and commonly specific to the role they were doing. Technical and practical skills were most commonly mentioned (5% of all businesses, or 42% of all those with skills gaps), followed by job specific skills, digital skills and general employability skills (2% each, or 17% of all those with skills gaps).
- 4.37. The skills lacking in the workforce were similar to those identified in previous years.
- 4.38. The 2% of businesses that reported digital skills were lacking from job applicants and/or their current staff were asked which specific digital skills they were finding hard to obtain.

Microsoft Office was most commonly mentioned at 17%.

- 4.39. Digital design skills were difficult to obtain for 15%.
- 4.40. Other digital skills mentioned included computer and network support (13%), customer relationship management (12%), proficiency in a specific software program (9%), systems design and management (7%), programming/coding (5%) and computer numerical control (4%).
- 4.41. Businesses with skills gaps in their workforce were asked why they thought these skills gaps had arisen. A fifth (18%) said there had been a lack of appropriate training or courses, this was comparable to the proportion stating this in 2021 (24%). Some were more specific about the reasons for a lack of training, with 7% saying there had been a lack of investment in staff training and development, and 5% that there was insufficient budget to provide training.
- 4.42. Around one-in-ten (11%) said they were not prepared to release staff for training during working hours, 8% said their existing staff were not seeking upskilling, and 8% said it was due to a reduction in the number of EU workers they had.
- 4.43. A minority (4%) said their staff was not capable of progression, 1% blamed inflexible timings/durations of training courses, 1% said the Covid-19 pandemic had impacted the levels of training they were able to provide, and 1% mentioned the difficulty adapting to workplace changes during Covid-19.

Increasing skills

- 4.44. A third (33%) 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 45%.
- 4.45. Approaching five-in-ten (46%) said it was not applicable to them as they had no skills gaps; this was up from 41% in 2021. One-in-five (21%), however, simply said they were not doing anything, which was also an increase from 14% in 2021.
- 4.46. 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 (23%, higher than the 20% seen in 2021), or outsourcing training and development to external providers (10%, a slight decrease from the 13% seen in 2021). 2% reported they had provided online or remote training and support to staff (7% in 2021, which may be linked to the increase in remote working during the pandemic).
- 4.47. 6% were investing in apprenticeships to increase skills; this is explored in more detail later in the chapter. A handful were engaging with education providers, most commonly colleges (3%) but 2% were also engaging with universities and 1% with schools.
- 4.48. As use of recruitment agencies was far less common than it had been in 2021, just 1% said they relied on agencies to recruit skilled people.
- 4.49. Larger businesses were far more likely to have taken action to increase skills, with 66% and 61% respectively of those with 10-49 and 50 or more staff having done so compared with just 25% of those with 1-4 staff. The biggest difference came in the offering of in-house training and development: this was offered by 55% of businesses with 50 or more staff compared with just 15% of those with 1-4 staff.

Qualifications of staff

4.50. Businesses reported the qualification levels of their staff.

4.51. One in two (45%) reported having staff that had no qualifications at all; this was up from 18% in 2021. Conversely the proportion who had staff with each level of qualifications had reduced.

Figure 4.9: Proportion of businesses with staff qualified to each level of the National Qualifications Framework, over time

Level	Proportion of businesses with staff qualified to each level	
	2023 %	2021 %
No qualifications	24	18
Level 1	5	6
Level 2 (GCSE A*-C/4-9)	22	30
Level 3 (A Level A-E)	21	23
Level 4 (HNC)	11	13
Level 5 (HND/Foundation degree)	8	9
Level 6 (Degree)	21	25
Level 7 (Masters)	7	9

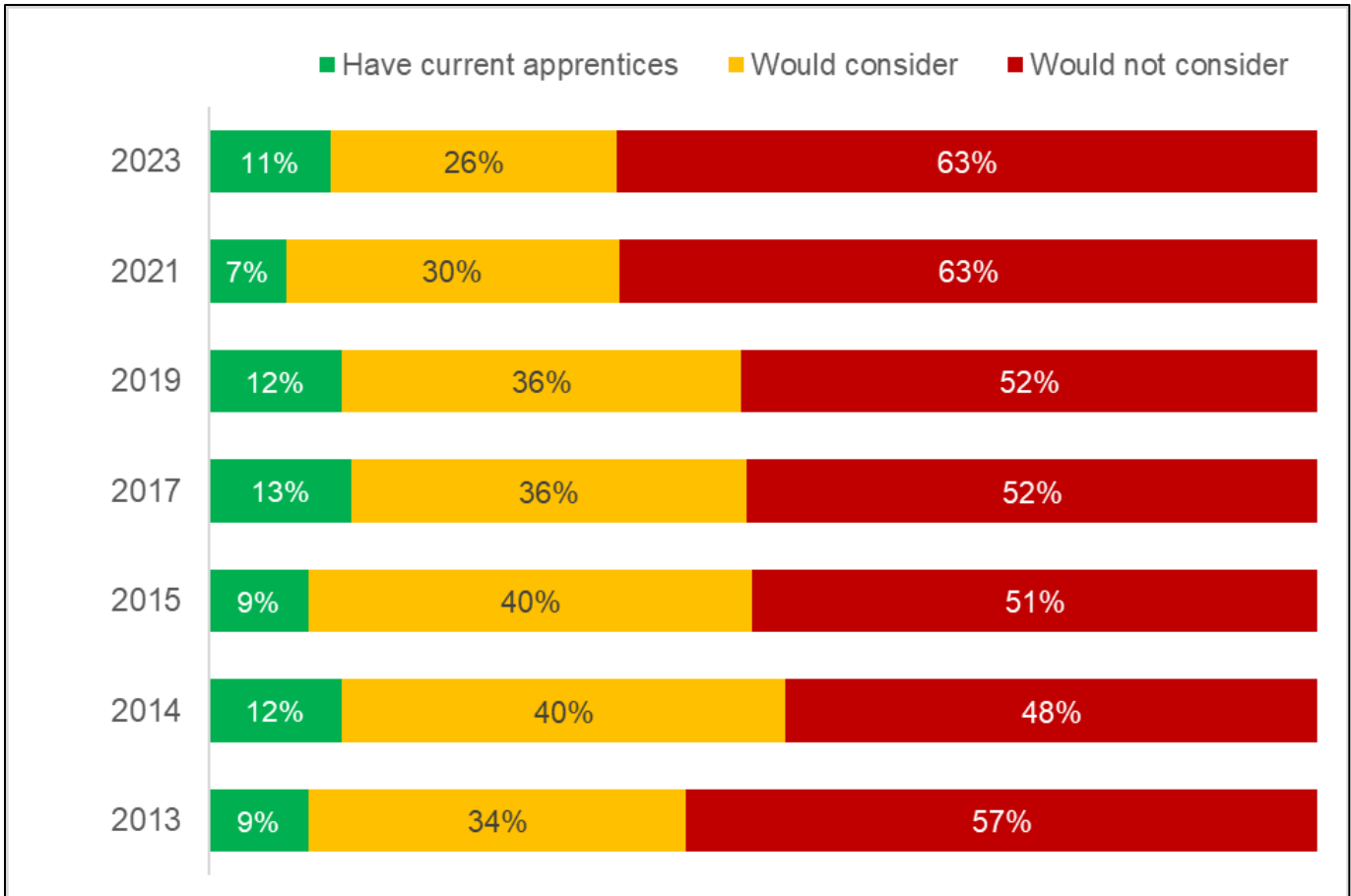
Number of respondents: 2023 1,786, 2021 1,853. Excludes 'don't know' and 'other' responses.

Question asked: What level of qualifications do your staff hold??

Apprenticeships

- 4.52. At the time of the survey 11% of businesses had a current apprentice (i.e. they were currently employing anyone on a recognised government apprenticeship scheme). This was a significant increase on the 7% seen in 2021.
- 4.53. Businesses who did not have current apprentices were asked whether it was something they would consider. Just over a quarter (26%) said they would. This leaves 63% of businesses saying they would not consider hiring an apprentice, same as the 63% seen in 2021.

Figure 4.10: Current and potential future apprenticeship offering, over time



Number of respondents: 2023 1,897, 2021 1,856, 2019 1,675, 2017 2,116, 2015 1,918, 2014 1,573, 2013 915.

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

- 4.54. Larger employers were much more likely to have current apprentices than smaller employers: 6% of employers with 1-4 staff had an apprentice, this increased to 17% of those with 5-9 staff, 27% with 10-49 staff, then up to 47% among businesses with 50 or more staff.
- 4.55. Larger businesses with 50 or more staff were more likely to have current apprentices (47%); above two-thirds of businesses of this size that did not have current apprentices said they would consider it in future (68%), leaving 17% (of all) that would not consider it at all. In 2021 this figure was 15%. Alongside being more likely to take on apprenticeships,

businesses of this size tend to take on more apprentices per business⁸, so their absence from the schemes will have a significant impact on overall apprentice numbers.

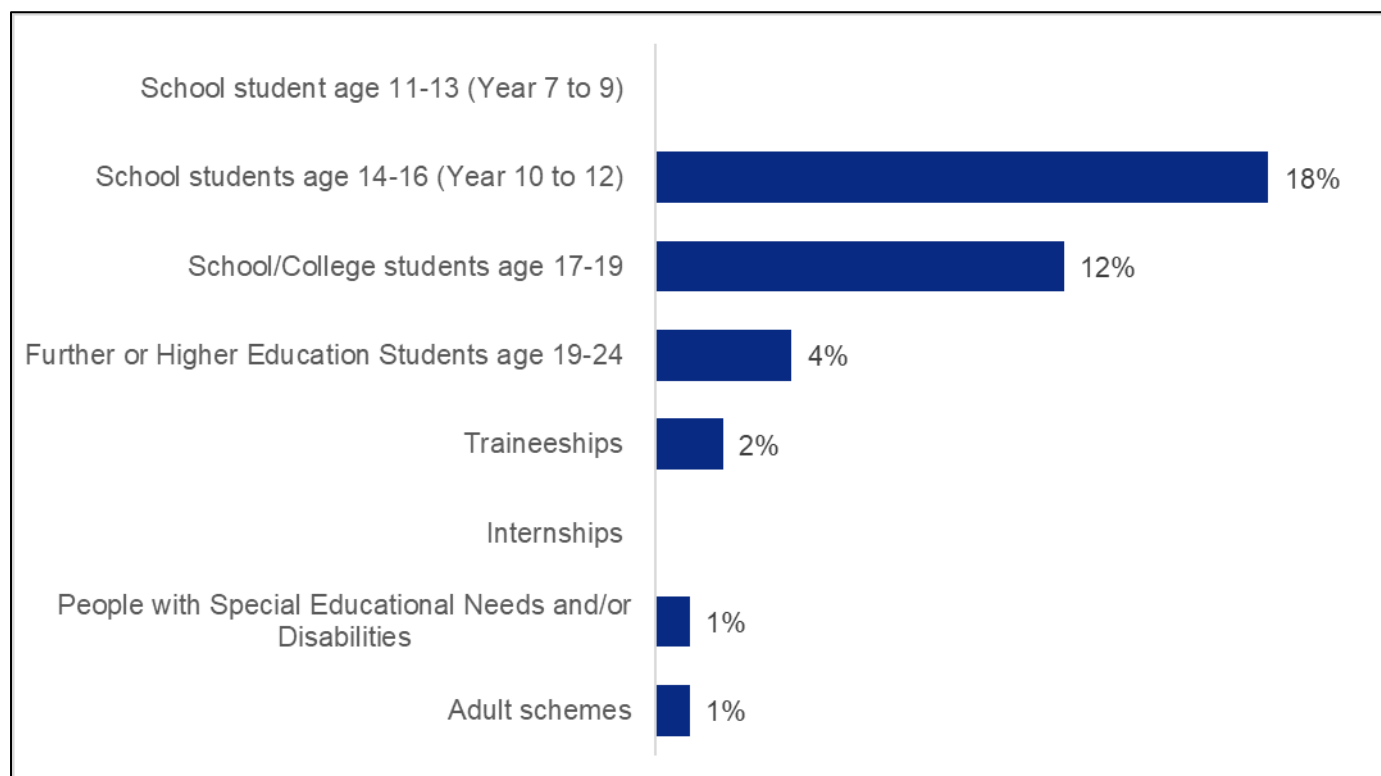
- 4.56. Small businesses were less likely to have current apprentices (6%), and those in this size band that did not were less likely than larger businesses to say they would consider it (22%). Conversely, businesses with 5-9 and 10-49 employers were as likely as not to say they would consider taking on an apprentice, with 57% and 49% respectively who didn't already employ one saying they would consider it.
- 4.57. Businesses in most of the showcase sectors were as likely as average to have current apprentices (Creative and Cultural 12%, High Performance Technology 6%, Logistics 11% and Manufacturing and Advanced Technology 7%). However, businesses in Logistics were less likely to have apprentices (3%). Businesses in Manufacturing and Advanced Technology were less likely to say they would consider it (12% of those without a current apprentice said they would).
- 4.58. The reasons businesses would not consider hiring an apprentice were primarily related to business requirements and the type of work they needed doing. Three-in-ten (31%) that would not consider it said that their business is not suited to apprentices (an increase on the 14% seen in 2021), and a quarter (25%) said they simply had no business need or were not currently recruiting (a decrease from the 41% in 2021). Just under a quarter (23%) felt their business was too small to support an apprentice.
- 4.59. One-in-nine (11%) said apprentices do not have the necessary skills, experience or qualifications they require and that they prefer to employ people that are ready to do the job.
- 4.60. A poor previous experience of apprenticeships was an issue for 4%, and also 4% were put off by the cost.
- 4.61. Under one-in-twenty (3%) 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 a similar figure to the 4% in 2021.
- 4.62. 60% of businesses paying the levy said they had used it to take on new apprenticeships (up from 23% in 2021) and 31% to develop the skills of existing employees (up from 19%).

⁸ Apprenticeships Evaluation 2018 to 2019: Employers (publishing.service.gov.uk)
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/875561/Apprenticeships_Evaluation_-_Employer_Report.pdf (accessed 17/11/21)

Work experience placements

- 4.63. Overall, just over a quarter (29%) of businesses reported that they offer at least one type of work-experience placement or engagement activity. This is comparable with the figure in 2021 (28%).
- 4.64. Most commonly, businesses offered work experience or engaged with school students aged 10-12 (18%) followed by school and college students aged 17-19 (12%). One in twenty-five (4%) had engaged or offered placements to university students.

