

Research Report

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| Greater Lincolnshire Employer Survey 2014 |
| Prepared for: Greater Lincolnshire Local Enterprise Partnership (GLLEP), Lincolnshire County Council and the Lincolnshire and Rutland Employment and Skills Board |
| Prepared by: |

****Greater Lincolnshire Employer Survey 2014

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**Prepared for: Greater Lincolnshire Local Enterprise Partnership (GLLEP), Lincolnshire County Council and the Lincolnshire and Rutland Employment and Skills Board**

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**Date: July 2014**



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# Executive Summary

The 2014 Greater Lincolnshire Employer Survey was commissioned in March 2014 by the Greater Lincolnshire Local Enterprise Partnership (GLLEP), Lincolnshire County Council and the Lincolnshire and Rutland Employment and Skills Board.

The aim of the survey was to collect robust, timely and reliable data on business performance, exporting, investment, business support, finance, employment and skills, innovation and research and development. The survey also covered issues relating to life in Lincolnshire and environmental factors.

Telephone interviews were conducted with 1,515 employers in the Greater Lincolnshire area in April and May 2014. The survey included both private and public sector organisations and data reported relates to the business site at which the respondent was based.

## Life in Greater Lincolnshire

Districts within Greater Lincolnshire with the highest concentrations of employers (with at least one employee) include East Lindsey (16%); North Lincolnshire (15%), South Kesteven (14%) and North East Lincolnshire (14%). Both North Lincolnshire and North East Lincolnshire are outside the county boundary.

The majority of employers (93%) have always been located in Greater Lincolnshire and two-thirds of employers (66%) have been trading within the area for more than 10 years.

Employers that have moved into the area are more likely to cite finding bigger, better or cheaper premises as a reason for moving into Greater Lincolnshire than the attractions of the area itself. Access to markets and a pool of skilled labour also feature prominently, as do family reasons/lifestyle choices.

One in eight employers (13%) is considering relocating their business in the next 2 years, with just 2% considering locating outside of the area.

Again, finding bigger, better or cheaper premises is a primary motivator for moving.

In terms of perceptions of Greater Lincolnshire as a place to do business, it is highest rated in terms of access to customers and aspects of living in the area, including the range of housing and strong communities. It is rated lowest for its transport infrastructure and its image as seen by external suppliers and customers and with regard to attracting people to move to the area to work.

The proportions of employers (based on where provided a rating) scoring Greater Lincolnshire at 8 or above for aspects of the area as a place to do business are:

* Access to customers 50%
* Wide range of housing 49%
* Strong communities 48%
* Access to suppliers 45%
* A place my business can grow 43%
* Cost of premises/rents/business rates 36%
* Availability of skilled staff 35%
* Range of retail and leisure facilities 28%
* Support is available for businesses to grow 28%
* Image of Greater Lincolnshire as seen by 27% external suppliers and customers
* The profile of the county in terms of attracting 23% people to move here to work
* Transport infrastructure 21%.

An area of particular concern is that of transport infrastructure, which is rated at less than 5 by 38% of employers that provided a rating. This receives higher than average ratings by employers in North East and North Lincolnshire but is rated particularly poorly by employers based in East Lindsey and Boston. Employers in these two districts are also less likely than average to be satisfied with the range of housing and retail/leisure facilities and access to customers, suppliers and skilled staff.

One in four employers (25%) has a home working policy which allows and encourages staff to work at home. This proportion increases to 34% of 100+ employers and 37% of employers in the banking, finance and insurance sector.

## Markets and Trading

Three-quarters of employers use suppliers based in Greater Lincolnshire (74%). Some 23% obtain all their supplies locally.

Employers estimate that 57% of supplies, on average, are sourced within Greater Lincolnshire. Employers within the public administration/education/health and agriculture/fishing sectors are particularly likely to rely on the local market for supplies (means of 75% and 72% respectively).

Where employers do not use local suppliers, it is mainly because the products or services are not available (to their knowledge) in the area (69% of those that do not use local suppliers). The proportion is particularly high amongst manufacturers (83%) and within the district of South Kesteven (77%).

Too high a cost is the second most frequently mentioned reason for not sourcing supplies locally (14% of those that do not source supplies locally).

One in eight private sector employers (13%) exports any of their products or services. This increases to 35% of manufacturers and 30% of employers with 100 or more employees at their site.

More than half the exporters (55%) anticipate an increase in their level of exports in the next 12 months. This increases to 67% of exporting manufacturers and 66% of employers that export in transport/communications.

The majority of employers anticipating an increase in their exports expect that increase to come from both existing markets and new ones (71%).

Just 3% of non-exporting employers plan to begin exporting in the next 12 months.

Three-quarters of employers (both private and public sector) (75%) have a website, with 30% of all employers using the website for e-commerce as well as advertising. The proportion of employers with a website increases to 92% of those with 25 or more employees, while the use of website for e-commerce is significantly higher than average in the distribution/hotels/restaurant sector.

Use of website for e-commerce is particularly likely amongst exporters (47%, compared with 27% of non-exporters).

Use of a website and use of it for e-commerce, is particularly prevalent within the district of Lincoln. This is likely to reflect the more urban character of the district and the higher concentration of employers within the distribution/hotels/restaurants and banking/finance/ insurance sectors.

Nearly half the employers (47%) include social media (mainly Facebook – used by 86%) in their marketing plans. Twitter is use by around half of employers that use social media (53%). This is most likely to be because employers want to raise their company profile, while one in three use social media to engage with and inform their customers. Similarly one in three employers with a website use social media to drive traffic towards that website.

Nearly all employers (93%) agree that universal access to broadband is important for the local economy, while the vast majority of employers (86%) agree that having access to superfast broadband is important for their business and two-thirds (67%) agree that access to broadband for home-working is important to their business.

Employers that export and have a website are significantly more likely than those that do not to strongly agree that broadband (particularly superfast broadband) is important.

More than three-quarters of employers (77%) agree that reliable and widely available mobile connections for employees while they are out on the road in Greater Lincolnshire are important for their business.

## Business Growth and Innovation

More than a fifth of employers in Greater Lincolnshire (22%) reported an increase in the number of staff employed at their site during the last 12 months. This proportion increases with business size to 46% of 100+ employers.

Around one in ten (9%) reported a decrease in staff numbers, with the remainder (68% of all employers) reporting no change in workforce size in the last 12 months.

Two-thirds of employers (65%) report an increase in any financial measure, including profitability, turnover, sales and market share, in the last 12 months. Most likely is an increase in turnover (55%), while least likely is an increase in market share (32%). Businesses with between 10 and 99 staff are particularly likely to report improvements in these measures in the last 12 months.

Over the next 12 months, 27% of all employers anticipate an increase in the number of staff employed at their site. This contrasts with just 3% of those that anticipate a decrease.

Two-thirds of employers (68%) do not expect the size of their workforce to change in the next 12 months.

In terms of anticipated changes in business performance amongst private sector organisations, over the next 12 months, nearly three-quarters (72%) expect an increase in any financial measure including turnover, profitability, market share or sales. Around two-thirds anticipate an increase in turnover (66%) and/or profitability (65%) in the next 12 months. Fewer anticipate an increase in market share (46%), although this proportion is higher than that reported with regard to increasing market share in the next 12 months.

Half of all private sector employers (49%) have a formal written business plan and in most cases this is kept up to date (43% of all private sector employers). Business size is a key determinant of the propensity to have formal planning processes in place and the proportion of employers with a business plan that is kept up to date increases to 89% of 100+ employers.

Around two-fifths of private sector employers (38%) have introduced new or significantly improved products or services in the last 12 months. For the majority (77% of these employers) these were new to the business rather than being completely new.

A third of all private sector employers (34%) have introduced new or improved processes in the last 12 months. Again, the majority (83%) report these new processes as new to the business but not completely new.

The propensity to innovate increases with business size and is more prevalent amongst exporters. Those reporting growth in terms of employment or implying expansion through seeking finance or through recruitment are more likely to have introduced new or improved products, services or processes in the last 12 months.

A quarter of private sector employers (27%) have a formal R & D function to support innovation, increasing to 64% of 100+ employers. Just over half of all private sector employers (54%) innovate on an ad hoc basis rather than with the assistance of a permanent R & D function.

More than half of employers that have introduced new or improved products (59%) have collaborated with others outside of their organisation in developing their ideas.

Other businesses are key collaborators, as the majority of businesses that collaborate with others choose these as partners.

Having suitable, low cost premises is considered significantly beneficial by more than half of all employers (58%). Access to funding (56%) and the availability of highly skilled labour (54%) or other skills the business needs (52%) as well as local training (54%), are also considered to be important by more than half the employers.

The top four potential sources of support or advice include: the county council/district council; accountants; web based business advice and internal sources; such as a head office.

Poor transport infrastructure, which is an aspect to the location of businesses that is particularly poorly rated, is cited by 30% of private sector employers as an obstacle to business growth. The proportion is higher than average in East Lindsey (44%) and Boston (43%). One in four employers cited a lack of capital for investment (25%) and/or poor cash flow (24%).

Overall, poor transport infrastructure is cited as the greatest obstacle to business growth by employers (12%). Poor cash flow is a close second (11%).

## Finance and Investment

One in six private sector employers in Greater Lincolnshire (16%) reports having sought finance in the last 12 months. This proportion increases to 33% of 100+ employers.

Bank loans were the most commonly sought type of finance (40% of those that have sought finance), followed by a bank overdraft (21%) and/or grant (18%).

The most common reason for seeking finance was for business expansion or growth (36% of those that sought finance). More than a quarter of employers seeking finance (26%) did so to obtain working capital or improve their cash flow, while fewer (17%) sought finance for capital equipment or vehicles.

A third of employers that sought finance (33%) experienced some difficulty in arranging it and these difficulties experienced were chiefly due to not meeting the criteria laid down by the prospective lender/financer (27%) and/or finance being unavailable (21%).

More than four in five private sector employers (84%) expect to invest in the business in the next 2 years.

Employers are most likely to expect to invest in training (61%), while half expect to invest in new technologies (50%), plant/machinery/equipment (49%) and/or new products (47%). A quarter expects to invest in research and development (25%) or expanding or moving premises (24%).

## Recruitment and Skill Shortages

Around half of employers in Greater Lincolnshire (48%) have recruited any staff in the last 12 months. This increases to 83% of those with 10 or more staff and 93% of those with 25 or more staff.

Two-thirds of employers that have recruited staff in the last 12 months (67%) have recruited for existing posts, while fewer (53%) have recruited to fill new posts. As one would expect, employers that have increased the size of their workforce in the last 12 months are significantly more likely than average to have recruited for newly created posts (84%)

The most likely posts recruited for are those at the lower skill levels, semi- and un-skilled workers (35% and 32% of employers that have recruited respectively), while 26% of recruiting employers have recruited skilled manual/technical/craft workers. The latter are particularly significant within construction and manufacturing sectors, while semi- and un-skilled workers are significant in terms of posts recruited for within the distribution/hotels/restaurants sector.

More than four-fifths of employers that have recruited any staff in the last 12 months (83%) have recruited someone from a ‘disadvantaged’ group, which includes (and is most likely to be) people aged 45+ (43% of those that have recruited staff). A third of employers that have recruited have recruited someone aged under 19 (35%), long term unemployed (31%) or women returning to work after a career break (30%).

Around one in four employers that have recruited (23%) report some of the vacancies as being hard-to-fill. This equates to 11% of all employers.