Figure 4.11: Work experience placements offered



Number of respondents: 1,886.

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

- 4.65. The smallest businesses, with 1-4 staff, were less likely than those with 5 or more staff to offer any kind of work experience or engagement; above three-quarters (76%) said they had done none at all compared with 52%, 54% and 55% of businesses with 5-9, 10-49 and 50+ staff respectively.
- 4.66. The most commonly mentioned reasons for not engaging with work experience or other employer engagement were that businesses did not see the value of it (18%) and that they lacked the time to do it (18%).
- 4.67. It was also commonly reported that there was a lack of opportunities (17%), or that they had concerns about safety (17%).
- 4.68. A handful were put off by the red tape or bureaucracy of it (5%) and 4% did not know how to arrange it.
- 4.69. Other responses provided also included being 'too small' of a business and being constrained by current economic conditions.

Health and wellbeing priorities

- 4.70. Businesses were asked about their health and wellbeing priorities for the year ahead.
- 4.71. Overall, just under two-fifths (39%) of businesses said that health and wellbeing was not a priority for them, and a further 35% said they 'didn't know', equally suggesting it is not a priority for them.
- 4.72. 20% of businesses reported promoting mental health and wellbeing, followed by 8% who mentioned promoting healthy lifestyles such as physical activity and healthy eating. 3% cited reducing staff sickness, 2% becoming a more inclusive employer and 1% mentioned reducing smoking as a priority.

Section 5: Innovation

Key Findings:

- Around a quarter of businesses (27%) reported that they had introduced new products, services, patents or processes in the previous 12 months, this was higher than the 21% seen in 2021, predominantly due to an increase in innovation of new products (which had increased from 17% to 21%) and services (from 7% to 10%).
- The main constraints to innovation were related to current economic conditions and the UK's exit from the European Union. There were also still constraints relating to financial reasons.
- One in seventeen had been involved in a collaborative research and development project with an external partner in the 12 months preceding the survey.

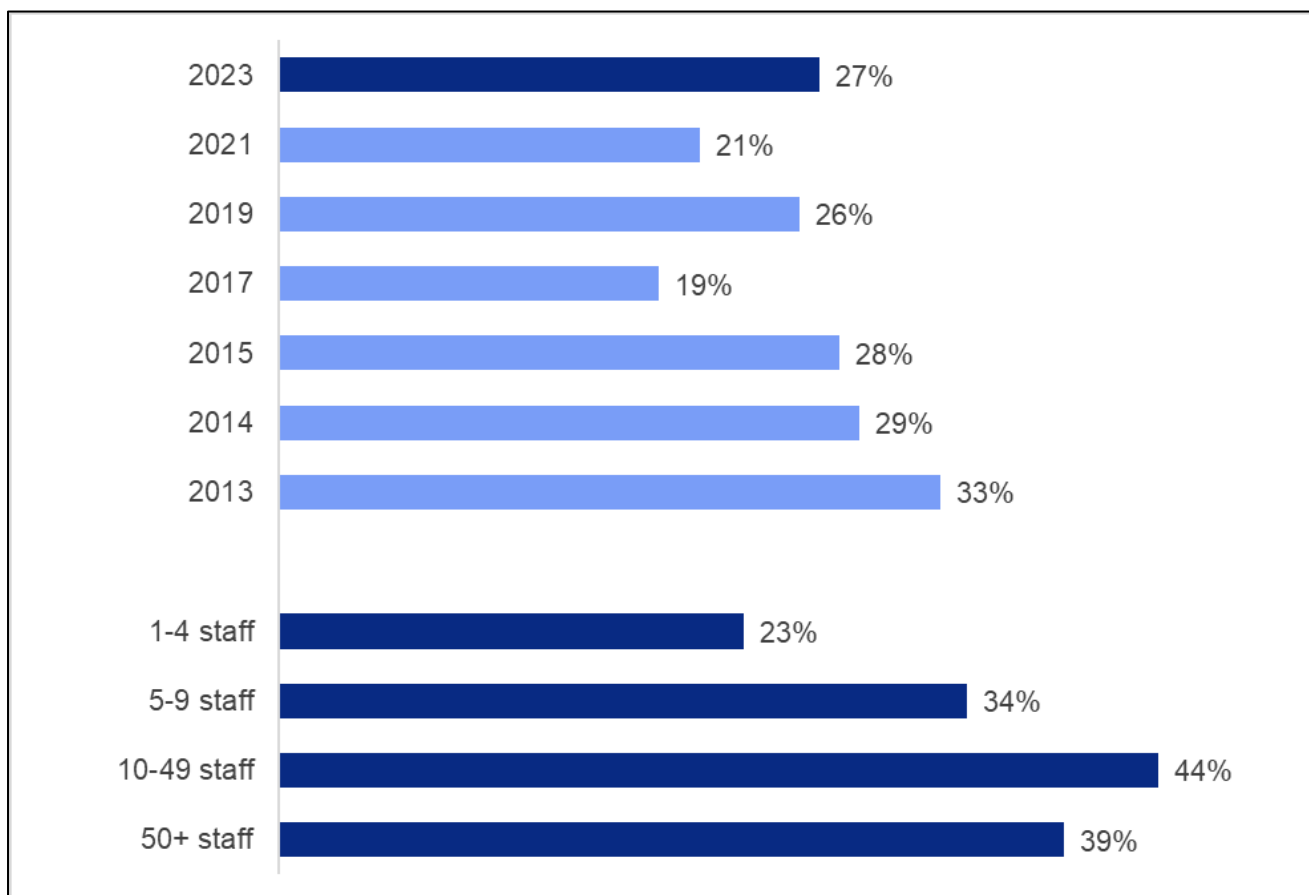
Introduction

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

New products, services, patents and processes

- 5.2. Around a quarter of businesses (27%) had introduced at least one new product (21%), service (10%), patent (1%) or process (4%) in the 12 months preceding the survey.
- 5.3. This represented more businesses than in 2021 (21%); the increase seems to be centred around the introduction of new products (which had increased from 17% to 21%) and services (increased from 7% to 10%).
- 5.4. Innovation was more common in larger businesses than smaller, and has picked up in the mid-size businesses especially compared to 2021 (22% innovated in 2021, compared with 44% in 2023 – this is a statistically reliable difference although note that the sample sizes at this business size band make comparison more challenging and mean that a large difference may not be as notable in practice).
- 5.5. Innovation in the showcase sectors was particularly low in the High Performance Technology sector, where 13% reported the introduction of something new.

Figure 5.1: Innovation in the past 12 months over time and by size



Number of respondents: 2023 1,867, 2021 1,849, 2019 1,607, 2017 2,068, 2015 1,918, 2014 1,573, 2013 925; 1-4 staff 1,439, 5-9 staff 203, 10-49 staff 167, 50+ staff 53. Excludes 'don't know' responses.

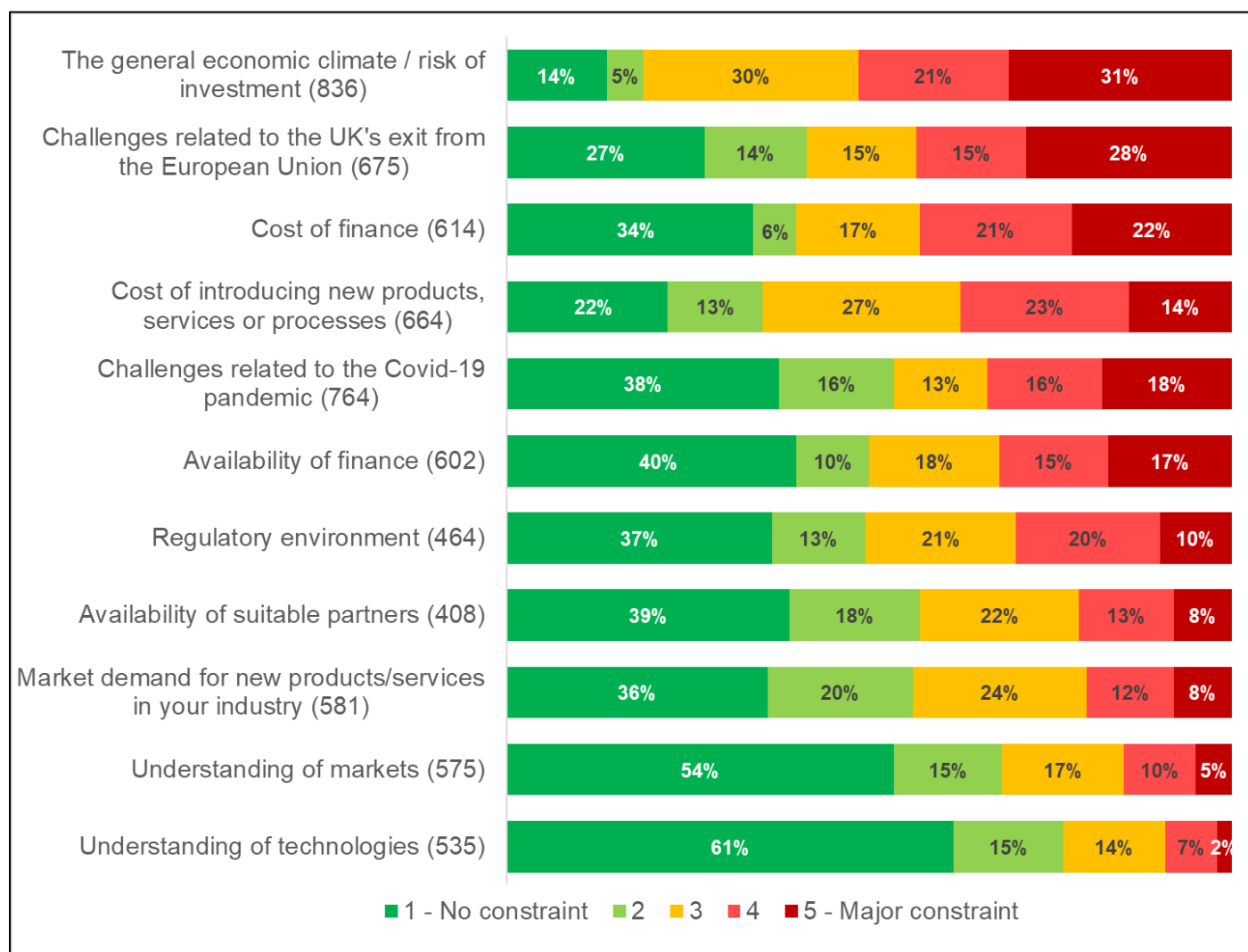
Question asked: Has your business introduced any new products, services, patents or processes in the past 12 months?

- 5.6. The UK Innovation Survey 2021 is the most recent national picture on innovation levels, covering the period 2018-2020. In 2018-2020, 45% of UK businesses were innovation active. This is an increase compared to 38% in 2016-2018. Large businesses (with 250+ employees) were more likely to have innovated than small and medium enterprises (SMEs). In 2018-2020, 58% of large businesses were innovation active, compared to 44% of SMEs (43% of businesses with 10-49 staff innovated and 55% of businesses with 50 to 249 staff innovated). The percentage of innovation active businesses was highest in England (46%) in 2018-2020. The East of England and the West Midlands were the English regions with the highest percentages of innovation active businesses (51% and 49% respectively). The rate was 47% in East Midlands.
- 5.7. 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.
- 5.8. The top three constraints on innovation were the general economic climate and risk of investment (52% rated it as a notable constraint), the cost of finance (43%) and the UK's exit from the EU (43%). The proportion of businesses mentioning these three issues had increased since the 2021 survey, from 32%, 24% and 34% respectively.
- 5.9. In addition to the general economic climate and cost of finance, other financial matters ranked highly as a constraint on innovation activity. The cost of introducing new products,

services or processes was a concern for above a third (37%) and just under a third (32%) said the availability of finance was a constraint to them.

- 5.10. A third (34%) felt the Covid-19 pandemic was an issue (47% in 2021) and three-in-ten (30%) felt the regulatory environment was not conducive to innovation.
- 5.11. A lack of market demand for innovation in their industry was a constraint for a fifth (20%).
- 5.12. One-in-eleven (9%) said they were constrained by their understanding of technologies and 15% by their understanding of markets. These barriers could be addressed by an innovation partnership; however, a fifth (21%) reported a lack of suitable collaborators as a constraint on their innovation.
- 5.13. As a general point, results are analysed excluding 'don't know responses' as per convention so only analysing results by valid responses. That said, in some cases there are quite high levels of don't know/N/A, which reflects lack of interest in innovation or lack of relevance with the constraint.

Figure 5.2: Constraints to innovation



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

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

Collaboration with external partners

- 5.14. 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 set up collaborations with each other or with business support hubs to facilitate research and development.
- 5.15. One-in-seventeen businesses (6%) reported being part of a collaborative research and development project in the 12 months preceding the survey (10% in 2021). 3% were with another business or enterprise group in the same sector, 1% had been involved in a project with a business or enterprise group in a different sector, 2% with a university/college and 2% with some other partner.

Section 6: Business Support and SEMLEP

Key Findings:

- The majority of businesses had sought or received business support over the past 12 months (76%), most commonly from private sector professionals such as accountants or solicitors.
- Overall, above a quarter of businesses had heard of SEMLEP or one of its associated services.
- Awareness of SEMLEP itself has declined, breaking its upward trend seen since 2017, decreasing from 21% in 2021 to 12% in 2023.
- Businesses aware of SEMLEP had most commonly heard of it through networking with other businesses. In 2021 the most common way of hearing of SEMLEP was through press or media; this had fallen in 2023.
- Businesses were keen that local councils focus on delivering infrastructure improvements, and securing funding to support new investment/projects.
- Above half of businesses were interested in receiving business grants.