Recruitment difficulties are most likely to have been experienced with regard to professional occupations (28% of employers who have tried to recruit for these posts), with managerial/director/senior official posts also significant in this respect (23%).

Lack of skills, experience and qualifications among applicants predominate as reasons for vacancies being hard-to-fill; applicants not having the required working experience/job specific skills (39%) and/or the required qualifications/skills (37%).

## Skill Gaps and Skill Development

Across Greater Lincolnshire, employers estimate that 6% of their workforce has no qualifications, while 18% have level 4 equivalent qualifications or above.

It is estimated that one in eight employees in North Lincolnshire and West Lindsey (12% each) are unqualified. The proportion of the workforce that is unqualified is at a similar level within manufacturing (13%).

The workforce profile within service sectors is better qualified than that within production/construction sectors.

One in six employers (17%) highlights skill deficiencies among their workforce. As a proportion of all employees, this is estimated at 5% of the workforce not being fully proficient in their jobs.

One in ten employers (10%) reported a significant gap between the type of skills that current employees have now and those that they need to meet their current business objectives.

One in seven employers (15%) anticipates a significant gap within their workforce in meeting future objectives.

While it is manufacturers that are significantly more likely than average to report current skill gaps, it is construction employers that are particularly likely to anticipate skill gaps going forward.

Employers that have identified a skill gap in their workforce with regard to current or future objectives (16% of all in aggregate) are most likely to mention technical, practical or job specific skills as those that need improving to meet their business objectives (71%). Half (51%) mention planning and organising skills, while a range of skills are mentioned by around two-fifths of employers; problem solving skills (44%); oral communication skills (42%); customer handling skills (39%); strategic management skills (39%) and team working skills (38%).

Half the employers in Greater Lincolnshire (50%) have a training plan or budget. The proportion is significantly higher than average in Lincoln (62%).

Nearly half the employers (48%) have funded or arranged off the job training in the last 12 months for any employees. A slightly higher proportion (51%) have funded or arranged on the job training in that time.

Overall, 64% of Greater Lincolnshire employers have funded or arranged any training in the last 12 months.

Business size is the key determinant of the propensity to train, with 97% of employers with 25+ employees having funded or arranged any training in the last 12 months.

By sector, levels of training are significantly higher than average in public administration/education/health, while lower within distribution/hotels/restaurants. Both the construction and banking/finance/insurance sectors fund or arrange higher than average levels of off-the-job training. In particular, construction employers are more likely to have funded or arranged off-the-job than on-the-job training.

Training is mainly delivered by private training providers, with around one in four employers that have delivered training using public sector educational FE/HE institutions in the area: 5% have used a local FE college; 10% have used a local university. One in five employers (22%) arranges all their training in-house.

Two-third of employers that have delivered training (68%) formally assess whether any training and development has had an impact on an employee’s performance. This is more common where off the job training has been undertaken, although this is also due to the fact that larger employers are more likely than average to fund or arrange off-the-job training as well as being more likely than average to assess the impact of the training and development.

Training delivery can be limited by the capacity of the business to release employees for training – cited by 21% of those that have funded/arranged training as an obstacle to more training in the last 12 months - and to cost – cited by 18%. However, more than half of all employers – both those that have funded or arranged training and those that have not - have had no difficulty in finding suitable training.

## The Environment

A third of Greater Lincolnshire employers (33%) report having introduced any energy efficiency measures in the last 12 months.

Lighting is the most common area of investment (82%), while some two-thirds of employers (65%) have undertaken recycling or waste reduction measures. Half have taken action with regard to their heating (50%) and/or energy efficient measures (49%). Around three in ten employers that have undertaken energy efficiency measures have improved their insulation (31%) and/or water conservation (29%).

Nearly all employers (96%) agree that their business is taking some action or has a pro-active approach to environmental issues and energy efficiency.

A quarter of employers *strongly* agreed that their business actively works to reduce company waste (27%) and actively tries to improve their energy efficiency (24%). Fewer strongly agreed that their business considers the environmental impact of their buying decisions (17%) and actively tries to reduce work-related car emissions (16%).

Overall, the majority of employers agree at all that their business is actively working to reduce company waste (91%) and/or actively trying to improve their energy efficiency (88%).

Overall, 41% of employers considered the issue of flood risk as being of relevance to their business. More than half the employers that feel it is relevant (57%) agreed that their business is concerned about flood risk. The level of concern is higher than average in Boston.

A similar proportion (59%) of those that provided a response agreed that the issue of flooding is greater now than previously, while a smaller proportion (48%) agreed that their business is actively trying to reduce the possibility of flooding. Boston employers are more likely than average to be actively trying to reduce the possibility of flooding. Overall, just one in five (21%) employers agreed that the risk of flooding is having an impact on their business planning.

## Conclusions

The employer population of Greater Lincolnshire is dominated by businesses that are longstanding occupants of the area and very few have plans to relocate elsewhere. A key issue for employers is having room to grow and finding bigger, better or cheaper premises is a prime motivator for relocation.

The area is perceived in a positive light with regard to being a place to do business. However, the area fails to meet all employers’ needs with regard to transport infrastructure. This is also perceived as a significant obstacle to business growth. There is also some feeling that the county is perceived unfavourably by suppliers and customers located outside of it, as well as lacking in terms of its ability to attract people to move to the area to work.

Lack of availability of the products and services required is the main reason why employers do not use local suppliers, followed by (and far less frequently mentioned) cost. Increasing the extent to which Greater Lincolnshire businesses trade between each other relies on businesses identifying what others need but also supplying it at the right price.

Exporting is at a low level in Greater Lincolnshire, compared to elsewhere in the UK. Furthermore only a very small minority of non-exporters are planning to begin exporting in the near future. This is an area where employers may need more support but also may need assistance to become aware of the opportunities that are available to them to expand their markets in this way.

The internet is a primary tool in developing sales overseas, as evidenced by the fact that exporters are significantly more likely than non-exporters to use a website for e-commerce. At present one in four employers do not have a website, while seven in ten are not making use of a website for e-commerce. There is significant potential for development in this area in the next few years and this is likely to have a positive impact on business growth in the area and the extent to which businesses in the county exploit markets further afield.

Underlining the importance of the internet to business development, there is widespread agreement that access to superfast broadband is important for businesses. There is also widespread agreement that reliable and widely available mobile connections are important for businesses.

The outlook for businesses (as reported by businesses) is positive, with nearly three-quarters of employers anticipating an increase in any one of a number of financial measures; the main ones being turnover and profitability.

Employers are most likely to perceive having suitable, low cost premises and access to funding as being beneficial to their business, although access to people with the right skills or to the training that can furnish their workforce with the right skills is also key. Recruitment difficulties are most likely to have been experienced with regard to ‘higher’ order professional and managerial posts. The main cause of recruitment difficulties is a lack of applicants with the right skills, experience and qualifications.

One in twenty employees is estimated to have no qualifications. This is not necessarily an issue as it depends on the skills and knowledge required in their jobs. However, a similar proportion of the workforce is deemed to be lacking the right skills or experience to be fully proficient in their jobs. Overall, around one in eight employers report a skill gap within their workforce.

The extent of skill gaps within the workforce within Greater Lincolnshire does not suggest a particularly significant issue compared with employers elsewhere in the UK. However, these skill gaps are predominantly with regard to technical, practical or job specific skills and, as such, addressing them requires an ad hoc approach to employer needs.

Levels of training within employer organisations are on a par with those across the UK. Being able to spare employees more time out for training as well as the cost of training are the main obstacles to undertaking more training. Employers that do not train are less likely to cite obstacles to training because they tend not to have considered providing training at all.

Finance is mainly needed to fund business expansion or growth, rather than help employers out of difficulties. Thus, for the local economy to thrive finance has to be widely available. There are widespread expectations of investment over the next two years amongst private sector employers locally.

Nearly all Greater Lincolnshire employers are taking some steps to increase energy efficiency and this is very positive, even if they are doing so to reduce their own outgoings rather than for the greater good of the environment.

A quarter of Greater Lincolnshire employers are concerned about flood risk and this is an issue that is seen to be of greater significance now than previously.

# Background

The 2014 Greater Lincolnshire Employer Survey was commissioned in March 2014 by the Greater Lincolnshire Local Enterprise Partnership (GLLEP), Lincolnshire County Council and the Lincolnshire and Rutland Employment and Skills Board.

The aim of the survey was to collect robust, timely and reliable data on business performance, exporting, investment, business support, finance, employment and skills, innovation and research and development. The survey also covered issues relating to life in Lincolnshire and environmental factors.

## Method

Telephone interviews, with an average interview length of about 25 minutes, were conducted with 1,515 employers in the Greater Lincolnshire area in April and May 2014. Respondents included directors or proprietors or other senior managers with knowledge of the issues investigated.

The survey included both private and public sector organisations. Data reported is related to the establishment at which the respondent was based. This could be a headquarters (provided that the HQ was in the Greater Lincolnshire area) or a branch (depending on the outcome of the survey’s random sampling processes).

A quota sample was designed, based on the local economy’s sectors (SIC 2007), its distribution of workplaces of different sizes (in terms of their employment), and Local Authority Districts (LADs). The quotas for sector, size and LAD were interlocking.

The survey data has been weighted (using information about the local economy from the Office for National Statistics – IDBR data, which was provided by GLLEP) so that the findings are fully representative of Greater Lincolnshire employers.

The structure of the unweighted sample achieved by the survey and its weighted profile by sector, size and district are summarised in the following table:

Table 2.1: Sample profile

|  | **Achieved interviews no.** | **Unweighted sample %** | | **Weighted no.** | **Weighted/ sample %** |
| --- | --- | --- | --- | --- | --- |
| A Agriculture and Fishing | 75 | 5 | | 73 | 5 |
| K, L, M, N Banking Finance and Insurance | 325 | 21 | | 238 | 16 |
| F Construction | 133 | 9 | | 96 | 6 |
| G, I Distribution Hotels and Restaurants | 461 | 30 | | 550 | 36 |
| B, D,E Energy and Water | 18 | 1 | | 12 | 1 |
| C Manufacturing | 89 | 6 | | 111 | 7 |
| R,S,T,U Other Services | 88 | 6 | | 158 | 10 |
|  | | | | | |
| 2-9 employees | 1018 | | 67 | 1107 | 73 |
| 10-24 employees | 307 | | 20 | 249 | 16 |
| 25-99 employees | 151 | | 10 | 130 | 9 |
| 100-249 employees | 24 | | 2 | 18 | 1 |
| 250+ employees | 15 | | 1 | 11 | 1 |
|  | | | | | |
| Boston | 130 | | 8 | 97 | 6 |
| East Lindsey | 192 | | 12 | 243 | 16 |
| Lincoln | 161 | | 10 | 145 | 9 |
| North East Lincolnshire | 177 | | 11 | 210 | 14 |
| North Kesteven | 158 | | 10 | 145 | 9 |
| North Lincolnshire | 197 | | 12 | 226 | 15 |
| South Holland | 154 | | 10 | 145 | 9 |
| South Kesteven | 199 | | 12 | 209 | 14 |
| West Lindsey | 147 | | 9 | 129 | 8 |
| **Total** | **1515** | | **100** | **1615** | **100** |

Results from the total sample may be presumed accurate (with a 95% confidence level) within a maximum sample error of +/-2.5%. The margin of error on sub-sets of the total sample is larger, depending on the unweighted number of respondents.

Throughout this report, significant differences between sub-samples and the total minus the sub-sample tested are highlighted. This provides an indication if the statistic is significantly greater or lesser than the statistic for the remainder of the sample.

A further 100 interviews were conducted with employers based in Rutland district. These interviews are not included in the sample outlined here, nor are they discussed in this report. Since Rutland is outside the Greater Lincolnshire area, findings from employers based in Rutland are discussed in a separate report produced by the GLLEP.

### Note on reporting

Throughout this report the survey data is discussed on the basis of the samples for Greater Lincolnshire (all districts) and Lincolnshire County (which excludes North Lincolnshire and North East Lincolnshire).

The report references differences by business size, industry sector and LAD for most questions where they are significant and noteworthy.

Significant differences by other variables are also discussed.

The data is compared to national surveys, including the Employer Skills Survey (ESS) 2013 and the Small Business Survey (SBS) 2012, where a comparison is possible or appropriate.

# Life in Greater Lincolnshire

## Key findings

The majority of Greater Lincolnshire employers (66%) have been established in the area for at least 10 years.

Employers that have moved into the area are more likely to cite finding bigger, better or cheaper premises as a reason for moving into Greater Lincolnshire than the attractions of the area itself. Access to markets and a pool of skilled labour also feature prominently, as do family reasons/lifestyle choices.

One in eight employers (13%) is considering relocating their business in the next 2 years, with just 2% considering locating outside of the area.

Again, finding bigger, better or cheaper premises is a primary motivator for moving.

In terms of perceptions of Greater Lincolnshire as a place to do business, it is highest rated in terms of access to customers and aspects of living in the area, including the range of housing and strong communities. It is rated lowest for its transport infrastructure and its image as seen by external suppliers and customers and with regard to attracting people to move to the area to work.

One in four employers (25%) has a home working policy which allows and encourages staff to work at home.

## Location in Greater Lincolnshire

The profile of employer distribution across Greater Lincolnshire is summarised in the figure below. The blue bars in the figure represent those employer based in the Lincolnshire county area, with those represented by the red bars located outside of the county. Seven in ten employers (71%) are based within the county.

Figure 3.1: Local Authority District (LAD) in which employers are based (all employers)

Unweighted sample base = 1515 Blue bars = Lincolnshire county area

From database; confirmed during interview

The majority of employers stated that they have always been located in Greater Lincolnshire (93%); 7% having relocated to Greater Lincolnshire from elsewhere. The proportion of employers relocating to Greater Lincolnshire from elsewhere is significantly higher within the banking, finance and insurance sectors (11%), manufacturing (12%) and construction (10%).

The proportion of headquarters organisations that have relocated to Greater Lincolnshire is significantly higher than average (13%). Furthermore, employers that export are significantly more likely than average to have relocated to Greater Lincolnshire (17%).

The majority of employers have been long established within Greater Lincolnshire. Two-thirds (66%) have been in the area for more than 10 years, with the majority of those (45% of all employers) having been trading in the area for more than 20 years.

Figure 3.2: Length of time businesses have been trading in Greater Lincolnshire (all employers)

Unweighted sample base = 1515

QA7. For how long has the business been trading in Greater Lincolnshire?

### Reasons for relocating to Greater Lincolnshire

Reasons for relocating to Greater Lincolnshire were less about the area itself than about finding bigger, better or cheaper premises. Access to markets, either new or existing, as well as access to a pool of skilled labour also feature, while lifestyle, personal/family reasons are mentioned by a few (small) employers, which predominate in this group of organisations that have relocated to the area

* For family reasons (19%) – all 2-9 employers
* Lifestyle choice (14%) – all 2-9 employers
* Unspecified financial reasons (13%) – all 2-9 employers
* Premises too small (8%)
* Cost of premises too high (7%)
* To gain access to new markets (6%)
* To gain access to new markets (6%)
* More prestigious premises (5%)
* Premises too big (3%)
* To be closer to existing customers (3%)
* To gain access to skills and affordable labour (3%)
* Better business rates (2%)

### Possible relocation

In terms of the basis on which employers occupy their premises, they are a little less likely to own it than let it; 45% own their premises; 47% let it and a further 4% sub-let it. This analysis excludes public sector organisations.

The propensity to own their premises increases with employer size (to 64% of 100+ employers) and is significantly higher than average amongst headquarters organisations (62%).

Whether they own or let their premises, it is likely to be a costly and difficult process to relocate. Tenants may be tied into long leases, while owners need to sell their premises and the logistics of obtaining new premises, moving and setting up at a new address are challenging. However, given necessity or other sufficient motivation it will be a viable step.

Based on all employers, including public sector organisations, one in eight (13%) are considering relocating their business in the next 2 years.

Very few employers are considering leaving the area completely (just 2% of all employers), with the vast majority of those considering relocation planning to remain in the area (11%).

The proportion considering relocation is significantly higher than average amongst employers in North East Lincolnshire (16%) and lowest in West Lindsey (7%).

One in five headquarters organisations (20%) are considering relocation, with a quarter of these (5% of all headquarters organisations) considering relocating outside of Greater Lincolnshire.

Relocation is more likely amongst newly established businesses; 17% of those established for less than 5 years; compared with 11% of longer established businesses.

The proportion that are considering relocation is also significantly higher amongst those that have sought finance in the last 12 months, compared with those that have not (19%, compared with 11%).

As one would expect, employers anticipating expanding their premises or acquiring new premises in the next 2 years (accounting for 25% of all employers) are particularly likely to be considering relocation (40%), with one in ten considering leaving the area. Overall, employers anticipating expanding/new premises in the next 2 years account for 80% of all those considering relocation. It highlights the extent to which relocation is driven by employers essentially ‘growing out of’ their existing premises.

By sector, employers in construction are most likely to be considering relocation (22%), while those in agriculture/fishing (4%) and distribution/hotels/restaurants (8%) least likely to be considering it.

The following figure summarises relocation prospects by sector.

Figure 3.3: Proportion of employers that are considering relocating their business in the last year, by industry sector, including priority and emerging sectors (all employers)

Unweighted sample bases in parentheses \*caution: low sample base

QE22. Are you considering relocating your business in the next 2 years?

Reasons for possible relocation confirm that the need to expand, improve or reduce the cost of their premises is a major factor. Nearly half of those considering relocation (47%) report their premises as too small; a minority (5%) report them as too big or consider their existing premises to be unsuitable or in a bad state of repair (4%); one in nine (11%) are looking for lower cost premises and a minority (3%) are looking for more prestigious premises.

Other reasons for considering relocation include ‘end of lease’ and improved access to markets and proximity to suppliers, other companies in their sector and a pool of skilled labour. Some reasons given are based around business restructuring and growth and obtaining access to better transport networks, while just one or two employers are focused on there being unfavourable aspects of the current location including lack of fast broadband, crime and anti-social behaviour and availability of car parking.

Reasons for considering relocation are summarised in the figure below.

Figure 3.4: Main reasons for considering relocation – unprompted, multiple response (where considering relocation)

Unweighted sample base = 1,515

QA7. For how long has the business been trading in Greater Lincolnshire?

## Perceptions of Greater Lincolnshire as a place to do business

Employers were asked to rate twelve aspects of being located for business purposes in Greater Lincolnshire relating to premises and geographical location. They were asked to rate Greater Lincolnshire for each on a scale of one to ten, where one is poor and ten is good.

One in ten employers (11%) gave Greater Lincolnshire a rating of 8 or above on at least eight of the twelve aspects, suggesting that they have a very positive view of the area as a place to do business. This is set against just 4% that gave a rating of 4 or below on at least eight of the twelve aspects, thus, indicating a mostly negative view of the area.

In terms of the most positive aspects, based on where employers provided a rating between 1 and 10 (excluding ‘don’t knows’); access to customers, a wide range of housing and strong communities are rated at 8 or above by around half (50%; 49%; 48% respectively).

Greater Lincolnshire scores least well for the profile of the county in terms of attracting people to move here to work (23% giving a rating of 8 or above; 24% giving a rating of 4 or below) and the transport infrastructure (21%; 38%).

Figure 3.5: Ratings of Greater Lincolnshire as a place to do business (all employers – where provided a rating of between 1 and 10, where 1 is poor and 10 is good)

Unweighted sample bases in parentheses

QD1. On a scale of 1 to 10, where 1 is poor and 10 is good, how would you rate Greater Lincolnshire on the following factors as a place for your business to be located?

Views vary by LAD, highlighting the impact of the local perspective. The following table presents mean ratings or average score for each of the aspects, where the higher the score the more positive employers are.

Access to customers and suppliers, as well as the transport infrastructure is more highly rated than average in North East Lincolnshire. Employers in Lincoln are particularly positive about opportunities for growth and access to skilled staff in the area, while those in West Lindsey rate Greater Lincolnshire’s image relatively highly.

Table 3.6: Mean ratings of Greater Lincolnshire as a place to do business, by LAD (all employers – where provided a rating of between 1 and 10, where 1 is poor and 10 is good)

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Greater Lincolnshire | Lincolnshire County | North East Lincolnshire | North Lincolnshire | Boston | East Lindsey | Lincoln | North Kesteven | South Holland | South Kesteven | West Lindsey |
| Access to customers | 7.14 | *7.04* | **7.56** | 7.26 | 7.22 | *6.68* | 7.30 | *6.81* | 7.30 | 6.99 | 7.36 |
| Wide range of housing | 7.07 | *6.98* | 7.28 | 7.30 | *6.18* | *6.65* | 7.22 | 6.97 | 7.16 | 7.33 | 7.12 |
| Strong communities | 7.04 | 7.06 | 6.91 | 7.11 | *6.54* | 7.05 | 7.14 | 7.06 | 6.99 | 7.17 | 7.24 |
| Access to suppliers | 6.94 | *6.84* | **7.48** | 6.97 | 6.78 | *6.45* | 6.73 | 6.90 | **7.27** | 6.96 | 7.02 |
| A place my business can grow | 6.86 | 6.84 | 7.12 | 6.75 | 6.59 | *6.33* | **7.33** | 6.77 | 6.83 | 7.00 | **7.26** |
| Availability of skilled staff | 6.39 | *6.29* | 6.54 | **6.78** | 6.16 | *5.74* | **6.84** | 6.25 | 6.35 | 6.46 | 6.44 |
| Cost of premises/rents/ business rates | 6.37 | 6.27 | **6.80** | 6.50 | 6.18 | 6.34 | 6.08 | 6.09 | **6.73** | 6.30 | 6.03 |
| Image of Greater Lincolnshire as seen by external suppliers and customers | 6.14 | 6.13 | 6.25 | 6.09 | 5.81 | 5.91 | 6.20 | 6.11 | 6.21 | 6.18 | **6.54** |
| Range of retail and leisure facilities | 6.11 | *6.01* | 6.41 | 6.31 | *5.62* | *5.70* | **6.63** | 6.09 | 5.87 | 6.13 | 6.05 |
| Support is available for businesses to grow | 5.96 | 5.92 | 6.15 | 6.00 | 5.58 | *5.48* | **6.54** | 5.96 | 5.89 | 6.07 | 6.05 |
| The profile of the county in terms of attracting people to move here to work | 5.81 | 5.86 | 5.73 | 5.59 | 5.49 | *5.48* | **6.16** | 5.79 | 5.97 | **6.15** | 6.03 |
| Transport infrastructure | 5.27 | *4.92* | **6.31** | **6.12** | *4.38* | *4.17* | 4.90 | 4.94 | 5.30 | **5.74** | 5.01 |
| *Maximum unweighted sample bases* | *1515* | *1141* | *177* | *197* | *130* | *192* | *161* | *158* | *154* | *199* | *147* |

**Bold font signifies a statistically significantly higher figure compared with the average minus the sub-group tested;** *italics signifies a statistically significantly lower figure than average minus the sub-group tested*

Employers based in Boston and East Lindsey are among the least satisfied with the area, particularly with regard to the transport infrastructure, the range of housing and retail/leisure facilities and access to customers, suppliers and skilled staff.