Introduction

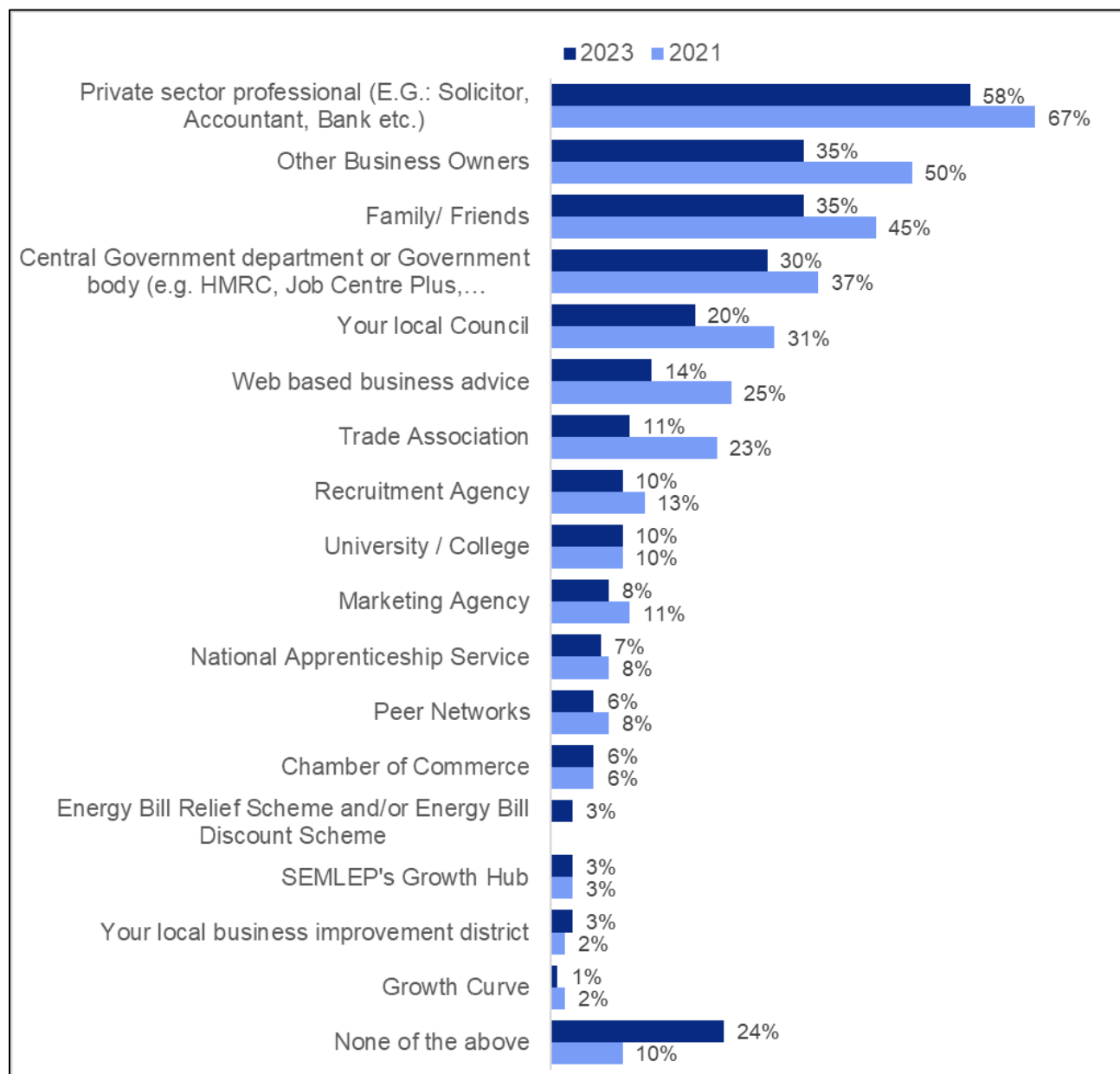
6.1. This section presents analysis of businesses' use of support services, including their awareness of SEMLEP and their views on how SEMLEP can help the local economy grow.

Sources of business advice for all businesses

- 6.2. The majority of businesses (76%) had sought or received business support or advice in the previous 12 months, lower than in 2021 (90%).
- 6.3. The use of business advice and support was high across all sizes of business, ranging from 76% in businesses with 1-4 staff to 80% and 78% respectively of those with 10-49 and 50 or more (In 2021, businesses with 50 or more staff had been most likely to have sought support).
- 6.4. The most common source of support, used by almost six-in-ten businesses (58%) were private sector professionals such as accountants, solicitors and banks. This was less likely among businesses with 50 or more staff (43%), who are more likely to have employed people in these roles.
- 6.5. Just over a third had sought advice from other business owners (35%), this was a less popular source of advice for businesses with 50 or more staff (20%). This was a decrease in the proportion of businesses seeking support from other business owners compared to 2021 (50%).
- 6.6. There had also been a decrease in the proportion of businesses seeking support from family and friends, with approaching two-fifths (35%) saying they had done so compared with approaching half (45%) in 2021.
- 6.7. Three-in-ten (30%) had reported having used Central Government departments and bodies such as HMRC or Jobcentre Plus in the previous 12 months. Businesses with 5-49 staff were more likely to use these sources.

- 6.8. Two-in-ten (20%) had approached their local council for advice and support, down from 31% in 2021 (which was an increase from 25% in 2019). This was more likely among larger businesses: just 19% of businesses with 1-4 staff and 19% with 5-9 staff had received support from the council, compared with 25% and 29% for those with 5-9, 10-49 and 50+ staff respectively.
- 6.9. Use of web-based business advice had almost halved, from 25% in 2021 to 14% in 2023.
- 6.10. Trade associations had also halved (11% from 23% in 2021).
- 6.11. Although they were only the eighth most common sources of advice overall, recruitment agencies were the top two sources of advice for businesses with 50 or more staff, used by 46%.
- 6.12. Some businesses had used SEMLEP's Growth Hub (3%) and Growth Curve (1%); these are explored in more detail below.

Figure 6.1: Sources of business advice and support over time



Number of respondents: 2023 1,880, 2021 1,844. Excludes 'don't know' responses.

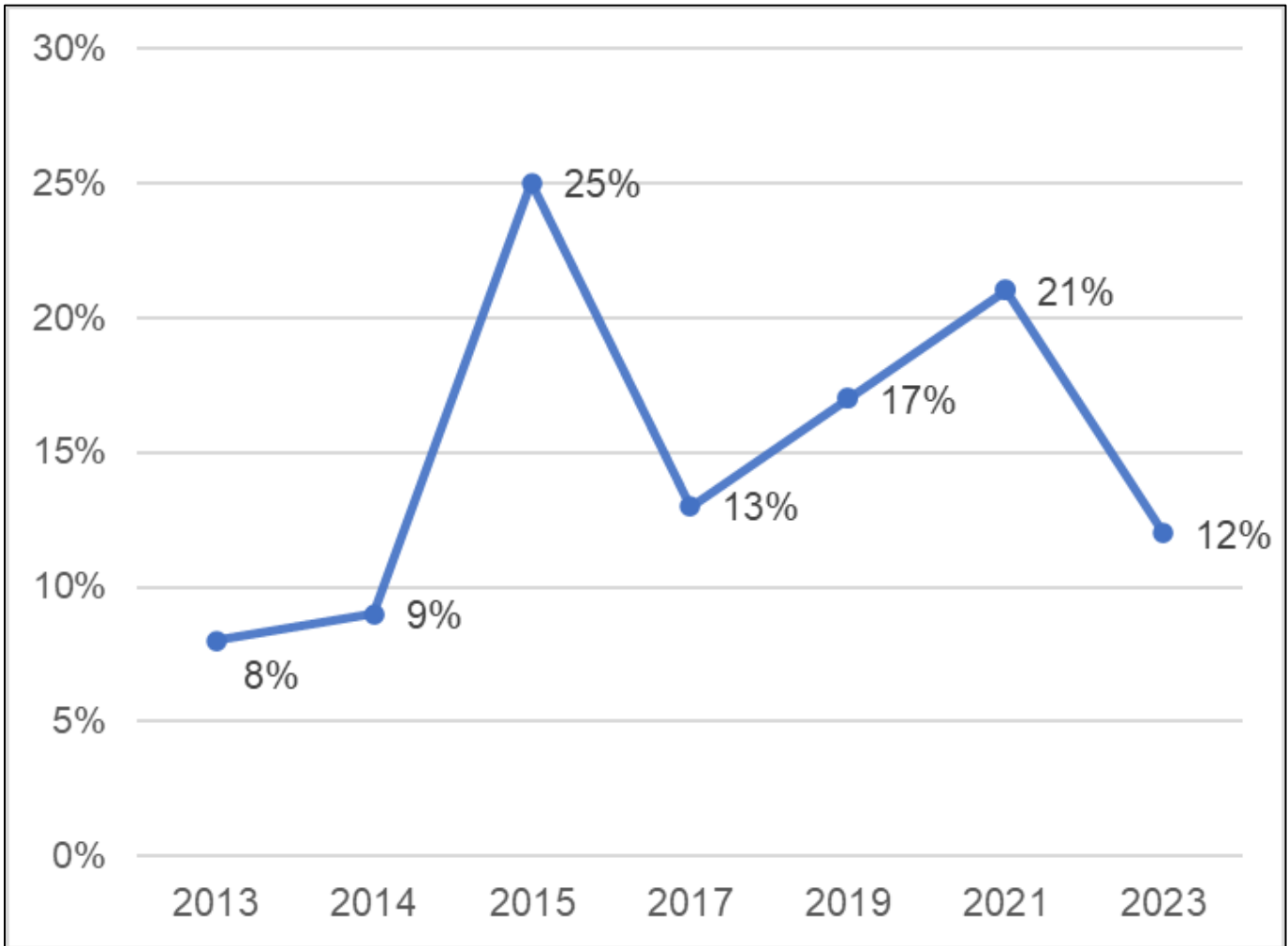
Question asked: Have you used any of the following for business advice or support in the past 12 months?

Note: Options without a 2021 comparator were not asked or did not exist at the time of the 2021 survey.

Awareness of SEMLEP

- 6.13. One-in-eight businesses (12%) had heard of SEMLEP itself; this breaks the upward trend that has been building since 2017 when awareness had dropped to 13%.⁹ The recent high of a 21% awareness in 2021 may reflect the level of activity that took place to support businesses around the Covid-19 pandemic, and therefore could be considered somewhat of an outlier.
- 6.14. Businesses in the High Performance Technology showcase sector were particularly likely to be aware of SEMLEP (39%).

Figure 6.2: Awareness of SEMLEP over time



Number of respondents: 1,863. Excludes 'don't know' responses.

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

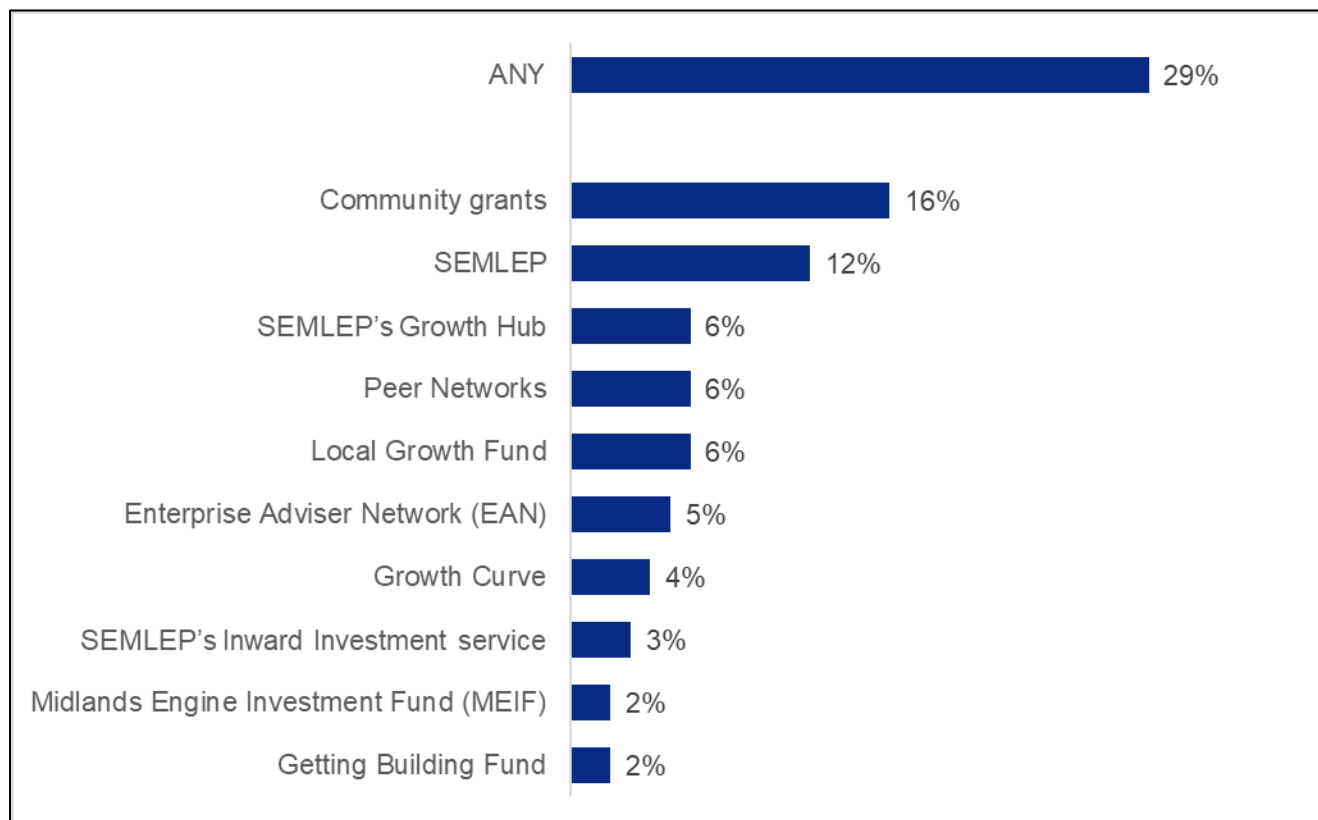
- 6.15. Figure 6.3 shows awareness of SEMLEP alongside its associated services. Overall, above a quarter (29%) had heard of at least one type of support (the difference between awareness of SEMLEP and awareness of its services/offer, suggests that many businesses are not aware that SEMLEP is involved in the activities being received by businesses,

⁹ The 2015 figure of 25% has long been discussed as to why it was out of keeping of the trend. The explanations include a genuine increase in awareness due to an enhanced promotional campaign, allied with a different methodology used by the organisation that carried out the survey in 2015.

which implies there are opportunities to embed the SEMLEP brand more into the services it provides).

- 6.16. Businesses were most commonly aware of Community Grants (16%, less than half the 38% who were aware of it in 2021).
- 6.17. Local Growth Fund was mentioned by 6%, a third of the proportion who were aware of it in 2021 (18%).
- 6.18. Awareness of SEMLEP's Growth Hub was also 6%, half the proportion seen in 2021 (11%).
- 6.19. The Growth Curve project, which provided support to scale-up businesses, also saw a decrease in awareness in 2023, from 10% in 2021 to 4% in 2023.

Figure 6.3: Awareness of SEMLEP and associated services



Number of respondents: 1,863. Excludes 'don't know' responses.

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

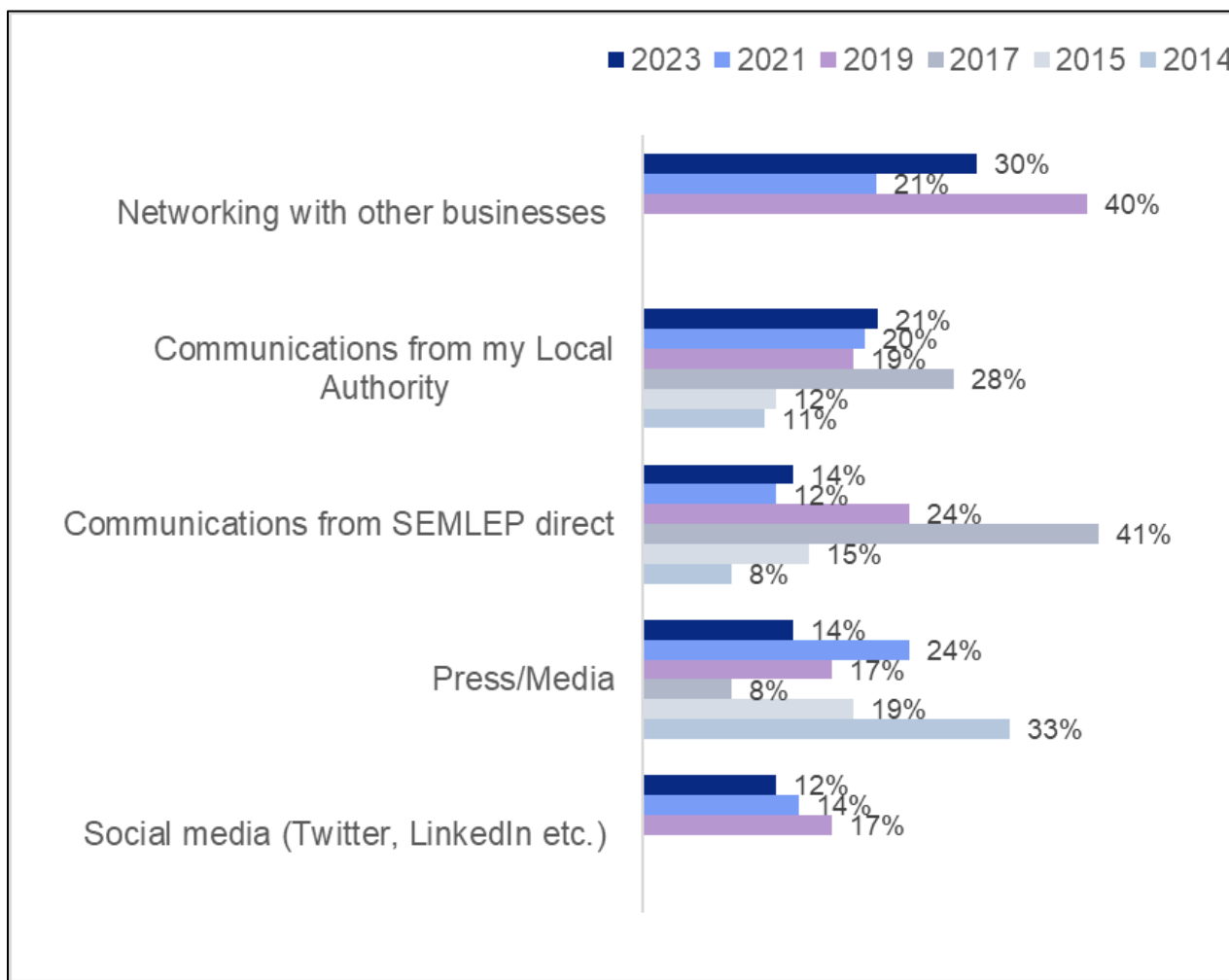
- 6.20. Larger businesses were more likely to have heard of any of the services than smaller ones. This was particularly true for the Community Grants, Peer Networks, and SEMLEP's Enterprise Adviser Network (larger businesses were not eligible for peer networks, and it is possible they mistook the description of this to relate to other networking opportunities).

Figure 6.4: Awareness of SEMLEP and associated services by business size

Column %	Business Size				
	Total	1-4 staff	5-9 staff	10-49 staff	50+ staff
Base	1,863	1,441	198	170	54
	%	%	%	%	%
Community grants	16	14	18	22	22
SEMLEP	12	12	16	12	12
Local Growth Fund	6	5	10	9	5
Peer Networks	6	4	9	9	18
SEMLEP's Growth Hub	6	5	6	7	1
Enterprise Adviser Network (EAN)	5	5	7	5	10
Growth Curve	4	4	5	3	-
SEMLEP's Inward Investment service	3	3	3	2	3
Getting Building Fund	2	2	1	5	-
Midlands Engine Investment Fund (MEIF)	2	2	3	3	3
None of the above	71	74	62	63	57

- 6.21. Businesses aware of SEMLEP had most commonly heard of it through networking with other businesses (30%). This was a rise from 21% in 2021 and may be due to the recovery from the impact of pandemic on networking events. In 2021, the most common way of hearing of SEMLEP was through press or the media; this had fallen from 24% in 2021 to 14% in 2023.
- 6.22. Communications from the local authority remained a common source of awareness of SEMLEP (20% in 2021 and 21% in 2023), and awareness through direct communications from SEMLEP was also similar to 2021 (12% in 2021 and 14% in 2023).
- 6.23. 12% had heard of SEMLEP through social media.
- 6.24. In addition, in the 'other' comments, about 10% said they had heard of SEMLEP through the Chamber of Commerce or FSB, and 5% said they had heard of SEMLEP through word of mouth.

Figure 6.5: Source of awareness of SEMLEP over time



Number of respondents: 2023 392, 2021 923, 2019 367, 2017 201, 2015 357, 2014 152 (only businesses aware of SEMLEP or one of its services). Excludes 'don't know/can't re-call' responses.

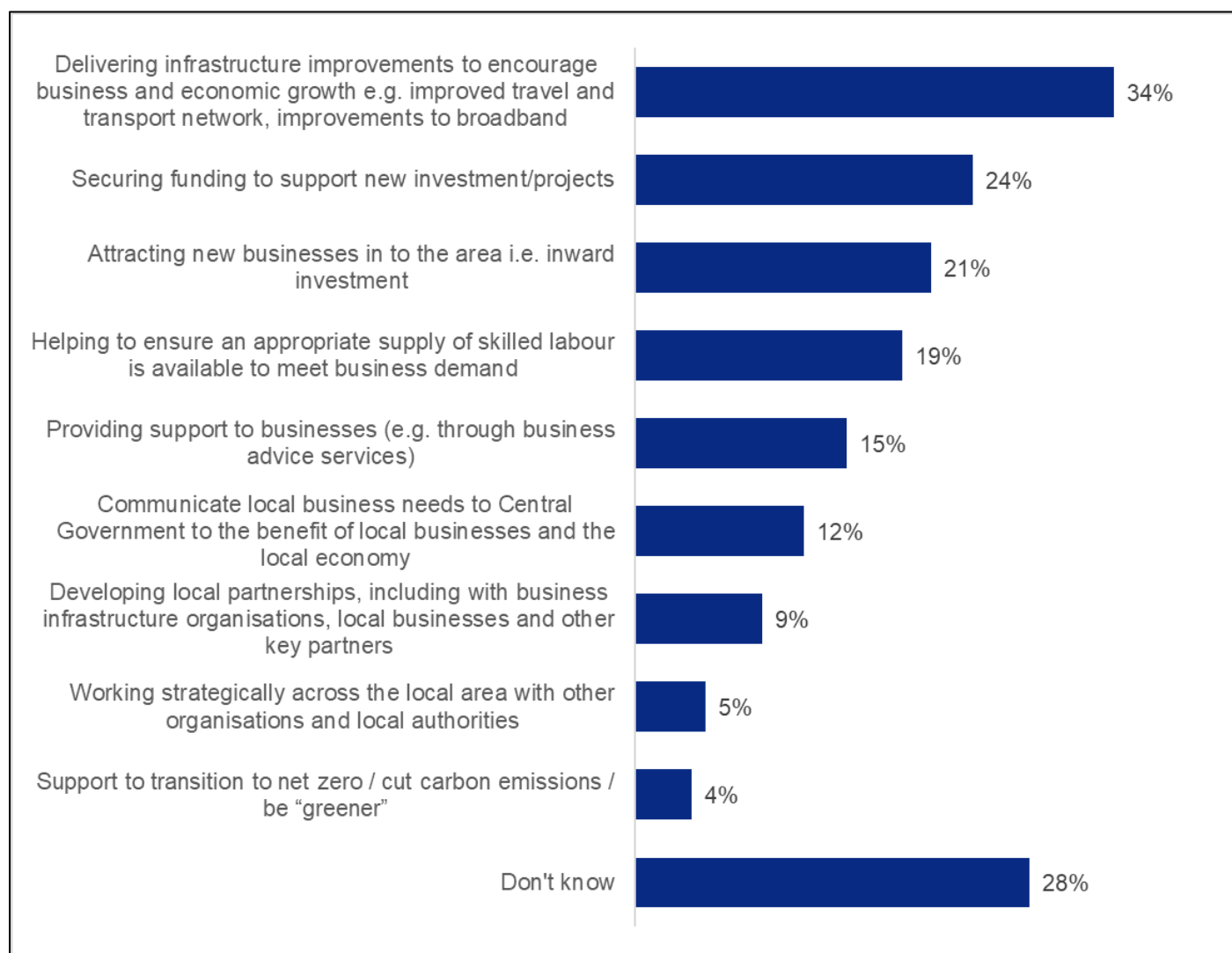
Question asked: How had you heard of any of the above?

Prior to 2019, there are no comparable figures for networking or social media as these were not split out as options before 2019.

Strategic focus of future regional economic development

- 6.25. Since 2011, SEMLEP has been a Local Enterprise Partnership which aims to create the right environment for businesses to grow locally. From April 2024, its functions will be transferred to, and delivered by, local councils, following an announcement in the government's 2023 Spring Budget. As a result, the survey asked what regional economic development functions they wanted to see local government focus on delivering in the future.
- 6.26. Businesses were keen that the local councils focus on delivering infrastructure improvements (34%).
- 6.27. Securing funding to support new investment/projects was the second most commonly mentioned focus (24%).
- 6.28. Helping to ensure an appropriate supply of skilled labour was the fourth most commonly mentioned focus (19%), however, it was the top focus of businesses with 10-49 and 50+ staff (at 33% and 32%, respectively).
- 6.29. Three-in-ten (28%) said they did not know what the local government's priorities should be.

Figure 6.6: Businesses' suggestions for regional economic development



Number of respondents: 1,845.

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

Business grants

- 6.30. Above half (57%) 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).
- 6.31. 29% said they had not received a grant in the previous 12 months and were not interested in receiving any, while 5% said they had received a grant previously and were not interested in receiving a new one.
- 6.32. Businesses with under 50 staff are more interested in receiving grants – 57% are interested compared with 43% of businesses with 50+ staff.
- 6.33. Receiving information about grants available (79%) and a clearer guidance on eligibility/conditions of grants (72%) were the top forms of support required by businesses who were interested in receiving grants. In addition, 25% cited 1-1 advice to help bid for business grants, 11% support with accessing match funding, 10% business case writing support, 9% bid writing support, and 6% workshops to help bid for business grants.

Section 7: The Green Agenda

Key Findings:

- Whilst 52% of businesses have the intention of being more environmentally friendly (up from 46% in 2021), just 13% have a specific target or aim to achieve net-zero and just 4% have set a deadline to this commitment.
- Larger businesses were more likely to have made a solid commitment and set a deadline.
- The most common actions being taken by businesses were increasing recycling of waste (23%) and sourcing sustainable materials (20%). Use of renewable energies was also commonly mentioned.
- The key barrier to doing more to reduce businesses' carbon footprint was the availability or cost of low carbon alternatives.