By sector there are few significant differences between mean ratings, although employers within distribution/hotels/restaurants and public administration, education and health are particularly positive about the availability of skilled staff in the area. Employers in banking, finance & insurance are among the most negative, particularly with regard to the profile and image of the county as a place to do business.

Table 3.7: Mean ratings of Greater Lincolnshire as a place to do business, by LAD (all employers – where provided a rating of between 1 and 10, where 1 is poor and 10 is good)

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Agriculture/fishing | Energy/water\* | Banking/finance/ insurance | Manufacturing | Construction | Distribution/hotels/ restaurants | Transport /communications | Other services | Public administration/ education/health |
| Cost of premises/rents/business rates | 5.98 | 6.40 | 6.49 | **6.86** | 6.39 | 6.34 | 6.47 | *5.84* | 6.54 |
| Access to suppliers | 7.15 | 6.77 | *6.72* | 6.55 | 7.20 | 7.01 | 7.05 | 6.81 | 7.14 |
| Access to customers | 7.08 | 7.08 | 6.97 | *6.53* | 7.24 | 7.24 | 7.18 | 7.38 | 7.19 |
| Availability of skilled staff | 6.42 | 6.65 | *6.03* | *5.86* | 6.32 | **6.63** | 5.99 | 6.49 | **6.70** |
| A place my business can grow | *6.16* | 6.73 | 7.04 | 6.63 | 6.89 | 6.79 | 6.98 | 7.08 | 6.16 |
| Support is available for businesses to grow | 5.93 | 5.87 | 5.94 | 5.78 | 5.71 | 5.98 | 5.69 | 6.20 | 6.21 |
| Strong communities | 6.67 | 6.31 | 7.05 | 6.76 | 7.13 | 7.00 | 7.17 | 7.26 | 7.28 |
| Wide range of housing | *6.05* | 6.39 | 7.14 | 7.15 | 7.14 | 7.10 | 7.12 | 7.43 | 6.83 |
| Range of retail and leisure facilities | 6.10 | 5.98 | 6.08 | 6.15 | 6.33 | 6.10 | 5.86 | 6.34 | 5.97 |
| The profile of the county in terms of attracting people to move here to work | 5.98 | 5.76 | *5.56* | 5.77 | 5.82 | 5.84 | 5.67 | 6.15 | 5.75 |
| Image of Greater Lincolnshire as seen by external suppliers and customers | 6.27 | 5.88 | 5.94 | 5.95 | 6.13 | 6.18 | 6.05 | 6.43 | 6.17 |
| Transport infrastructure | 4.91 | 6.39 | 5.09 | 5.36 | 5.33 | 5.37 | 5.45 | 5.37 | 5.02 |
| *Maximum unweighted sample bases* | *75* | *18* | *325* | *89* | *133* | *461* | *95* | *88* | *231* |

**Bold font signifies a statistically significantly higher figure compared with the average minus the sub-group tested;** *italics signifies a statistically significantly lower figure than average minus the sub-group tested*

Cultivating conditions that provide a good place to do business is important to retaining larger employers in the area.

Compared with employers with less than 100 employees, 100+ employers are significantly less likely to rate access to customers at 6 or above (67%, compared with 78%; with 22% rating this aspect at 1 or 2, compared with 3% of smaller businesses). They are, however, significantly more likely than smaller employers to rate the area at 8 or above with regard to being a place where they can grow (63%, compared with 43%) and with regard to there being support available for businesses to grow (42%, compared with 27%).

## Home working policies

A quarter of employers (25%) reports having a home working policy, such as one that allows and encourages staff to work at home.

This proportion is higher than average among employers with fewer than 10 staff (27%) and highest amongst 100+ employers (34%).

The propensity to have a home working policy is highest in the banking, finance and insurance sector (37%). It is also significantly higher than average in headquarters organisations (35%).

# Markets and Trading

## Key findings

Three-quarters of employers use suppliers based in Greater Lincolnshire (74%). Some 23% obtain all their supplies locally.

Employers estimate that 57% of supplies, on average, are sourced within Greater Lincolnshire.

Where employers do not use local suppliers, it is mainly because the products or services are not available (to their knowledge) in the area.

One in eight private sector employers (13%) exports any of their products or services. This increases to 35% of manufacturers and 30% of employers with 100 or more employees at their site.

More than half the exporters (55%) anticipate an increase in their level of exports in the next 12 months. This increases to 67% of exporting manufacturers.

The majority of employers anticipating an increase in their exports expect that increase to come from both existing markets and new ones.

Just 3% of non-exporting employers plan to begin exporting in the next 12 months.

Three-quarters of employers (both private and public sector) (75%) have a website, with 30% of all employers using the website for e-commerce as well as advertising.

Nearly half the employers (47%) include social media (mainly Facebook) in their marketing plans. This is most likely to be because employers want to raise their company profile, while one in three use social media to engage with and inform their customers. Similarly one in three employers with a website use social media to drive traffic towards that website.

Nearly all employers (93%) agree that universal access to broadband is important for the local economy, while the vast majority of employers (86%) agree that having access to superfast broadband is important for their business and two-thirds (67%) agree that access to broadband for home-working is important to their business.

More than three-quarters of employers (77%) agree that reliable and widely available mobile connections for employees while they are out on the road in Greater Lincolnshire are important for their business.

## Use of local suppliers

All employers were asked about their supply chains and where their suppliers are based.

Around three-quarters of all employers (74%) use suppliers within Greater Lincolnshire, with 23% obtaining all their supplies locally.

On average, employers estimate that 57% of supplies are sourced within Greater Lincolnshire.

Two-thirds of all employers (67%) use suppliers elsewhere in the UK, with 11% obtaining all their supplies from further afield but still within the UK.

On average, employers estimate that 51% of supplies are sourced outside of Greater Lincolnshire but still within the UK.

One in six employers (18%) import supplies, with the majority of those importing no more than a quarter of supplies.

On average, employers estimate that 16% of supplies are imported.

By sector, there are particularly high levels of reliance on local suppliers among employers within public administration/education/health and agriculture/fishing. This is also true, but to a lesser extent in the construction, energy/water, transport/communications and other services.

Manufacturers obtain the majority of their supplies from elsewhere in the UK.

Employers within the distribution/hotels/restaurants sector obtain, on average, a quarter of their supplies from suppliers based outside of the UK. Otherwise, they are equally likely to use UK-based suppliers within and outside Greater Lincolnshire.

Figure 4.1: Mean percentage of supplies sourced within Greater Lincolnshire, elsewhere in the UK and imported (all employers – where provided a response)

Maximum unweighted sample bases in parentheses

QF8. Please tell us about your supply chain. What percentage of your supply chain is....?

The 26% of employers that do not source any supplies from within Greater Lincolnshire, were asked what prevented them from doing so. The main reason, cited by two-thirds of employers not using local suppliers (69%) is that supplies simply are not available (to their knowledge) locally. This reason is significantly more likely than average to be cited by employers in South Kesteven (77%) and manufacturers (83%), particularly those in the priority sector, manufacturing/engineering (88%).

The second most frequently mentioned reason is the high cost of supplies locally (14%), which is significantly more likely to be mentioned by employers in the priority sector, visitor economy (27%).

One in ten employers that do not source supplies locally (10%), cite company policy/head office policy. This increases to 28% of branches/subsidiaries.

Other reasons include: The volume required cannot be sourced locally (5%), poor quality of local supply (3%), local supply is not flexible or responsive to change (2%) and too long a lead time when obtaining supplies locally (1%).

## Exporting

One in eight employers operating within the private sector (13%) exports any of their products or services. This proportion increases to 30% of employers with 100 or more staff and is significantly higher than average in manufacturing (35%) – 30% in the priority sector of manufacturing/engineering.

One in five production and construction businesses export, compared with one in ten service businesses (21%, compared with 11%).

Compared with SMEs across the UK, Greater Lincolnshire employers are less likely to export. The Small Business Survey 2012 reported that 19% of SME employers (2-249 employees) across the UK exported. Similarly to Greater Lincolnshire, this increased among manufacturing SMEs to 41%. The SBS 2012 data includes major urban conglomerations in the South East, Midlands and North West, where levels of exports are higher than average. Thus the comparison is not altogether a fair one. Greater Lincolnshire is likely to be more on a par with areas with a higher degree of rurality, such as Wales, where 14% of SMEs reported exporting products and services in SBS 2012.

Over the next 12 months, around half of employers that currently export (55%) anticipate an increase in their level of exports. This proportion increases to 70% of employer with 25 or more staff and is higher than average in manufacturing (67%) and transport/communications (66%). It is significantly higher than average in the priority sector of manufacturing/ engineering (71%).

By contrast, just 4% of those that export anticipate a decrease in their level of exports, while a third of all exporters (32%) do not expect any change.

In terms of how employers plan to increase their level of exports, there is likely to be a fairly even blend of increasing the level of exports to existing territories and exploiting new ones. Two-thirds of employers planning to increase their level of exports intend to do both (71%), while 14% are limiting their plans to existing territories and 10% intend to branch out.

### Plans to export

Just 3% of private sector employers that do not currently export products or services or licence them overseas plan to start doing so in the next 12 months. This is consistent with SBS 2012 (3%, 1% in Wales, which is similar in its industrial profile to Greater Lincolnshire).

## The internet as a marketing tool

### Websites

The advent of the internet has enabled businesses to promote their goods and services across a vastly wider geographic area. A business with a website is able to advertise across the UK and overseas at a low cost and consequently overcome the limitations of its local market place to a great extent.

Three-quarters of employers (public and private sector) (75%) have a website; with 30% of all employers using it for e-commerce as well as advertising.

Having a website increases with business size to 92% of 25+ employers.

Use of a website for e-commerce is significantly higher than average within the distribution/hotels and restaurants sector (39%), while significantly lower than average in construction (15%) and agriculture (12%). Use of websites for e-commerce is a little higher in the priority sector of agri-food than in agriculture (23%), but still lower than average.

Figure 4.2: Proportion of employers that have a website and use it for e-commerce, by sector, including priority and emerging sectors (all employers)

Unweighted sample bases in parentheses \*caution: small sample base

QF11. Do you have a website? Is this used for e-commerce, i.e. to directly sell goods or services, or is it used for advertising/promotion only

The use of websites for widening the net in terms of the geographical location of customers is highlighted by the extent to which it is used by exporters. Nearly half of all exporters (47%) have a website for e-commerce, with 89% overall having a website at all, compared with 27% and 73% of non-exporters respectively.

Employers based in Lincoln are significantly more likely to both have a website at all and use it for e-commerce (84% and 40% respectively). This reflects a slightly higher proportion of distribution/hotels and restaurant and banking/finance/insurance businesses in the district but it is likely that their central, urban location is a factor here in terms of take up of the internet as a marketing tool.

### Social media

Nearly half of all employers (47%) include social media in their marketing plan.

This proportion is significantly higher amongst employers based in the district of Lincoln (62%) than elsewhere and higher than average in the sectors of distribution/hotels and restaurants (55%), banking/finance/insurance (54%) and in the priority sector, visitor economy (61%).

The three main reasons to use social media in their marketing plan were to raise the company profile (42% of all employers); to engage with and inform their customers (33%) and to drive traffic to their website (24%).

Younger businesses (established less than 5 years) are more likely than longer established businesses to use social media at all (65%, compared with 44%) and to cite any of the reasons for doing so.

* Raising the company profile: 58% of young businesses; 39% of more established businesses
* Driving traffic to the website: 31% of young businesses; 23% of more established businesses
* Engaging with and informing customers: 45% of young businesses; 31% of more established businesses

A third of employers with a website use social media to drive traffic to it (32%) and this figure increases to 39% of those that use the website for e-commerce.

Facebook is the most frequently used social media platform (86% of those using social media as part of their marketing plan), followed by Twitter (53%).

The banking/finance/insurance sector is significantly more likely to use Twitter (63%) than average and also significantly more likely to use LinkedIn (43%, compared with 18% of all employers using social media).

YouTube and Instagram are used by one in twenty of those using social media in their marketing plans (6% and 5% respectively).

Figure 4.3: Use of social media – prompted, multiple response (rebased on all employers)

Unweighted sample base = 1515

QF12. Is Social Media part of your marketing plan? QF13. Which social media platforms do you use?

When asked if they agree or disagree that ‘Social media (e.g. Twitter and Facebook) is an important tool for their business’, more than half of all employers agree (54%), while 41% disagree.

One in six employers (18%) strongly agree that it is an important tool, increasing to 26% of businesses established for less than 5 years and 26% of employer that have been innovators in the last 12 months.

### Issues regarding access to broadband

Employers were asked the extent to which they agree or disagree about a number of statements regarding broadband.

Nearly all employers (93%) agree that universal access to superfast broadband (i.e. 25mbps – megabits per second) is important for the local economy. Fewer, but still the vast majority of employers, (86%) agree that having access to superfast broadband is important for their business, while two-thirds (67%) agree that access to broadband for home-working is important for their business.

Figure 4.4: Extent to which employers agree or disagree with statements about access to broadband (all employers)

Unweighted sample base = 1515

QF14. To what extent do you agree or disagree with the following statements?

By location, employers are significantly more likely than average to strongly agree that universal access to superfast broadband is important for the local economy in Lincolnshire county (61%) and North Kesteven (70%). The propensity to strongly agree is particularly high amongst headquarters organisations (74%) and within the sectors of agriculture/fishing (70%) and banking/finance/insurance (68%).

In terms of the importance of access to superfast broadband for their business, 50% of employers strongly agree and this increases to 60% of employers in the district of West Lindsey and is significantly higher than average amongst 100+ employers (68%), headquarters organisations (62%) and amongst employers within banking/finance/insurance (60%).

A third of employers strongly agree that access to broadband for home-working is important for their business (33%). This increases to 40% of employers based in North Kesteven and 44% of those in West Lindsey. It is significantly higher than average in banking/finance/insurance (41%) and construction (43%) and amongst headquarters organisations (47%).

Across these three statements, employers that export and have a website are significantly more likely than those that do not export or do not have a website to strongly agree that access to broadband (superfast broadband in particular) is important. It is also particularly important for young businesses and those that have engaged in innovation activities in the last 12 months.

Table 4.5: Proportion of employers that strongly agree with statements about access to broadband, by key variables (all employers)

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Greater Lincolnshire | Lincolnshire county | Exporters | Non-exporters | Have a website | No website | Young (est. < 5 years) | Established > 5 years | New products/services | New processes | No innovation |
| Universal access to superfast broadband is important for the economy | 59 | **61** | 66 | *58* | **62** | *51* | 66 | 58 | **65** | **66** | *54* |
| Having access to superfast broadband is important for my business | 50 | **52** | **60** | *49* | **55** | *36* | **56** | *49* | **61** | **60** | *42* |
| Access to broadband for home-working is important for my business | 33 | 34 | **42** | *32* | **35** | *27* | **43** | *31* | **40** | **41** | *27* |
| *Unweighted sample bases* | *1515* | *1141* | *197* | *1339* | *1158* | *357* | *210* | *1305* | *566* | *531* | *758* |

**Bold font signifies a statistically significantly higher figure compared with the average minus the sub-group tested;** *italics signifies a statistically significantly lower figure than average minus the sub-group tested*

### Importance of reliable mobile connections

Employers were asked the extent to which they agree or disagree that reliable and widely available mobile connections for employees while they are out on the road in Greater Lincolnshire are important for their business.

More than three-quarters of employers (77%) agree that reliable and widely available mobile connections are important. This includes 42% that agree strongly.

By location, employers are significantly more likely than average to strongly agree that reliable and widely available mobile connections are important in West Lindsey (51%). The propensity to strongly agree is particularly high within the sectors of agriculture/fishing (57%), banking/finance/insurance (53%) and construction (62%).

# Business Growth and Innovation

## Key findings

More than a fifth of employers (22%) reported an increase in the number of staff employed at their site during the last 12 months.

Around one in ten (9%) reported a decrease in staff numbers, with the remainder (68% of all employers) reporting no change in workforce size in the last 12 months.

Two-thirds of employers (65%) report an increase in any financial measure, including profitability, turnover, sales and market share, in the last 12 months. Most likely is an increase in turnover (55%), while least likely is an increase in market share (32%).

Over the next 12 months, 27% of all employers anticipate an increase in the number of staff employed at their site. This contrasts with just 3% of those that anticipate a decrease.

Two-thirds of employers (68%) do not expect the size of their workforce to change in the next 12 months.

In terms of anticipated changes in business performance amongst private sector organisations, over the next 12 months, nearly three-quarters (72%) expect an increase in any financial measure including turnover, profitability, market share or sales. Around two-thirds anticipate an increase in turnover (66%) and/or profitability (65%) in the next 12 months. Fewer anticipate an increase in market share (46%), although this proportion is higher than that reported with regard to increasing market share in the next 12 months.

Half of all private sector employers (49%) have a formal written business plan and in most cases this is kept up to date (43% of all private sector employers).

Around two-fifths of private sector employers (38%) have introduced new or significantly improved products or services in the last 12 months. For the majority (77% of these employers) these were new to the business rather than being completely new.

A third of all private sector employers (34%) have introduced new or improved processes in the last 12 months. Again, the majority (83%) report these new processes as new to the business but not completely new.

A quarter of private sector employers (27%) have a formal R & D function to support innovation. Just over half of all private sector employers (54%) innovate on an ad hoc basis rather than with the assistance of a permanent R & D function.

More than half of employers that have introduced new or improved products (59%) have collaborated with others outside of their organisation in developing their ideas.

Other businesses are key collaborators as the majority of businesses that do collaborate with others choose these as partners.

Having suitable, low cost premises is considered significantly beneficial by more than half of all employers. Access to funding and the availability of highly skilled labour or other skills the business needs as well as local training, are also considered to be important by more than half the employers.

The top four potential sources of support or advice include: the county council/district council; accountants; web based business advice and internal sources; such as a head office.

Poor transport infrastructure is cited by 30% of private sector employers as an obstacle to business growth, while one in four employers cited a lack of capital for investment and/or poor cash flow.

## Recent growth

### Employment

More than a fifth of employers (22%) reported an increase in the number of staff employed at their site during the last 12 months.

Around one in ten (9%) reported a decrease in staff numbers, with the remainder (68% of all employers) reporting no change in workforce size in the last 12 months.

Employers with fewer than 10 staff are the most stable in terms of workforce size, with three-quarters (74%) reporting no change. The proportion of employers reporting an increase in staff numbers increases from 16% of employers with fewer than 10 staff to 37% of employers with 10 to 99 staff to 46% of those with 100 or more staff. The larger the workforce the less impact additional staff members will have on day to day operations and overall costs. There is also likely to be greater fluctuation in staff numbers where there are higher numbers of employees.

Table 5.1: Employment growth in the last 12 months, by employer size (all employers)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Greater Lincolnshire | Lincolnshire county | 2-9 employees | 10-24 employees | 25-99 employees | 100+ employees |
| Increase | 22 | 22 | *16* | **36** | **39** | **46** |
| Decrease | 9 | 9 | 9 | 11 | 7 | 15 |
| No change | 68 | 68 | **74** | *52* | *53* | *39* |
| *Unweighted sample bases* | *1515* | *1141* | *1018* | *307* | *151* | *39* |

**Bold font signifies a statistically significantly higher figure compared with the average minus the sub-group tested;** *italics signifies a statistically significantly lower figure than average minus the sub-group tested*

There is little significant difference in employment change by district and sector differences are likely to reflect those of workforce size. Thus two sectors where there is a particularly high proportion of employers with fewer than 5 staff – agriculture/fishing and other services – are less likely than average to report an increase in the number of staff employed in the last 12 months (11% and 19% respectively), while in public administration/education/health and manufacturing, where there are a greater than average proportion of large employers, 28% of employers report an increase in employment.

Where employers report any positive change in business performance in terms of profitability, turnover, market share and sales, they are significantly more likely than average to report an increase in the number of staff employed (29%) and this is also true of those who anticipate improvements in business performance in the next 12 months (27%).

### Business performance

Looking at recent changes in business performance amongst private sector organisations, over the last 12 months, two-thirds (65%) report an increase in any financial measure including turnover, profitability, market share or sales. This increases to 85% of employers that report employment growth in that period.

Around half report an increase in turnover (55%) and/or profitability (51%) in the last 12 months. Fewer report an increase in domestic sales (40%) and/or market share (32%), while more than half of those that export (55%) report an increase in overseas sales.

Figure 5.2: Proportion of employers that have experienced increases in financial performance measures in the last 12 months (all private sector employers)

Unweighted sample base = 1466 \*Unweighted sample base (where export) = 197

QE2. Over the last 12 months, has your company experienced increases in any of the following?

While the propensity for employment growth increases with employer size, the likelihood of any increase in turnover, profitability, market share or sales is greatest within businesses with between 10 and 99 staff. This suggests that these businesses, at their current size, are in a particularly dynamic phase of their lifecycle.

Table 5.3: Proportion of employers that have experienced increases in financial performance measures in the last 12 months, by employer size (all private sector employers)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Greater Lincolnshire | Lincolnshire county | 2-9 employees | 10-24 employees | 25-99 employees | 100+ employees |
| Profitability | 51 | 51 | *49* | **59** | **58** | *49* |
| Turnover | 55 | 55 | *52* | **64** | **62** | *54* |
| Market share | 32 | 32 | *28* | **41** | **42** | **52** |
| Domestic sales | 40 | 39 | *38* | **47** | **41** | *44* |
| None of the above | 30 | 30 | *34* | *18* | *18* | *11* |
| Any of the above | 65 | 65 | *62* | **72** | **72** | **74** |
| *Unweighted sample bases* | *1466* | *1099* | *1000* | *295* | *133* | *38* |

**Bold font signifies a statistically significantly higher figure compared with the average minus the sub-group tested;** *italics signifies a statistically significantly lower figure than average minus the sub-group tested*

## Anticipated growth

### Employment

Over the next 12 months, 27% of all employers anticipate an increase in the number of staff employed at their site. This contrasts with just 3% of those that anticipate a decrease. It reflects an optimistic outlook but also the extent to which reductions in staff just happen and are less likely to be planned in advance.

Two-thirds of employers (68%) do not expect the size of their workforce to change in the next 12 months.