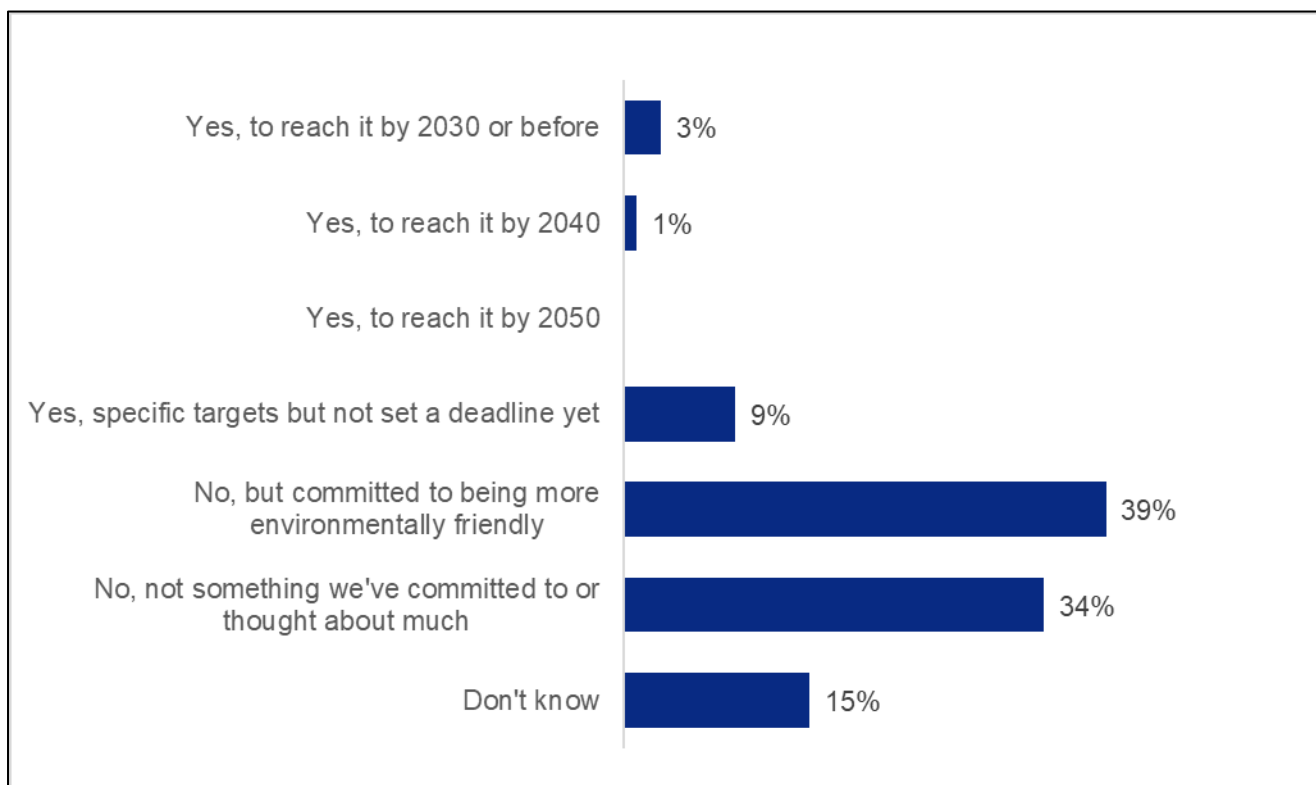
Introduction

- 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. Overall approaching half of businesses (52%) had made some commitment to becoming more environmentally friendly, which is higher than the 46% seen in 2021. 13% have a specific target or aim to become net-zero (12% in 2021).
- 7.4. However just 4% of businesses had put a deadline on this commitment, most commonly of 2030 (4% also in 2021) (1% had set a longer deadline of 2040).
- 7.5. Two-fifths (39%) had not set any targets but were committed to being more environmentally friendly (35% in 2021).
- 7.6. A third (34%), however, had not made any commitment nor given much thought to it (40% in 2021).

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



Number of respondents: 1,712.

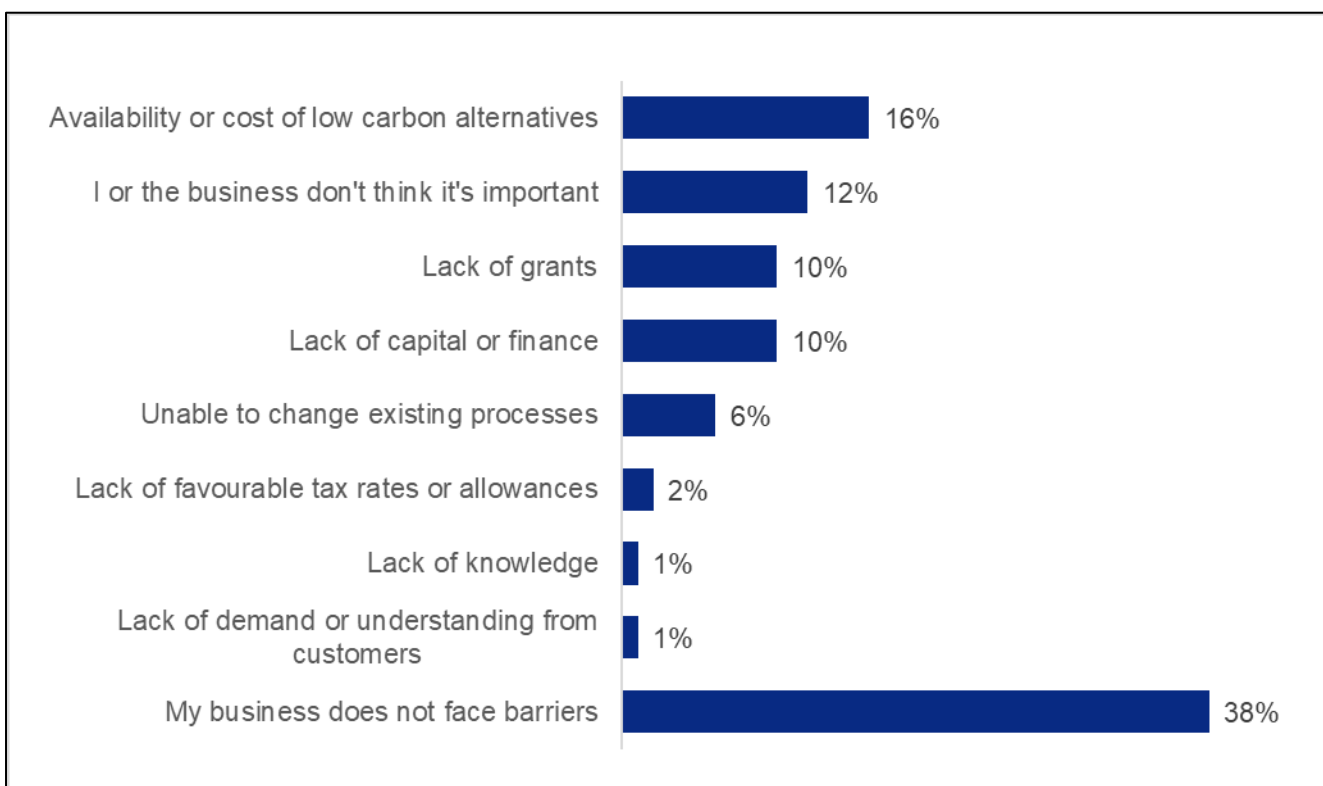
Question asked: Has your organisation made a commitment to become net-zero, and if so by when?

- 7.7. Large businesses (with 50 or more staff) were more likely to have committed to net-zero with a tenth (9%) having set a 2030 deadline to achieving this, 6% having set a 2040 deadline, and 27% saying they had it as a target but had not yet set a deadline. A further quarter (25%) were committed to becoming more environmentally friendly but had set no targets on this. Just 9% said they had not given it much thought.
- 7.8. Businesses who had actively committed to net-zero were asked what actions they were taking to achieve this (this related to about 13% of businesses).
- 7.9. Most commonly businesses were increasing recycling of waste (23%) and sourcing sustainable materials (20%).
- 7.10. Use of renewable energies was also relatively common among those taking action, with 16% investing in renewable generation (e.g. solar panels) and 12% prioritising the use of renewable energy.
- 7.11. Measuring carbon footprint was mentioned by 15%.
- 7.12. Other actions taken included promoting sustainable forms of transport (9%), reviewing energy efficiency of their buildings (9%), incentivising staff to use their cars less (8%), encouraging those in the supply chain to be more environmentally friendly (8%) and producing products and services that support others in the net-zero transition (8%).
- 7.13. One-in-twenty (5%) said they were training their staff.

Barriers to reducing carbon footprint

- 7.14. Similar to 2021 results, 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%).
- 7.15. Financial barriers were common, with 10% mentioning a lack of grants and 10% a lack of capital or finance.
- 7.16. One-in-eight (12%) said they do not think it is important.
- 7.17. Two fifths (38%) stated that their business does not face barriers in cutting their carbon footprint; this was more common among small businesses (40% of those with 1-4 staff, decreasing to 22% of those with 50 or more staff).
- 7.18. In 'other' comments, approximately 10% said lack of time or resources to make changes are barriers.

Figure 7.2: Barriers to reducing businesses' carbon footprint



Number of respondents: 1,686.

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

Section 8: Inclusivity

Key Findings:

- Diversity in the leadership of SEMLEP businesses has stayed similar since 2021, in particular with regards to the population of sole traders: 77% of SEMLEP sole traders are male, 89% are white and 92% are not disabled.
- The picture is more diverse in some cases among businesses with employees, with women-led businesses accounting for 45% of businesses with employees, similar to the figure of male-led businesses at 50%.
- More than half 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 3% have provided training for recruiting staff on inclusive practices, 3% ensure a diverse interviewer panel, 3% are reviewing job adverts to make sure they include inclusive language, and 3% mentioned inclusive methods of recruitment such as where and how jobs are advertised.

Introduction

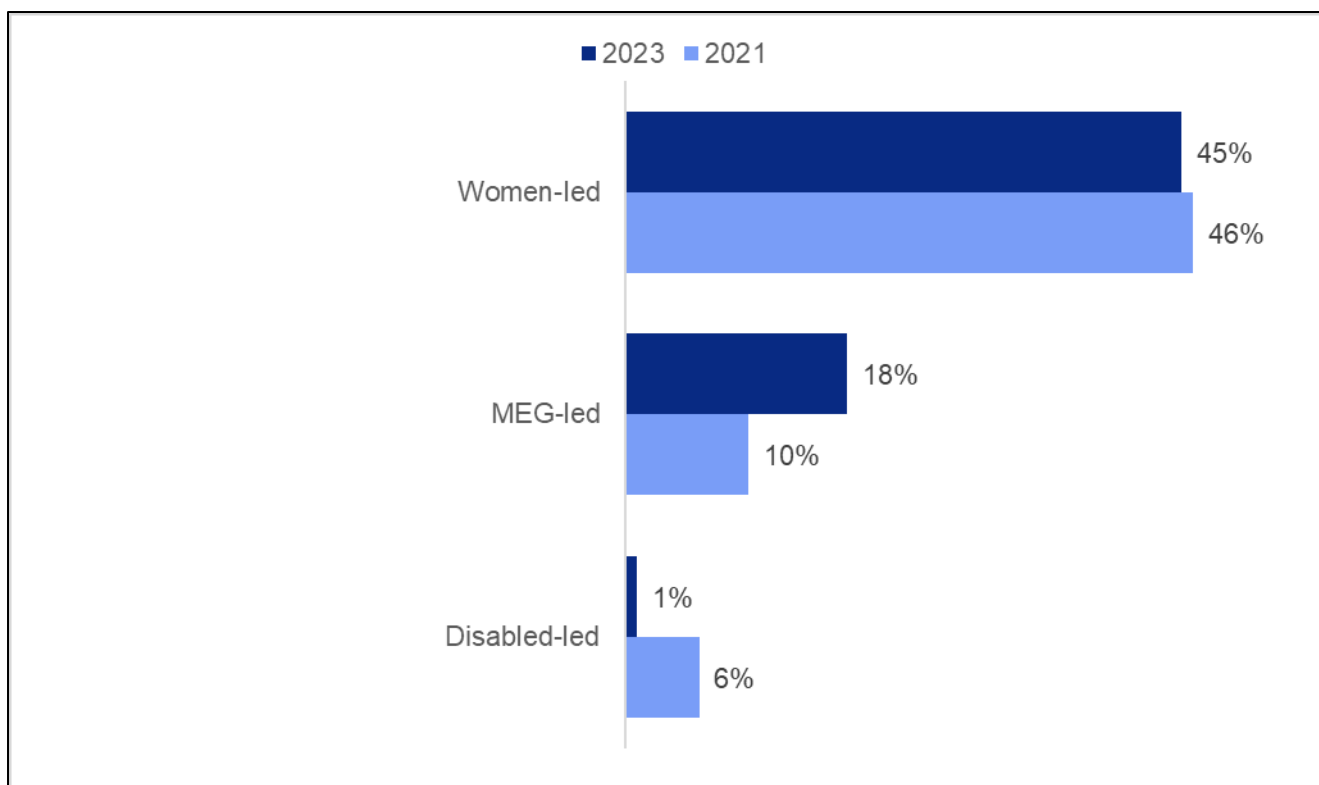
- 8.1. Diversity and inclusion are important from both an organisational and a moral point of view, impacting on staff wellbeing as much as it does business performance.
- 8.2. This section looks at the diversity of leadership among businesses in the SEMLEP region, and actions to ensure recruitment practices are inclusive.

Business ownership and leadership

- 8.3. Diversity among sole traders has stayed more or less the same as it was last measured in the SEMLEP Business Survey in 2021. Above a fifth (23%) of sole traders in the SEMLEP region were female (23% in 2021), 11% of sole traders were from ethnic minority backgrounds, (10% in 2021), and 8% of sole traders have a disability (6% in 2021).
- 8.4. Among businesses with employees, there were as many female-dominated boards/partnerships as there were male ones, 45% and 50% respectively (the remaining businesses said 'don't know').
- 8.5. One-in-six (18%) were ethnic minority-led, up from 10% in 2021 and 1% disabled-led, down from 6% in 2021 (i.e. 50% or more of the estimated partners or board directors are from these groups), although once sampling error is taken into account, these changes are minimal. However, this suggests an underrepresentation of these groups when compared to the economically active population. For example, as of 2020, some 14.4% of the SEM population, aged over 16+, was from an ethnic minority group, including mixed ethnicity. Similarly, in 2020, some 17% of the 16-64 economically active population in the SEM had a disability (work limiting or not).¹⁰

¹⁰ Annual Population Survey, ONS

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



Number of respondents: 1,322 (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 practices

- 8.6. Businesses were asked to share the ways in which they ensure their recruitment practice is inclusive. Five-in-ten (53%) said this was not applicable to them as they do not recruit staff (up from 42% in 2021), and 16% said they do not do anything.
- 8.7. Actions that were taken included training for recruitment or HR staff so they can adopt inclusive practices (3%), ensuring a diverse interviewer panel (3%), reviewing job adverts to make sure they include inclusive language (3%), inclusive methods of recruitment (3%) and actively targeting advertising to recruit a diverse workforce (2%).
- 8.8. In 'other' comments about 5% of businesses said they simply seek to recruit the best person for the job, regardless of background.
- 8.9. Businesses with more than 50 staff were most likely to be adopting inclusive recruitment practices (approx. 70%), with 27% training recruiting staff to use inclusive techniques, and 12% ensuring a diverse interviewer panel.

Section 9: Business Profile and Scale-up businesses

Key Findings:

- The majority of the businesses in the SEMLEP business survey were private sector businesses, with some 4% social enterprises or similar.
- 9% of businesses qualify as either pre-scale-up or scale-up businesses, with the potential for rapid growth.

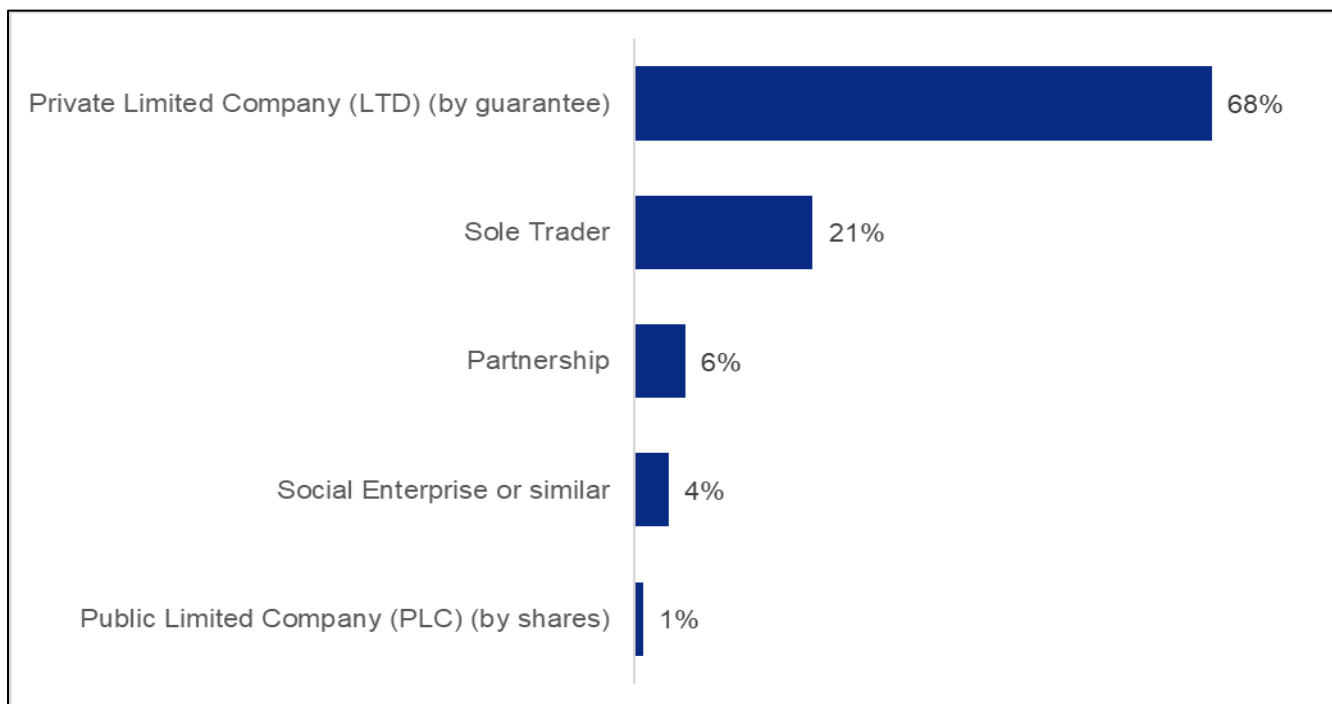
Introduction

- 9.1. This chapter outlines the profile of businesses operating in the SEMLEP region which completed the survey.
- 9.2. This section also profiles “scale-up businesses”, which are businesses that have been identified as likely to grow significantly in the coming years.
- 9.3. Where the survey profile has been designed to match statistics from the Office of National Statistics (size, sector and local authority) the figures are not repeated here; the size, sector and local authority profile of responses can be found in the introductory chapter to this report.

Legal status

- 9.4. The majority of businesses in the survey were private businesses, with some 4% social enterprises or similar.

Figure 9.1: Legal status of SEMLEP businesses



Number of respondents: 1,879.

Question asked: How would you describe your company status?

Scale-up Businesses

- 9.5. A “scale-up business” is one that has been identified as having potential for expansion through a number of characteristics of the business. A scale-up business is defined as one that has at least 10 employees and has an average annual growth in employees or turnover greater than 20% per annum over a 3-year period.
- 9.6. A “pre-scale-up business” has at least 3 employees, achieved a turnover of £200,000 or more in the previous year, and has the potential and aspiration to grow turnover and/or profit by 20% or more per year over the next 3 years.
- 9.7. Overall 4% of businesses agreed they met the criteria for a scale-up business (6% in 2021), and 5% for a pre-scale-up business (7% in 2021), meaning overall one-in-eleven businesses (9%) could be defined as having potential for rapid growth.
- 9.8. There are some notable differences between scale-up and pre-scale-up businesses, and other businesses:
- Scale-up (54%) and pre-scale-up (43%) businesses are more likely to state performance over the past 12 months improved than the SEMLEP average (28%).
 - Similarly, scale-up (54%) and pre-scale-up (59%) businesses are more optimistic about business performance in the future than the SEMLEP average (39%).
 - Lack of skilled labour is a particular issue/constraint on growth for scale-up businesses (27%) and pre-scale-up businesses (34%) - SEMLEP average = 14%.
 - Similarly, cash flow is noted as a major constraint for scale-up businesses (24%) (SEMLEP average = 15%).
 - For scale-up and pre-scale-up businesses, there were particular issues around labour availability as a negative impact of the EU exit (20% and 18%, respectively).
 - 90% of scale-up businesses and 64% of pre-scale-up businesses had vacancies in the last 12 months compared to 32% of all businesses in the region.
 - 48% of all scale-up businesses and 39% of all pre-scale-up businesses have experienced hard to fill vacancies compared with 18% of businesses overall in the region.
 - 52% of scale-up businesses had skills shortages and 29% of pre-scale-up businesses had skills shortages when trying to recruit new staff, compared with 16% of all businesses in the region.
 - 24% of scale-up businesses and 27% of pre-scale-up businesses said they had skills gaps in their existing workforce (12% all businesses).
 - Scale-up businesses (41%) and pre-scale-up businesses (51%) are more likely to innovate compared with the SEMLEP average (27%).
 - Scale-up businesses (15%) and pre-scale-up businesses (19%) are more likely to have been involved in a collaborative research and development project in the last 12 months, compared to the SEMLEP average (6%).
 - Just 14% of scale-up businesses and 11% of pre-scale-up businesses said they do not recruit currently, compared to 53% of all businesses in the region.

Appendix: Questionnaire

SEMLEP Business Survey 2023

Section A: Business details

Read out: I would like to begin by asking you some general questions about this business or site. By site I mean this single location, even if it encompasses more than one building.

- Q1 Ask all: **Are you . . . ?** Note to interviewer: Read out. Single Code.
- A private business - CONTINUE
 - A social enterprise organisation – CONTINUE
 - A voluntary or public sector organisation – THANK AND CLOSE (Thank you but we need to gather the views of businesses in the private sector or social enterprises)
- Q2 Ask all: **Including you and any working proprietors/owners, how many people are on the payroll at this location?**
Note to interviewer: Single code. IF NECESSARY: Include all staff on payroll for this location, even if they are currently working from home some or all of the time.
- 1 to 4
 - 5 to 9
 - 10 to 24
 - 25 to 49
 - 50 to 99
 - 100 to 249
 - 250+
 - Don't know/refused – Note to interviewer: take from database
- Q3 Ask all: **I have [SIC 2007 description from column H in your contact list] as a general classification for your business. Does this sound about right?** Note to interviewer: Single code.
- Yes
 - No

If 'No' to Q3, please continue, otherwise please go to Q5 - this is automated on-line

- Q4 **What is the main business activity at this site?**
PROBE FOR DETAIL
IF NECESSARY: What is the main product or service of this business? What exactly is made or done at this site? What material or machinery does that involved using?
WRITE IN:
-

Q5 Ask all: **How would you describe your company status?** Note to interviewer: Prompt from list below and Single code.

- Sole Trader
- Partnership
- Private Limited Company (LTD) (by guarantee)
- Public Limited Company (PLC) (by shares)
- Franchise
- Social Enterprise
- Community Interest Company Limited by Guarantee (CIC)
- Community Interest Company Limited by Shares (CIC)
- Charitable Incorporated Organisation (CIO)
- Co-operative Models: IPS – Industrial Provident Society; Bencom – Employee owned
- Other
- Don't know

If 'Other', please specify:

If business has five or more employees, please continue. Otherwise go to Q7 - this is automated on-line.

Q6 **Which of the following descriptions apply to your business?** Note to interviewer: READ OUT. SINGLE CODE.

- You have at least 10 employees and have an average annual growth in employees or turnover greater than 20% per annum over a 3 year period (i.e. scale-up business – do not read this out)
- You have at least 3 employees; you achieved a turnover of £200,000 or more in the last year; you have the potential and aspiration to grow turnover and/or profit by 20% or more per year over the next 3 years. (i.e. pre-scale-up business – do not read this out)
- Neither of the above

Section B: Quality of Local Area

Q7 Ask all: **Overall, how do you rate your location as a place to do business?** Please indicate by using a scale of 1 - 5, where 1 is very poor and 5 is very good. Note to interviewer: SINGLE CODE ONLY.

- 1 -Very poor
- 2
- 3
- 4
- 5 - Very good
- Don't know

Q8 Ask all: How do you rate the availability of, or quality of, the following aspects of your location from a business perspective? Could you please indicate by using a scale of 1 - 5, where 1 is very poor and 5 is very good. Note to interviewer: READ OUT EACH ASPECT. SINGLE CODE PER ASPECT.

	1 - Very poor	2	3	4	5 - Very good	Don't know/not applicable
Supply Chain located locally	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Availability of appropriately skilled Staff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Local support available to businesses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Availability of utilities (such as broadband, energy and water)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Availability of suitable premises	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Affordability of business premises	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Affordable housing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Good quality Schools/Colleges	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Proximity to complementary businesses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Proximity to Universities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Attractive surroundings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Availability of local services (such as retail and leisure)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your local town centre	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Road network	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rail network	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Airport access	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Public transport	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Walking/cycling routes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ease of transportation of freight	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Availability of good quality water	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Access to nature to support health and wellbeing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Section C: Business engagement

Q9 Ask all: **Have you used any of the following for business advice or support in the past 12 months?** Note to interviewer:

READ OUT. SELECT ALL THAT APPLY.

- Private sector professional (E.G.: Solicitor, Accountant, Bank etc.)
- Central Government department or Government body (e.g. HMRC, Job Centre Plus, Department for International Trade, Innovate UK)
- SEMLEP's Growth Hub
- Growth Curve
- Peer Networks
- Your local Council
- Your local business improvement district
- Chamber of Commerce
- Trade Association
- Family/ Friends
- Other Business Owners
- University / College
- Web based business advice
- Recruitment Agency
- Marketing Agency
- National Apprenticeship Service
- Energy Bill Relief Scheme and/or Energy Bill Discount Scheme
- BeCentralBedfordshire web portal (CBC only)
- Central Bedfordshire's business support team (CBC only)
- InvestMK (Milton Keynes Council only)
- Step Forward Luton (previously Think Luton) (Luton only)
- Other
- None of the above

If "Web based business advice" or "Other", please specify:

Section D: Business Performance

- Q10 Ask all: **Would you say that overall, your business performance in the past 12 months has improved, remained stable or deteriorated?** Note to interviewer: SINGLE CODE ONLY.
- Improved
 - Remained stable
 - Deteriorated
- Q11 Ask all: **Over the next 12 months do you expect your business performance to generally improve, remain stable, or deteriorate?** Note to interviewer: SINGLE CODE ONLY.
- Improve
 - Remain stable
 - Deteriorate
- Q12 Ask all: **What do you consider to be constraints on your business growth?** Note to interviewer: Ask unprompted, but PROBE if needed, and SELECT ALL THAT APPLY.
- Lack of skilled labour
 - High cost of labour
 - Lack of training available locally
 - Increasing competition
 - Transport infrastructure (road, rail and sea)
 - Transport costs e.g. fuel etc
 - Access to public transport
 - Constraints with current premises or location
 - Lack of suitable premises to relocate to
 - Difficulties with obtaining planning permission
 - IT infrastructure/lack of high speed Broadband
 - Attracting or retaining customers
 - Interest rates/cost of finance
 - Access to finance
 - Cash flow
 - High cost of energy
 - Over regulation/red tape
 - Business rates
 - Lack of appropriate business support
 - The general economic climate
 - The end of the EU transition period
 - Reduction in public sector expenditure
 - The Covid-19 pandemic
 - Lack of availability of materials / difficulties sourcing supplies
 - Difficulties importing/exporting
 - Absenteeism / Presenteeism
 - Workplace sickness
 - Water quality
 - Other
 - None of the above
 - Don't know
- If 'Other', please specify:
-

Q13 Ask all: **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?** Note to interviewer: Do not read out but probe if necessary. **SELECT ALL THAT APPLY.**

- Labour availability
- Skills availability
- EU funding availability
- Problems importing from the EU (e.g. sourcing materials and goods/increased costs of doing business)
- Problems exporting to the EU (e.g. loss of business/increased costs of doing business)
- Trade tariffs
- Loss of business
- Increased cost of business
- No negative impacts
- Don't know
- Other

If 'Other', please specify:

Q14 Ask all: **What are the 3 most important things your local Council and other support organisations should do to help you grow your business?** Note to interviewer: **DO NOT READ OUT. PROBE** if needed, and **SELECT UP TO 3 RESPONSES.**

- Lower business rates
- Use local businesses for jobs/ employ local people
- More financial support
- More business support/ advice
- Reduce red tape/ paperwork
- Easier planning permission
- Better communication with businesses/ listen more to businesses
- Better/ more / cheaper parking facilities
- Help small businesses
- Help with advertising
- Offer more/ free training
- Regenerate the area/ more investment in the area
- Improve transport infrastructure/ links
- Improve other infrastructure such as broadband
- Encourage new business to start up
- More shops/ local amenities (inc fill empty shops)
- Help with marketing and promotion
- Assist / provide suitable premises
- Help you to engage with training and education providers to identify new talent
- Networking and events
- Local supply chains
- Support with planning advice
- Business growth support
- Support with bidding for public sector tenders
- Support to increase your business' energy efficiency/transition to low carbon
- Support to deal with the challenges of the pandemic
- Support to deal with the challenges of the UK leaving the European Union
- Other
- Nothing

- Don't know

If 'Other', please specify:

Q15 Ask all: Are you thinking of relocating your business? Note to interviewer: Probe and SINGLE CODE

- Yes, within the Local Authority Area
- Yes, within the SEMLEP area
- Yes, outside the SEMLEP area
- No
- Don't know

If 'Yes' at Q15, please continue, otherwise please go to Q19 - this is automated on-line.

Q16 Why are you thinking of re-locating? Note to interviewer: DO NOT READ OUT. PROBE AND SELECT ALL THAT APPLY.