As was the case for recent workforce change, anticipated growth in employment increases with business size to more than a third of businesses with between 10 and 99 employees (34%) and more than two-fifths of those with 100 or more staff (45%). The largest employers are, however, significantly more likely than average to expect to reduce the number of their staff (12%).

Table 5.4: Employment growth that is anticipated in the next 12 months, by employer size (all employers)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Greater Lincolnshire | Lincolnshire county | 2-9 employees | 10-24 employees | 25-99 employees | 100+ employees |
| Increase | 27 | 27 | *24* | **36** | 32 | **45** |
| Decrease | 3 | 3 | 3 | 3 | 5 | 12 |
| No change | 68 | 68 | **72** | *59* | 62 | *43* |
| *Unweighted sample bases* | *1515* | *1141* | *1018* | *307* | *151* | *39* |

**Bold font signifies a statistically significantly higher figure compared with the average minus the sub-group tested;** *italics signifies a statistically significantly lower figure than average minus the sub-group tested*

Employers in North Kesteven are significantly more likely than average (34%) to expect to increase the number of staff at their site in the next 12 months. There is little variation by district in terms of anticipated down-sizing.

By sector, employers in construction (44%) are significantly more likely than average to anticipate an increase in their workforce, while the proportion is also higher than average in manufacturing (35%).

Young businesses are significantly more likely than businesses established for more than 5 years to report employment growth in the last 12 months and to expect growth in the next 12 months:

* Increase in last 12 months: 34% of businesses < 5 years; 20% of businesses > 5 years
* Increase in next 12 months: 38% of businesses < 5 years; 25% of businesses > 5 years

### Summary of employment growth by sector

There has been a particularly high propensity for employment growth in production and construction sectors within the last 12 months, although agriculture/fishing shows greatest stability in workforce size.

Within service sectors, public administration/education/health are significantly more likely than average to report employment growth.

One in eight construction employers report a decrease in employment in the last 12 months, but going forward, they are significantly more likely than average to anticipate an increase.

The table below highlights the variability between the sectors in terms of growth and contraction of workforces. There is evidence that some recent contraction is to be reversed in the next 12 months.

Table 5.5: Employment change, recent and anticipated, by sector (all employers)

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Greater Lincolnshire | Agriculture/fishing | Energy/water\* | Banking/finance/ insurance | Manufacturing | Construction | Distribution/hotels/ restaurants | Transport /communications | Other services | Public administration/ education/health |
| In the last 12 months | | | | | | | | | | |
| Increased | 22 | *11* | 30 | 26 | 28 | 26 | 19 | 20 | 19 | **28** |
| Decreased | 9 | 8 | 4 | 9 | 10 | 12 | 10 | 11 | 9 | 7 |
| Remained the same | 68 | **81** | 65 | 65 | 62 | 62 | 70 | 69 | 72 | 65 |
| In the next 12 months | | | | | | | | | | |
| Increase | 27 | *10* | 17 | 29 | 35 | **44** | 26 | 20 | 29 | 25 |
| Decrease | 3 | **7** | 4 | 2 | 2 | 2 | 3 | 5 | 0 | **6** |
| Remain the same | 68 | **83** | 79 | 67 | 61 | *54* | 69 | 71 | 71 | 68 |
| *Unweighted sample bases* | *1515* | *75* | *18* | *325* | *89* | *133* | *461* | *95* | *88* | *231* |

**Bold font signifies a statistically significantly higher figure compared with the average minus the sub-group tested;** *italics signifies a statistically significantly lower figure than average minus the sub-group tested*

### Business performance

In terms of anticipated changes in business performance amongst private sector organisations, over the next 12 months, nearly three-quarters (72%) expect an increase in any financial measure including turnover, profitability, market share or sales. This increases to 89% of employers that report employment growth in the last 12 months, suggesting that workforce expansion has had a positive impact on business performance, but also that it is an important element in driving improvements in business performance.

Around two-thirds anticipate an increase in turnover (66%) and/or profitability (65%) in the last 12 months. Fewer anticipate an increase in domestic sales (51%) and/or market share (46%), while more than half of those that export (53%) anticipate an increase in overseas sales.

Figure 5.6: Proportion of employers that anticipate increases in financial performance measures in the next 12 months (all private sector employers)

Unweighted sample base = 1466 \*Unweighted sample base (where export) = 197

QE3. Over the next 12 months, do you expect your company to experience an increase in any of the following?

The differences by business size that were so apparent for recent growth are not present with regard to anticipated growth. However, there are varying degrees of optimism by sector. Employers within the sectors of banking/finance/insurance, construction and, to a lesser extent, distribution/hotels/restaurants, are more likely than average to anticipate an increase in any of these performance measures.

Table 5.7: Proportion of employers that have experienced increases in financial performance measures in the last 12 months, by employer size (all private sector employers)

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Greater Lincolnshire | Lincolnshire county | Agriculture/fishing | Energy/water\* | Banking/finance/ insurance | Manufacturing | Construction | Distribution/hotels/ restaurants | Transport /communications | Other services | Public administration/ education/health |
| Profitability | 65 | 65 | 43 | 65 | **73** | 66 | **74** | 70 | 61 | 57 | *46* |
| Turnover | 66 | 66 | *36* | 69 | **73** | 68 | **75** | **71** | 63 | 61 | *50* |
| Market share | 46 | 46 | *16* | 50 | **56** | 51 | **56** | 49 | 41 | 45 | *30* |
| Domestic sales | 51 | 51 | 21 | 71 | 54 | 60 | 58 | **60** | 43 | 43 | *25* |
| None of the above | 21 | 21 | **34** | 25 | 19 | 14 | 15 | *15* | 27 | **31** | **31** |
| Any of the above | 72 | 72 | *51* | 75 | **78** | 77 | **82** | **77** | 66 | 66 | *55* |
| *Unweighted sample bases* | *1466* | *1099* | *75* | *18* | *325* | *89* | *133* | *461* | *95* | *88* | *182* |

**Bold font signifies a statistically significantly higher figure compared with the average minus the sub-group tested;** *italics signifies a statistically significantly lower figure than average minus the sub-group tested*

There is little variance across the geography of Greater Lincolnshire in respect of these financial measures. Although, employers in North Kesteven are less likely than average to have experienced any increases in these measures in the last 12 months (37% have not, compared with an average of 30% across the Greater Lincolnshire area).

## Business planning

Around half of all private sector businesses (49%) have a formal written business plan and in the majority of these cases (43%) it is kept up to date.

This proportion that have a business plan that is kept up to date increases with business size to 77% of businesses with 25 to 99 staff and 89% of 100+ employers. Four per cent of all businesses with 25 or more staff have a business plan but do not keep it up to date.

Business size is the key determinant of formal business planning processes and this is also reflected in the fact that more than three-fifths of multi-site businesses (64%) have a business plan, compared with just 33% of single site businesses.

Innovating businesses are also significantly more likely to have formal written business plans than those that have not introduced any new products, services or processes in the last 12 months (61%, compared with 32%).

## Innovation

### New products and services

Approaching two-fifths of private sector businesses (38%) have introduced new or significantly improved products or services in the last 12 months. This increases to 66% of 100+ employers and is significantly higher than average in multi-site businesses (45%, compared with 34% of single site businesses).

By sector, this proportion is slightly higher than average in manufacturing (42%) and distribution/hotels/restaurants (42%), but significantly lower than average in agriculture/fishing (26%).

Exporters are significantly more likely than non-exporters to have recently introduced new or significantly improved products or services (57%, compared with 35%). The proportion that have done so is also significantly higher than average amongst those that have sought finance in the last 12 months (45%) and amongst those that are involved in e-commerce (48%).

Employment growth is also linked to the propensity to introduce new or significantly improved products or services (50% of those that have increased the size of their workforce, compared with 34% that report no change), alongside recruitment (44% of those that have recruited any staff in the last 12 months, compared with 31% that have not). However, these are also linked to larger business size.

For just over three-quarters of businesses that have introduced new products and services (77%) they were new to the business, rather than being completely new (22%).

The propensity to have introduced completely new products and services increases significantly amongst exporters (32%).

Compared to findings from SBS 2012, Greater Lincolnshire employers are less likely to have introduced new or improved products or services (38%, compared with 43%), but these new products or services are more likely to be completely new (22%, compared with 17% in SBS 2012).

### New processes

A third of private sector employers (34%) have introduced new or significantly improved processes in the last 12 months.

Again, this proportion increases with business size. The proportion of 100+ employers that have introduced new or significantly improved processes is higher than those that have introduced new products or services (78%, compared with 66%).

Figure 5.8: Proportion of employers that have introduced new or significantly improved processes in the last 12 months, by business size (all private sector employers)

Unweighted sample bases in parentheses

QE8. Have you introduced new or significantly improved processes in the last 12 months?

By sector, businesses in banking/finance/insurance are significantly more likely than average to have introduced new or significantly improved processes in the last 12 months (39%). The proportion is significantly higher amongst exporters and non-exporters (48%, compared with 31%). Furthermore, where businesses have sought finance in the last 12 months, they are significantly more likely than average to have introduced new or improved processes (42%), while increasing the size of the workforce also links in to this (49% of those that have reported recent employment growth; 44% of those that have recruited new staff).

There is some crossover between the introduction of new or improved processes and the introduction of new products and services. More than half of those that have introduced new or significantly improved products and services in the last 12 months (58%) have also introduced new or significantly improved processes during this period.

In the vast majority of these cases of new or improved processes (83%), they are new to the business rather than completely new. There are no significant differences in terms of size, sector or any other key variable in this respect.

Compared to findings from SBS 2012, Greater Lincolnshire employers are similarly likely to have introduced new or improved processes (34%, compared with 33%), and the extent to which these new or improved processes are completely new is similar (15%, compared with 14% in SBS 2012).

### Research and Development facilities

Just over a quarter of all private sector employers (27%) have a formal R & D function to support innovation. The likelihood of having an R & D function increases with business size to 64% of 100+ employers. It is significantly more likely than average within public administration/education/health (34%).

Figure 5.9: Proportion of employers that have an R & D function located at their site, by business size and sector (all private sector employers)

Unweighted sample bases in parentheses

QE10. Do you have a formal Research and Development function in the business to support innovation or is innovation just ad hoc?

Employers that have introduced any new or improved products, services or processes in the last 12 months are significantly more likely than average to have an R & D function within the business (40%, compared with 17%).

Just over half of all private sector employers (54%) innovate on an ad hoc basis, i.e. without a permanent R & D function.

This proportion is significantly higher than average within the transport and communications sector (68%); single site businesses (60%) and where the business does not have a website (61%).

Amongst the 38% of multi-site businesses that have an R & D function in their business, the majority report that it is based at another site (73%). As one would expect, this is more likely for branches/subsidiaries (80%) than headquarters (32%).

### Collaboration with others

More than half the employers that have introduced new or improved products, services or processes in the last 12 months (59%) collaborate with others outside of their organisation to develop new ideas for product, service or process development. This increases with business size to 75% of 100+ employers. It is a common practice within the sectors of other services (80%) and public administration/education/health (78%) and the emerging sub-sector of health and care (77%) in particular.

Other businesses are key collaborators (81% of businesses that collaborate with others), with around one in ten employers that collaborate with others doing so with public sector based business development organisations/services (11%), higher or further education institutions (8%) and/or government departments (8%).

## Factors assisting business growth

Employers were asked to indicate which of a list of things which are sometimes valuable in improving business stability or helping businesses to grow are significantly beneficial for their business.