- Lower cost
- Larger premises
- Smaller premises
- Higher specification
- Access to ICT
- Access to energy (electricity, heating etc.)
- Improved parking
- Closer to transport links
- Closer to town centres
- Move to more energy efficient/lower carbon emitting premises
- Flood risk
- Water availability
- Other
- Don't know

If 'Other', please specify:

Q16b MK and West Northants only (this is automated on-line): What type of premises are you considering? Note to interviewer: Ask unprompted and select all relevant answers.

- Industrial
- Warehousing/logistics
- Commercial/retail
- Office space
- Managed workspace such as an Enterprise Centre
- Other

If 'Other', please specify:

Q16d **West Northants and Luton only (this is automated on-line): What factors would influence your decision about where to re-locate?** Note to interviewer: Ask unprompted and select all relevant answers.

- Access to markets
- Access to transport links
- Proximity to suppliers/supply chains
- Proximity to other firms in the same sector
- Cost of labour
- Access to skilled labour
- Availability of suitable land and/or premises
- Quality of local environment
- Quality of premises
- Size of premises
- Availability of reasonably priced premises
- Personal/historic reasons
- Proximity to higher education, research or other trade organisations
- Financial support/assistance
- Other
- Don't know

If 'Other', please specify:

Q17 **Approximately, what size of new premises are you or would you be looking for, in Square feet?** (Only asked to those seeking smaller or larger premises - this is automated on-line) Note to interviewer: Ask unprompted, but clarify if required. Select one answer only. Note: the square metre and person calculations are approximate and there as a guide if the respondent needs to clarify their response.

- Under 100 square feet (approx under 10 square metres) (approx 1 to 2 person space)
- 100-499 sq ft (10 to 49 square metres) (2 to 10 people)
- 500-999 sq ft (50 to 99 square metres) (10 to 20 people)
- 1000-2499 sq ft (100 to 249 square metres) (20 to 50 people)
- 2500-4999 sq ft (250 to 499 square metres) (50 to 100 people)
- Between 5,000-10,000 sq ft (500 to 1000 square metres) (100 to 200 people)
- Between 10,000-15,000 sq ft (1000 to 1500 square metres) (200 to 300 people)
- Between 15,000-20,000 sq ft (1500 to 2000 square metres) (300 to 400 people)
- Between 20,000-30,000 sq ft (2000 to 3000 square metres) (400 to 600 people)
- Between 30,000-50,000 sq ft (3000 to 5000 square metres) (600 to 1000 people)
- Between 50,000-100,000 sq ft (5000 to 10,000 square metres) (1000 to 2000 people)
- Between 100,000-150,000 sq ft (10,000 to 15,000 square metres)
- Between 150,000-500,000 sq ft (15,000 to 50,000 square metres)
- Over 500,000 sq ft (over 50,000 square metres)
- Don't know

Q18 When searching for new premises, what, if any, problems have you experienced with premises on the market? Ask unprompted, PROBE if necessary, AND SELECT ALL THAT APPLY:

- Unaffordable price / rent
- Premises are too large
- Premises are too small
- Low quality or specification of premises
- Premises unsuitable for the business' machinery / technology
- Lack of energy available
- Premises have poor access to town centres / urban areas
- Lack of good public transport near premises
- Lack of good quality labour available near premises
- Lack of premises that are energy efficient/low carbon
- Other
- No problems with premises on the market
- Don't know
- Not began our search yet

If 'Other', please specify:

Section E: Employment, Skills and Training

Q19 Ask all: Have you had any vacancies in the last 12 months? Note to interviewer: Single code.

- Yes
- No

If 'Yes' at Q19, please continue, otherwise please go to Q26 - this is automated on-line.

Q20 How do you advertise or promote your vacancies?
Note to interviewer: DO NOT READ OUT. PROBE if necessary. SELECT ALL THAT APPLY.

- Through an agency
- Through free websites
- Through paid for websites
- Through business network groups
- Through word of mouth
- Through SEMLEP's website
- Through LinkedIn
- Through other social media
- Through the Job Centre
- Other

If 'Other', please specify:

Q21 Have you had any vacancies in the last 12 months that you have found hard to fill?

Note to interviewer: Single code.

- Yes
- No

If 'Yes', please continue, otherwise go to Q24 - this is automated on-line.

Q22 **Which specific occupations have you found hard to fill?** Note to interviewer: ask unprompted and select all relevant occupations. If uncertain, check with respondent that you are allocating the response to the correct code.

- Managerial
- Plant and Machine Operatives
- Metal Forming, Welding and Related Trades
- Construction and Building Trades
- Housekeeping and Related Services
- Road Transport Drivers
- Business, Research and Administrative Occupations
- Sales Assistants and Retail Cashiers
- Draughtspersons and Related Architectural Occupations
- Design Occupations
- Sales, Marketing and Related Associated Occupations
- Science, Engineering and Production Technicians
- Metal Machining, Fitting and Instrument Making
- Information Technology and Telecommunication
- Business, Finance and Related Associated Occupations
- Other Administrative Occupations
- Vehicle Trades
- Childcare and Related Personal Services
- Health and/or Care
- Elementary Agricultural Occupations
- Elementary Cleaning Occupations
- Other Elementary Service Occupations
- Production Managers and Directors
- Electrical and Electronic Trades
- Food Preparation and Hospitality Trades
- Green Economy/Environmental Occupations

Q23 What have been the main causes of having hard to fill vacancies? Note to interviewer: DO NOT READ OUT. PROBE if necessary, AND SELECT ALL THAT APPLY.

- Low number of applicants with the required skills
- Lack of qualifications the company demands
- Lack of work experience the company demands
- Low number of applicants with the required attitude, motivation or personality
- Reduction in availability of EU applicants
- Low number of applicants generally
- Poor terms and conditions (e.g. pay) offered for post
- The growth of the business / increase in workload
- Too much competition from other employers
- Remote location/poor public transport
- Poor career progression / lack of prospects
- Job entails shift work/unsociable hours
- Seasonal work
- Other
- No particular reason
- Don't know

If 'Other', please specify:

Q24 Ask if 'Yes' at Q19 - automated on-line: Have you found any skills difficult to obtain when recruiting staff in the last 12 months, if so which ones? Note to interviewer: PROBE if necessary and CHECK THAT ALLOCATING TO CORRECT ANSWERS. SELECT ALL THAT APPLY.

- Literacy
- Numeracy
- Digital skills
- Managerial Skills
- Technical or practical skills
- Communication skills
- Customer Service skills
- Sales and Marketing
- Foreign Languages
- Knowledge of English among non-native speakers
- Team working skills
- Problem solving skills
- Planning and organisational skills
- Job specific skills
- General employability
- Green Economy/Environmental related skills
- Other
- None

If 'Other', please specify:

If selected a skill above, please continue, otherwise go to Q26 - this is automated on-line.

Q25 **Why have you found these skills difficult to obtain?** Note to interviewer: DO NOT READ OUT. PROBE, if necessary AND SELECT ALL THAT APPLY.

- Lack of work ready school leavers
- Lack of work ready college/further education leavers
- Lack of work ready university higher education leavers
- Poor quality applicants generally
- Low quantity of applicants available
- People applying for jobs they are not suited to
- General lack of skills in available workforce
- Reduction in availability of EU applicants
- High and unaffordable salary expectations
- Other
- Don't know

If 'Other', please specify:

Q26 Ask all: **Do you have skills gaps in your existing workforce, if so, in which areas?** Note to interviewer: PROBE, if necessary and CHECK THAT ALLOCATING TO CORRECT ANSWERS. SELECT ALL THAT APPLY.

- Literacy
- Numeracy
- Digital skills
- Managerial Skills
- Technical or practical skills
- Communication skills
- Customer Service skills
- Sales and Marketing
- Foreign Languages
- Knowledge of English among non-native speakers
- Team working skills
- Problem solving skills
- Planning and organisational skills
- Job specific skills
- General employability
- Green Economy/Environmental related skill
- Other
- None

If 'Other', please specify:

If Skills gaps in existing workforce, please continue, otherwise please go to Q29 - this is automated on-line.

Q27 Why do you think there are skills gaps amongst your existing workforce? Note to interviewer: DO NOT READ OUT. PROBE if necessary AND SELECT ALL THAT APPLY.

- Lack of appropriate training or courses
- Inflexible times/durations for training or courses
- Not prepared/able to release staff during work hours
- Staff judged not capable of progression
- Lack of investment in staff training and development
- Insufficient budget to provide training courses
- Existing staff not seeking upskilling
- No workforce development plan
- Impact of Covid-19 pandemic on levels of training we have been able to provide
- Difficulty adapting to workplace changes during Covid-19, including operating in Covid-safe environments and/or increased home-working/remote working
- Reduction in number of EU workers
- Other
- Don't know

If 'Other', please specify:

Q28 Ask if responded 'Digital skills' to Q24 and/or Q26 - automated on-line: Which digital skills have you found difficult to obtain? Note to interviewer: DO NOT READ OUT. PROBE if necessary, AND SELECT ALL THAT APPLY.

- Microsoft Office (Excel, Word, Powerpoint)
- Systems design and management (e.g. in Sharepoint)
- Programming / coding
- Computer/network support
- Data analysis
- Digital design
- Customer Relationship Management (CRM)
- Digital marketing (including social media)
- Computer-Aided Design (CAD)
- Computer Numerical Control (CNC)
- Cyber security
- Proficiency in a specific software program
- Other

If 'Other', please specify:

—

Q29 Ask all: **What actions have you taken to increase skills?** Note to interviewer: Ask unprompted and Select all that apply.

- Engaging with schools (e.g. Careers Enterprise Company) through in person or face-to-face activities
- Engaging with colleges
- Engaging with universities
- Investing in apprenticeships
- Offering in-house training & development
- Outsourcing training & development / working with independent training providers
- Relying on agencies to recruit skilled people
- Working with job centre plus
- Providing on-line/remote training and support to staff
- Other
- Not doing anything
- Not applicable - no skills gaps

If 'Other', please specify:

Q30 Ask all: **What level of qualifications do your staff hold?** Note to interviewer: READ OUT. Select all relevant answers.

- No qualifications
- Level 1 qualifications
- Level 2 qualifications (GCSE A*-C)
- Level 3 qualifications (A Level A-E)
- Level 4 qualifications (HNC)
- Level 5 qualifications (HND, Foundation Degree)
- Level 6 qualifications (Degree)
- Level 7 qualifications (Masters)
- Other
- Don't know

Q31 Ask all: I would now like to ask you a few questions about apprenticeships. By "apprenticeships" I mean an apprenticeship scheme that follows a formal framework and leads to a nationally recognised qualification.

Do you employ anyone on an apprenticeship programme currently? Note to interviewer: SINGLE CODE ONLY.

- Yes
- No

If 'No', please continue, otherwise please go to Q34 - this is automated on-line.

Q32 Do you or would you consider taking on an apprentice? Note to interviewer: SINGLE CODE ONLY.

- Yes
- No

If 'No', please continue, otherwise please go to Q34 - this is automated on-line.

Q33 Ask if responded 'No' to previous: **Why would you not consider employing apprentices?** Note to interviewer: Ask unprompted AND SELECT ALL THAT APPLY.

- No current business need / not recruiting
- Cost
- Poor experience of apprenticeships
- Cannot find suitable candidates
- Apprentices don't have the necessary skills / experience / qualifications / we want to employ people that are ready to do the job
- Over complex process
- Size of business is too small
- Business / type of work is unsuitable for apprentices
- Other
- Don't know

If 'Other', please specify:

Q34 Ask all: In 2017 the Government introduced a requirement for all businesses with a wage bill of £3 million per annum or higher to pay an “Apprenticeship Levy”.

Is your business currently an Apprenticeship Levy payer? Note to interviewer: DO NOT READ OUT. SELECT ONE ANSWER ONLY.

- No, we are not a levy payer [i.e. wage bill less than £3 million per annum]
- Yes
- Don't know / not applicable

Q35 Ask if answered 'Yes' to previous question - this is automated on-line: **How do you use, or plan to use, the Levy?** Note to interviewer: Ask unprompted. Select all relevant answers.

- To take on new apprentices
- To develop existing employees
- By transferring the levy to other businesses
- We do not use the levy yet, but have plans to in the future
- We do not use the levy and have no plans to
- Don't know
- Other

If 'Other', please specify:

Q36 Ask all: **Which groups, or in what ways, do you actively offer work experience and/or employer engagement?** Note to interviewer: Ask unprompted. Select all relevant answers.

- Primary school students
- School student age 11-13 (Year 7 to 9)
- School students age 14-16 (Year 10 to 12)
- School/College students age 17-19
- Further or Higher Education Students age 19-24
- People with Special Educational Needs and/or Disabilities
- Traineeships
- Internships
- Adult schemes
- Kick-start scheme
- Other
- No engagement conducted
- Don't know

If 'Other', please specify:

If 'No engagement conducted', please continue, otherwise go to Q38 - this is automated on-line.

Q37 **Why do you not engage with schools, colleges, universities, adult education schemes or conduct employer engagement?** Note to interviewer: Ask unprompted. Select all relevant answers.

- Lack of time
- Lack of opportunities
- Do not see value
- Do not know how to arrange
- Red tape/bureaucracy
- Concerns about the safety of students
- Other

If 'Other', please specify:

Q38 What are your business/organisation's health and wellbeing priorities for the year ahead? Note to interviewer: Ask unprompted. Probe if necessary. Select all relevant answers.

- Promoting mental health and wellbeing
- Reducing staff sickness rates
- Becoming a more inclusive employer
- Promoting healthy lifestyles (physical activity and healthy eating)
- Reducing smoking
- Reducing musculoskeletal problems (back/neck pain)
- Other (please specify)
- Health and wellbeing is not currently a priority for us
- Don't know

If 'Other', please specify:

Section F: Innovation

Q39 Ask all: Has your business introduced any new products, services, patents or processes in the past 12 months?

Note to interviewer: Ask unprompted, clarify if necessary AND SELECT ALL THAT APPLY.

- New Products
- New Services
- New Processes
- New Patents
- No
- Don't know

Q40 Ask all: Has your business been involved in a collaborative research and development project in the past 12 months and with what type of partner?

Note to interviewer: Ask unprompted AND SELECT ALL THAT APPLY.