Suitable low cost premises is top of the list (58%), followed closely by access to funding (56%), availability of highly skilled labour (54%) and availability of local training (54%). With the availability of other skills their business needs also cited by more than half the employers (52%), it is evident that access to the right skills is highly valued.

Their responses are summarised in the figure overleaf.

Figure 5.10: Benefits that are significant to employers in improving business stability or helping businesses to grow – prompted, multiple response (all employers)

Unweighted sample base = 1515

QD2. I would now like to read you a list of things which are sometimes valuable in improving business stability or which help businesses to grow. Could you tell me which ones you fee would be significantly beneficial for your business?

By district, skills issues, including having the support to recruit staff with the right skills are significantly more likely than average to be considered beneficial in North Kesteven. These employers are also significantly more likely than average to consider support with tax, national insurance law and payments beneficial.

Access to funding is considered particularly beneficial by employers in West Lindsey, while Lincoln based employers are more likely to cite access to business mentoring, coaching and networking than employers based elsewhere.

Table 5.11: Benefits that are significant to employers in improving business stability or helping businesses to grow – prompted, multiple response, by district (all employers)

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Column percentages | Greater Lincolnshire | Lincolnshire county | North East Lincolnshire | North Lincolnshire | Boston | East Lindsey | Lincoln | North Kesteven | South Holland | South Kesteven | West Lindsey |
| Suitable low cost premises | 58 | 58 | 62 | 55 | 56 | 52 | 64 | 61 | 53 | **65** | 56 |
| Access to funding | 56 | 55 | 60 | 58 | 52 | 54 | 52 | 58 | 54 | 51 | **64** |
| Availability of highly skilled labour | 54 | 55 | 52 | 54 | *46* | 51 | 59 | 61 | 51 | 57 | 57 |
| Availability of local training | 54 | 54 | 56 | 53 | 50 | 55 | 50 | 57 | 51 | 52 | 59 |
| Availability of other skills your business needs | 52 | 51 | 51 | 52 | 50 | 46 | 50 | **62** | 49 | 53 | 53 |
| Support with recruiting staff with the right skills | 45 | 46 | 45 | 39 | 39 | 47 | 44 | **54** | 47 | 44 | 47 |
| Access to Business Growth programmes | 45 | 45 | 48 | 44 | *36* | 46 | 44 | 49 | 44 | 45 | 45 |
| Assistance with E-commerce and internet-based technologies | 44 | 44 | 44 | 43 | 43 | 45 | 48 | 46 | 37 | 46 | 42 |
| Support with tax, national insurance law and payments | 43 | 43 | 47 | 40 | 40 | 44 | 45 | **54** | 44 | 37 | *34* |
| Access to business mentoring, coaching and networking | 41 | 41 | 41 | 41 | 38 | 40 | **49** | 42 | 39 | 39 | 41 |
| Support with Planning Regulations and related matters | 41 | 41 | 47 | *33* | 37 | 42 | 40 | 39 | **48** | 41 | 39 |
| Support with new product or service development | 37 | 38 | 40 | 31 | 36 | 34 | 35 | 43 | 40 | 36 | 40 |
| Support to develop new UK markets | 35 | 36 | 34 | 30 | 34 | **42** | 33 | 37 | 38 | 32 | 34 |
| Support to develop new export markets | 16 | 17 | 19 | 13 | 14 | 18 | 13 | 19 | 16 | 18 | 17 |
| Other | 6 | 7 | 4 | 4 | 6 | 9 | 6 | 6 | 5 | 9 | 6 |
| None of these | 10 | 9 | 9 | **15** | 12 | 11 | 9 | *5* | 11 | 10 | 9 |
| *Unweighted sample bases* | *1515* | *1141* | *177* | *197* | *130* | *192* | *161* | *158* | *154* | *199* | *147* |

**Bold font signifies a statistically significantly higher figure compared with the average minus the sub-group tested;** *italics signifies a statistically significantly lower figure than average minus the sub-group tested*

The availability of local training and highly skilled labour is significantly more likely to be considered beneficial in construction (71% and 67% respectively). Skills and training are also of particular significance to businesses in public administration/education/health (77% cite the availability of local training and 62% the availability of highly skilled labour). Access to funding is cited by a significantly higher proportion of employers than average in both these sectors.

Table 5.12: Benefits that are significant to employers in improving business stability or helping businesses to grow – prompted, multiple response, by sector (all employers)

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Column percentages | Greater Lincolnshire | Agriculture/fishing | Energy/water\* | Banking/finance/ insurance | Manufacturing | Construction | Distribution/hotels/ restaurants | Transport /communications | Other services | Public administration/ education/health |
| Suitable low cost premises | 58 | *35* | 74 | 57 | 62 | 65 | 58 | 63 | 60 | 59 |
| Access to funding | 56 | 48 | 63 | 55 | 57 | **65** | *48* | 58 | 60 | **78** |
| Availability of highly skilled labour | 54 | 44 | 72 | 55 | 51 | **67** | *48* | **62** | 60 | **62** |
| Availability of local training | 54 | 47 | 75 | 51 | 55 | **71** | *44* | 54 | 60 | **77** |
| Availability of other skills your business needs | 52 | *30* | 77 | 49 | 56 | 55 | 49 | 58 | 54 | **59** |
| Support with recruiting staff with the right skills | 45 | 34 | 74 | 45 | 47 | 52 | *41* | 48 | 51 | 50 |
| Access to Business Growth programmes | 45 | *33* | 66 | 46 | 49 | 49 | 42 | 49 | 44 | **52** |
| Assistance with E-commerce and internet-based technologies | 44 | 36 | 48 | 47 | 35 | 51 | 42 | 40 | 50 | 50 |
| Support with tax, national insurance law and payments | 43 | 40 | 58 | 39 | 38 | **59** | 41 | 50 | 44 | 43 |
| Access to business mentoring, coaching and networking | 41 | *26* | 66 | 42 | 35 | 45 | 38 | 42 | 39 | **57** |
| Support with Planning Regulations and related matters | 41 | **55** | 57 | *30* | 36 | **52** | 40 | 48 | 45 | 41 |
| Support with new product or service development | 37 | *22* | 61 | *31* | 38 | **45** | 36 | 38 | 44 | 41 |
| Support to develop new UK markets | 35 | 32 | 42 | 37 | 37 | 37 | 35 | 33 | 37 | *29* |
| Support to develop new export markets | 16 | **36** | 39 | *13* | **26** | 16 | 15 | **25** | 11 | *10* |
| Other | 6 | 8 | 6 | 6 | 6 | 10 | 7 | 3 | 6 | 6 |
| None of these | 10 | 8 | 7 | *6* | 11 | 8 | **15** | 11 | *4* | 7 |
| *Unweighted sample bases* | *1515* | *75* | *18* | *325* | *89* | *133* | *461* | *95* | *88* | *231* |

**Bold font signifies a statistically significantly higher figure compared with the average minus the sub-group tested;** *italics signifies a statistically significantly lower figure than average minus the sub-group tested*

### Potential sources of support

Private sector employers were asked about the sources of support or advice they would use. This was an unprompted question and there were many different sources cited. The most frequently cited ones were the county/district council (16%), an accountant (14%), the internet (i.e. web-based business advice) (12%) and head office/in-house (12%).

Fewer employers cited: other business owners (8%); university/college (6%); internet search/google (6%); their bank (5%); trade association (5%); district councils (i.e. for business rates etc) (5%); private training provider (4%) and Federation of Small Businesses (4%).

One per cent of employers mentioned the GLLEP, which increases to 11% of 100+ employers.

Two per cent of employers mentioned the Chamber of Commerce, increasing to 7% of employers in Lincoln.

Figure 5.13: Potential sources of support or advice – unprompted, multiple response (all private sector employers)

Unweighted sample base = 1466

QD3. If you were to seek support or advice in any of these areas, where would you go?

## Obstacles to business growth

Employers were prompted with a list of possible obstacles to business growth. Their responses are summarised in the figure below:

Figure 5.14: Obstacles to business growth – prompted, multiple response (all private sector employers)

Unweighted sample base = 1466

QE4. Would you say that any of the following factors are preventing your business from growing?

Poor transport infrastructure features strongly as an obstacle to business growth, cited by three in ten employers (30%). Compared with the next two most frequently cited obstacles of lack of capital for investment (25%) and poor cash flow (24%), the transport infrastructure is not in their control, without moving to a location where it is better. Of course, in many cases neither is lack of capital or cash flow, although there is more scope for fixing difficulties through re-financing, restructuring and borrowing from within the business.

Poor transport infrastructure is most likely to be an issue in East Lindsey (44%) and Boston (43%). It is significantly more likely than average to be an issue in Lincoln (37%).

Boston-based employers are significantly more likely than those based in other districts to cite the availability of appropriate local skills training (19%), while lack of capital investment is particularly an issue for employers in West Lindsey (35%).

Table 5.15: Obstacles to business growth – prompted, multiple response, by district (all private sector employers)

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Column percentages | Greater Lincolnshire | Lincolnshire county | North East Lincolnshire | North Lincolnshire | Boston | East Lindsey | Lincoln | North Kesteven | South Holland | South Kesteven | West Lindsey |
| Poor transport infrastructure | 30 | **35** | *17* | *17* | **43** | **44** | **37** | 35 | 30 | 28 | 26 |
| Lack of capital for investment | 25 | 26 | 23 | 23 | 23 | 25 | 24 | 28 | 21 | 26 | **35** |
| Poor cash flow | 24 | 25 | 22 | 23 | 20 | 26 | 23 | 29 | 30 | 20 | 27 |
| Availability of appropriately skilled staff | 19 | 19 | 24 | *13* | 18 | 22 | 17 | 24 | 18 | 18 | 17 |
| Poor IT infrastructure | 19 | **21** | *7* | 17 | 21 | **24** | 20 | **25** | 19 | 17 | 21 |
| The way the local planning and development control system operates | 19 | **21** | 16 | *12* | 24 | **26** | 15 | **26** | 17 | 18 | 17 |
| Poor county profile i.e. in terms of attracting staff from outside the county | 16 | 17 | 11 | 14 | **25** | **21** | 18 | 15 | 15 | *10* | 14 |
| Lack of available premises/land | 14 | 15 | 12 | *9* | **17** | 16 | 11 | **22** | 12 | 16 | 13 |
| Availability of appropriate local skills training | 13 | 13 | 13 | 8 | **19** | 15 | 11 | 16 | 8 | 12 | 14 |
| Lack of business support services | 13 | 14 | 9 | 12 | 13 | **18** | 11 | **19** | 14 | *8* | 12 |
| Poor sector profile | 13 | 14 | 11 | 12 | 18 | 14 | 15 | 14 | 14 | 10 | 13 |
| Poor local supply chain | 10 | 10 | 7 | 10 | 10 | 17 | 8 | 11 | 7 | 6 | 8 |
| Other | 10 | 10 | 8 | 7 | 13 | 8 | 7 | 10 | 14 | 13 | 10 |
| None | 29 | 25 | 33 | 41 | 22 | 22 | 35 | 17 | 29 | 28 | 24 |
| *Unweighted sample bases* | *1466* | *1099* | *173* | *194* | *124* | *187* | *161* | *150* | *147* | *194* | *136* |

**Bold font signifies a statistically significantly higher figure compared with the average minus the sub-group tested;** *italics signifies a statistically significantly lower figure than average minus the sub-group tested*

By sector, the availability of appropriately skilled staff is significantly more likely than average to be an issue in manufacturing (30%) and construction (26%). Nearly half of construction employers cite poor cash flow (46%) and/or lack of capital for investment (44%) as obstacles, while a significantly higher proportion of these employers than average mention a poor local supply chain (17%).