- Yes, with a university/college
- Yes, with another business/enterprise group in the same sector
- Yes, with another business/enterprise group in a different sector
- Yes, with some other partner
- No
- Don't know

Q41 Ask all: To what extent have each of the following restricted your business from introducing new products, services or internal processes? Could you please indicate by using a scale of 1 - 5, where 1 is not a constraint and 5 is a major constraint.

Note to interviewer: READ OUT EACH ASPECT. SINGLE CODE PER ASPECT.

	1 – no constraint	2	3	4	5 - major constraint	Don't know / not applicable
The general economic climate / risk of investment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cost of introducing new products, services or processes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cost of finance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Availability of finance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Availability of suitable partners	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Understanding of technologies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Understanding of markets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Market demand for new products/services in your industry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Regulatory environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Challenges related to the Covid-19 pandemic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Challenges related to the UK's exit from the European Union	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section G: SEMLEP

Q42 Ask all: Before today, had you heard of any of the following? Note to interviewer: Read out and select all that apply.

- SEMLEP
- Local Growth Fund
- Getting Building Fund
- Enterprise Adviser Network (EAN)
- SEMLEP's Inward Investment service
- Peer Networks
- Community grants
- Growth Curve
- SEMLEP's Growth Hub
- Midlands Engine Investment Fund (MEIF)
- None of the above

If selected one of the above, please continue, otherwise go to Q44 - this is automated on-line

Q43 How had you heard of any of the above? Note to interviewer: Ask unprompted.
SELECT ALL THAT APPLY.

- Press/Media
- Social media (Twitter, LinkedIn etc.)
- Networking with other businesses
- Communications from my Local Authority
- Communications from SEMLEP direct
- Other
- Can't recall

If 'Other', please specify:

Q44 Ask all - READ OUT: "SEMLEP is a Local Enterprise Partnership which aims to create the right environment for businesses to grow locally. However, from April 2024, its functions will be transferred to, and delivered by, local councils."
What regional economic development functions would you want to see local government focus on delivering in the future? Note to interviewer: Ask unprompted. PROBE if necessary AND SELECT ALL THAT APPLY.

- Delivering **infrastructure improvements** to encourage business and economic growth e.g. improved travel and transport network, improvements to broadband
- Attracting new businesses** to the area i.e. inward investment
- Helping to ensure an appropriate **supply of skilled labour** is available to meet business demand
- Securing **funding** to support new investment/projects (such as Local Growth Fund, SEMLEP's Growing Innovation Fund etc.)
- Communicate local business needs to Central Government** to the benefit of local businesses and the local economy
- Providing **support to businesses** (e.g. through business advice services including SEMLEP's Growth Hub)
- Support to transition to **net zero / cut carbon emissions / be "greener"**
- Working **strategically across the local area** with other organisations and local authorities
- Developing local partnerships**, including with business infrastructure organisations, local businesses and other key partners
- Other
- Don't know

If 'Other', please specify:

Q45 Is your business interested in business grants to support your business to grow (e.g.: create jobs, launch new products/services, boost turnover etc.) and have you accessed any grant funding in the past 12 months? Note to interviewer: Ask unprompted, clarify if required and select one answer only.

- Yes, and have received a grant previously
- Yes, but haven't received a grant previously
- No, but have received a grant previously
- No and not interested in receiving a grant
- Don't know

Q46 If 'Yes' to previous question: What support, if any, do you require to bid for a business grant? Note to interviewer: Ask unprompted, clarify if required and select all relevant answers

- Bid writing support
- Business case writing support
- Workshops to help bid for business grants
- 1-1 advice to help bid for business grants
- Support with accessing match funding
- Information about grants available
- Clearer guidance on eligibility / conditions of grants
- Other – please specify
- No support needed
- Don't know

If 'Other', please specify:

Section H: Green agenda

Q47 Has your organisation made a commitment to become net-zero, and if so by when? Note to interviewer: Ask unprompted, but clarify if required. Select one answer only.

- Yes, to reach it by 2030 or before
- Yes, to reach it by 2040
- Yes, to reach it by 2050
- Yes, we have specific targets or aims to become net-zero, but we have not set a deadline yet
- No, we have not set a target, but we are committed to being more environmentally friendly
- No, it is not something we've committed to or thought about much
- Don't know

Q48 What is your organisation doing to become net zero? (only ask to those that are actively committed - this is automated on line) Note to interviewer: Ask unprompted. Select all relevant answers.

- Incentivising staff to use their cars less
- Encouraging sustainable forms of transport
- Supporting staff to work at home/remotely more
- Reviewing energy efficiency in our buildings
- Providing training and education to our staff
- Sourcing sustainable materials
- Encouraging those in our supply chain to be more environmentally friendly
- Measuring our carbon footprint
- Signing up to sustainable business initiatives
- Supporting environmental charities
- Prioritising the use of renewable energy (e.g. like changing to a renewable energy supplier, moving to a green energy business park etc)
- Installing EV charging points / use the Workplace Charging Scheme
- Review energy efficiency of production processes
- Participate in the UK Emissions Trading Scheme
- Increase recycling of waste products
- Investing in renewable generation (solar PV/panels, wind power etc.)
- My business produces products / services that support the net zero transition (e.g. recycling, energy efficiency consultant, building insulation, renewable energy equipment, sustainable transport equipment etc)
- Other
- Don't know

If 'Other', please specify:

Q49 What do you consider, if anything, is a barrier to reducing your business's carbon footprint? Note to interviewer: Ask unprompted. Select all relevant answers.

- Availability or cost of low carbon alternatives
- Lack of grants
- Lack of capital or finance
- Lack of favourable tax rates or allowances
- Unable to change existing processes
- Lack of knowledge
- Lack of demand or understanding from customers
- Lack of understanding from employees
- My business does not face barriers
- I or the business don't think it's important
- Don't know
- Other

If 'Other', please specify:

Section I: Inclusivity

It is important we can understand the profile of business owners in the region. As such we would like to ask you some questions about your own personal situation. IF NECESSARY: Please remember all of your answers are given in confidence and will never be reported in any way that could allow you to be identified.

Q50 ASK SOLE TRADERS only (automated on-line): **Which of the following apply to you?** Note to interviewer: READ OUT. SELECT ALL THAT APPLY.

- You would describe yourself as belonging to an ethnic minority group
- You would describe yourself as having a long-term illness or disability which has a substantial and long-term negative effect on your ability to carry out normal day to day activities
- None of the above

Q51 ASK SOLE TRADERS only (automated on-line): Interviewer: Please record gender of respondent (do not ask)

- Male
- Female

Q52 Ask to non-sole traders (automated on-line): For each of the following, please estimate the percentage of partners or board directors in your business that are . . . ? Note to interviewer: READ OUT. SINGLE CODE.

	0-10%	11-24%	25-49%	50%+	Don't know
Women	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Belong to minority ethnic groups	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Have a long-standing illness or disability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q53 **How, if at all, do you ensure your recruitment practice is inclusive?** Note to interviewer: Ask unprompted and select all relevant answers.

- We train our recruitment / HR staff so they are best able to adopt inclusive recruitment practices
- We ensure a diverse recruitment / interview panel
- We review job descriptions and adverts to ensure they use inclusive language
- We actively target / advertise to attract diverse applicants
- We have targets to recruit a diverse workforce
- Neurodiversity training / methods to attract neurodiverse candidates
- Sending interview questions to candidates in advance
- Inclusive methods of recruitment – e.g. where and how jobs are advertised
- Actively target people that struggle to find employment / are 'distant' from the workplace e.g. former prisoners, people living with disabilities, long-term unemployed etc
- Do not adopt an inclusive recruitment practice currently, but working on it
- Do not adopt an inclusive recruitment practice currently, but interested in finding out how
- Do not do anything specific around inclusive recruitment
- Not applicable / do not recruit staff
- Other, please specify
- Don't know

If 'Other', please specify:

Section J: Local Authority questions

- Q54 **Central Bedfordshire (CBC) (only ask to those that indicated they may re-locate in the main questionnaire): Are you thinking of relocating your business inside or outside of Central Bedfordshire?** Note to interviewer: Probe and SINGLE CODE
- Yes. Within Central Bedfordshire
 - Yes. Outside of Central Bedfordshire
 - No
 - Don't know

- Q55 **CBC: Have you relocated to Central Bedfordshire in the last 2 years, if so, why?** Note to interviewer: Ask unprompted and select all relevant answers.
- Yes. Because of lower costs
 - Yes. Because of more suitable premises
 - Yes. Because of better transport links
 - Yes. Because of better labour supply
 - Yes. For other reasons
 - No
 - Other

If 'Other', please specify:

- Q56 **CBC: Have you used the Central Bedfordshire council employment and skills advisory service through the Bedfordshire Employment and skills Academy, if so, what did you think about it?** Note to interviewer: Ask unprompted and select one answer only.
- Yes. It has helped in our staff recruitment or training
 - Yes. It did not help in our staff recruitment or training
 - No
 - Don't know

- Q57 **CBC and MK: How is social value embedded within your business practices, if at all?** Note to interviewer: Ask unprompted and select all relevant answers.
- By contributing to staff wellbeing
 - By prioritising social value in the procurement process
 - By prioritising sustainable business practices
 - By contributing to skill building
 - By prioritising inclusion in the recruitment process.
 - Other ways besides those mentioned above.
 - Social value has not been embedded in our business process
 - Don't know

If 'Other', please specify:

- Q58 **CBC: Has your business converted any jobs into an automated service or process over the last two years?** Note to interviewer: Ask unprompted and select one answer only.
- Yes - 5 to 10 jobs
 - Yes - 10 to 50 jobs
 - Yes - 50 to 100 jobs
 - Yes - 100 or more jobs
 - No
 - Don't know
- Q59 **Luton: In the fast changing global business environment, moving to net zero is increasing making more business sense in terms of being able to attract new business customers, appealing to new workforce recruitment and improved productivity as well as reducing cost for businesses. To this end, would your business like to receive support from a programme being developed by Luton Council to give advice on reducing carbon and helping build sustainability at the core of your business?** Note to interviewer: Select one answer only.
- Yes
 - No
 - Don't know
- Q60 **Luton: What % of your 2022 - 2023 hires were Luton residents?** Note to interviewer: Ask unprompted, clarify if required and Select one answer only.
- Less than 25%
 - 26% to 50%
 - 51% to 75%
 - Greater than 76%
 - Don't know
 - N/A - did not hire staff / do not have staff
- Q61 **Luton: Luton Council offer a bespoke Passport to Employment program that supports businesses with their recruitment needs to ensure that they get the right candidate for the job. Would you like to use Luton council's Passport to Employment programmes to support your recruitment and retention needs?** (If 'Yes' or 'Don't know', we will forward your contact details to the council). Note to interviewer: Select one answer only.
- Yes
 - No
 - Don't know enough about it, tell me more

- Q62 **Luton: What are the most significant barriers/challenges your business faces when bidding for (or when considering bidding for) large contracts?** Note to interviewer: Ask unprompted, probe where required and select all relevant answers.
- Adopting approaches to achieving Net Zero/Carbon neutrality
 - Developing Social Value and responding to this in the tender
 - Evidencing experience in investing in local employment and skills
 - Challenges in recruitment or other upscaling requirements
 - Evidencing the use of a local businesses in your supply chain
 - Lack of partners to joint bid or bid as consortia
 - Lack of knowledge or experience with bid writing
 - Lack of time or resources to support with bid writing
 - No issues/barriers or challenges
 - Not relevant to our business
 - Don't know
 - Other

If 'Other', please specify:

- Q63 **Luton: Would you like to register your interest onto Luton Council's Meet the Buyer events to see how local suppliers can engage with Luton based contract opportunities?** (If 'Yes', we will provide your contact details to the council). Note to interviewer: Ask unprompted and select one answer only.
- Yes
 - No
 - Already registered

- Q64 **Milton Keynes (MK): Milton Keynes received city status in May 2022 – how has this impacted on your business?** Note to interviewer: Read out response options and select one answer only.
- Very positive impact
 - Fairly positive impact
 - No impact
 - Fairly negative impact
 - Very negative impact
 - Don't know
 - I was not aware of this and therefore not had any impact

- Q65 **MK and West Northants: How do you see your need for Commercial space changing over the next 18 months?** Note to interviewer: Ask unprompted and select all relevant answers.
- Need for commercial space increasing
 - Need for commercial space decreasing
 - Expansion outside Milton Keynes
 - Greater flexibility / co-locating
 - Need for commercial space unchanged

- Q66 **MK: Do you expect homeworking amongst your staff to increase, stay the same or decrease over the next 12 months?** Note to interviewer: Select one answer only.
- Increase
 - Stay the same
 - Decrease
 - Don't know
 - N/A - do not employ staff

- Q67 **West Northants: Does your business have any links with universities or colleges for research and development purposes? (If unsure, define R&D as: creative work undertaken within your business that increases knowledge for developing new and improved goods, services and/or processes)**
Note to interviewer: SINGLE CODE ONLY.
- Yes
 - No
 - Don't know

Section K: Support for you more business

- Q68a Ask all: Would you be interested in finding out more about any of the following?
[Inform respondent that we will pass their details on to the appropriate organisation]
Note to interviewer: READ OUT. SELECT ALL THAT APPLY.
- Funding opportunities
 - SEMLEP's Growth Hub - which is a FREE business support programme that has been set up to make it easier for businesses to maximise their growth potential.
 - Support for business scale-up and pre-scale-up
 - Employer-led skills programmes / initiatives
 - Opportunities for employer engagement with schools, colleges, universities and adults
 - Commercial premises
 - SEMLEP's Newsletters – which features a range of updates on local programmes and growth opportunities.
 - Apprenticeships
 - Apprenticeship levy information
 - Local staff training opportunities
 - Support to increase your business' energy efficiency/transition to low carbon
 - Support around inclusive recruitment and business practices
 - Health and wellbeing of staff
 - Local Community Foundations
 - Community rail groups
 - Access to funding or support around UKSPF / Rural Fund / Local authority business support (ask West Northants only)

Q68b Could you confirm your name, contact number and e-mail address? Note to interviewer: This only comes up if the respondent has selected a positive answer to Q74a - automated on-line. Interviewer record:

Name:

Business:

Contact number:

E-mail:

Q69 Do you have any other comments or points you would like to make about the issues discussed in this survey? Note to interviewer: If the respondent has any additional comments or points to raise, please record here. Only ask this if the respondent has time.

That is the end of the questionnaire. Thank you for all your help. The findings of the survey will be published on SEMLEP's website later in the year.

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