Table 5.16: Obstacles to business growth – prompted, multiple response, by sector (all private sector employers)

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Column percentages | Greater Lincolnshire | Agriculture/fishing | Energy/water\* | Banking/finance/ insurance | Manufacturing | Construction | Distribution/hotels/ restaurants | Transport /communications | Other services | Public administration/ education/health |
| Poor transport infrastructure | 30 | 21 | 14 | 31 | 23 | 25 | 31 | 34 | 29 | **36** |
| Lack of capital for investment | 25 | 24 | 25 | 29 | 29 | **44** | *19* | 26 | 26 | 27 |
| Poor cash flow | 24 | 19 | 24 | 24 | 29 | **46** | *18* | 32 | 29 | 23 |
| Availability of appropriately skilled staff | 19 | 13 | 17 | 23 | **30** | **26** | *13* | 23 | 19 | 21 |
| Poor IT infrastructure | 19 | 26 | 11 | **24** | 24 | 16 | 17 | 21 | 12 | 14 |
| The way the local planning and development control system operates | 19 | 23 | 25 | 15 | 12 | **26** | 21 | 14 | 22 | 16 |
| Poor county profile i.e. in terms of attracting staff from outside the county | 16 | *5* | 5 | 19 | 20 | 15 | 16 | 12 | 10 | 19 |
| Lack of available premises/land | 14 | 20 | 21 | 11 | 10 | 19 | 12 | 18 | 16 | 17 |
| Availability of appropriate local skills training | 13 | 10 | 11 | 14 | 14 | 16 | 10 | 16 | 13 | 14 |
| Lack of business support services | 13 | 6 | 27 | 11 | 11 | 18 | 12 | 17 | 13 | 16 |
| Poor sector profile | 13 | 11 | 13 | 13 | 11 | 15 | 13 | 12 | 11 | **19** |
| Poor local supply chain | 10 | 5 | 16 | 8 | 14 | **17** | *7* | 13 | 10 | 13 |
| Other | 10 | 7 | 11 | 11 | 6 | 9 | 11 | 5 | 7 | **14** |
| None | 29 | 24 | 23 | 26 | 33 | *20* | 31 | 27 | 30 | 26 |
| *Unweighted sample bases* | *1466* | *75* | *18* | *325* | *89* | *133* | *461* | *95* | *88* | *182* |

**Bold font signifies a statistically significantly higher figure compared with the average minus the sub-group tested;** *italics signifies a statistically significantly lower figure than average minus the sub-group tested*

When asked to select what they consider to be their main obstacle to business growth (from those that they have already mentioned), poor transport infrastructure was most frequently mentioned (12%), with poor cash flow (11%) in second place. What is most interesting about focusing on the greatest obstacle is that no one issue stands out overall. Many issues are each mentioned by between one in eight and one in twenty employers.

Figure 5.17: Greatest obstacle to business growth – prompted, single response (all private sector employers)

Unweighted sample base = 1466

QE5. Which one of these would you say is the greatest obstacle?

The proportion of employers citing poor transport infrastructure as their greatest obstacle increases to 21% of employers in East Lindsey.

# Finance and Investment

## Key findings

One in six private sector employers (16%) reports having sought finance in the last 12 months. This proportion increases to 33% of 100+ employers.

Bank loans were the most commonly sought type of finance (40% of those that have sought finance), followed by a bank overdraft (21%) and/or grant (18%).

The most common reason for seeking finance was for business expansion or growth (36% of those that sought finance). More than a quarter of employers seeking finance (26%) did so to obtain working capital or improve their cash flow, while fewer (17%) sought finance for capital equipment or vehicles.

A third of employers that sought finance (33%) experienced some difficulty in arranging it and these difficulties experienced were chiefly due to not meeting the criteria laid down by the prospective lender/financer (27%) and/or finance being unavailable (21%).

More than four in five private sector employers (84%) expect to invest in the business in the next 2 years.

Employers are most likely to expect to invest in training (61%), while half expect to invest in new technologies (50%), plant/machinery/equipment (49%) and/or new products (47%). A quarter expects to invest in research and development (25%) or expanding or moving premises (24%).

## Finance recently sought

One in six private sector employers (16%) reports having sought finance in the last 12 months. This proportion increases to 33% of 100+ employers.

The proportion is significantly higher amongst exporters (22%) than non-exporters (15%); innovating businesses (20%) than non-innovating businesses (13%); those with a website (18%), compared with those without (11%) and those that have recently experienced an increase in the size of their workforce (22%), compared with those that have not experienced any change (14%).

By sector, a significantly higher proportion than average of employers in agriculture/fishing (30%) and other services (25%) have sought finance, while the proportion is significantly below average in distribution/hotels/restaurants (8%).

Bank loans were the most commonly sought type of finance (40% of those that have sought finance), followed by a bank overdraft (21%) and/or grant (18%).

While smaller businesses are more likely to opt for the short term, flexible option of a bank overdraft (24% of 2-9 employers and 19% of 10-24 employers, compared with 7% of 25+ employers), longer term leasing or hire purchase becomes more significant than average amongst employers with at least 25 staff at their site (18%, compared with 7% on average) and the same is true of internal finance (14%, compared with 3%).

Figure 6.1: Types of finance sought (where sought finance in the last 12 months)

Unweighted sample base = 239 \* denotes less than 0.5%

QE15. What type of finance did you seek?

The amount of funding required varied widely as one might expect; mainly by business size. One in five employers (20%) that sought finance and provided a response were aiming for less than £10,000; a further 45% were aiming for between £10,000 and £50,000; 17% for between £50,000 and £100,000; 26% for between £100,000 and £500,000 and 13% for over half a million pounds. The majority of businesses with between 2 and 9 employees at the site (82%) were seeking up to £50,000, compared with just 28% of 10+ employers.

The most common reason for seeking finance was for business expansion or growth (36% of those that sought finance). More than a quarter of employers seeking finance (26%) did so to obtain working capital or improve their cash flow, while fewer (17%) sought finance for capital equipment or vehicles.

Figure 6.2: Reasons for seeking finance – unprompted, multiple response (where sought finance in the last 12 months)

Unweighted sample base = 239 \* denotes less than 0.5%

QE17. Why did you apply for finance?

### Difficulties in obtaining finance

A third of employers that sought finance (33%) experienced some difficulty in arranging it.

Difficulties experienced were chiefly due to not meeting the criteria laid down by the prospective lender/financer (27%) and/or finance being unavailable (21%). In one in nine cases, the employer rejected the terms of the finance offered.

Figure 6.3: Difficulties experienced in trying to arrange finance – unprompted, multiple response (where had difficulty arranging finance)

Unweighted sample base = 80

QE19. What difficulties did you experience in trying to arrange this finance?

## Anticipated investment

When asked about areas of anticipated investment over the next two years, more than four-fifths of private sector employers (84%) expect to invest in any. This proportion ranges from 82% amongst those with between 2 and 9 employees to 94% of those with 25 or more employees.

Employers are most likely to expect to invest in training (61%), while half expect to invest in new technologies (50%), plant/machinery/equipment (49%) and/or new products (47%). A quarter expects to invest in research and development (25%) or expanding or moving premises (24%).

The prospect of investment in new technologies and new products increases gradually with business size, while there is a leap upwards in the expectation of investment in plant/machinery/equipment between employers with less than 25 and more than 25 staff.

Figure 6.4: Areas in which employers expect to invest in the next 2 years – prompted, multiple response (all private sector employers)

Unweighted sample base = 1466

QE20. Over the next 2 years, do you expect to invest in any of the following?

**Bold font signifies a statistically significantly higher figure compared with the average minus the sub-group tested;** *italics signifies a statistically significantly lower figure than average minus the sub-group tested*

There is likely to be higher than average incidence of investment in the next two years in training in private education and health (88%) and construction (74%). Employers in the transport and communications sector are significantly more likely than average to be considering investment in new technologies (69%), while those in distribution/hotels/ restaurants are significantly more likely than average to invest in new products. Overall, employers in the distribution/hotels/restaurants sector are significantly less likely than average to expect to invest in any of the areas (79%), while investment in any of the areas is significantly more likely in private education and health (91%).

Table 6.5: Areas in which employers expect to invest in the next 2 years – prompted, multiple response (all private sector employers)

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Column percentages | Greater Lincolnshire | Agriculture/fishing | Energy/water\* | Banking/finance/ insurance | Manufacturing | Construction | Distribution/hotels/ restaurants | Transport /communications | Other services | Public administration/ education/health |
| Training | 61 | 58 | 77 | 63 | 53 | **74** | 52 | 63 | 61 | **88** |
| New technologies | 50 | 55 | 44 | 55 | 57 | 49 | *44* | **69** | 46 | 48 |
| Plant/machinery/equipment | 49 | **79** | 83 | 52 | **60** | **67** | *37* | 58 | 50 | *37* |
| New products | 47 | 39 | 29 | *33* | **58** | 47 | 53 | 48 | 53 | *34* |
| Research and development | 25 | 22 | 28 | *21* | **39** | 25 | 22 | 27 | 31 | 28 |
| Expanding or moving premises | 24 | 16 | 30 | 26 | 29 | 28 | 22 | 31 | 21 | 25 |
| Flood defense | 6 | 18 | 11 | 5 | 5 | 6 | 5 | 7 | 7 | 8 |
| Any other areas | 6 | 9 | 0 | 9 | 5 | 4 | 5 | 6 | 5 | 4 |
| Expect to invest in any | 84 | 88 | 92 | 85 | 89 | 90 | *79* | 86 | 82 | **91** |
| Do not expect to invest in any | 16 | 12 | 8 | 15 | 11 | 10 | 21 | 14 | 18 | 9 |
| *Unweighted sample bases* | *1466* | *75* | *18* | *325* | *89* | *133* | *461* | *95* | *88* | *182* |

**Bold font signifies a statistically significantly higher figure compared with the average minus the sub-group tested;** *italics signifies a statistically significantly lower figure than average minus the sub-group tested*

# Recruitment and Skill Shortages

## Key findings

Around half of employers in Greater Lincolnshire (48%) have recruited any staff in the last 12 months. This increases to 83% of those with 10 or more staff.

The most likely posts recruited for are those at the lower skill levels, semi- and un-skilled workers.

More than four-fifths of employers that have recruited any staff in the last 12 months have recruited someone from a ‘disadvantaged’ group, which includes (and is most likely to be) people aged 45+.

Around one in four employers that have recruited (23%) report some of the vacancies as being hard-to-fill. This equates to 11% of all employers.

Recruitment difficulties are most likely to have been experienced with regard to professional occupations, with managerial/director/senior official posts also significant in this respect.

Lack of skills, experience and qualifications among applicants predominate as reasons for vacancies being hard-to-fill.

## Recent recruitment activity

Nearly half the employers in Greater Lincolnshire (48%) have recruited any staff in the last 12 months. The proportion increases with business size and there is a significant increase between employers with fewer than 10 staff (36%) to those with 10 or more (83%).

Figure 7.1: Proportion of employers that have recruited any staff in the last 12 months, by business size (all employers)

Unweighted sample base = 1515

QB4. Have you recruited any staff in the last 12 months?

Business size is the key determinant of recruitment activity, with sector variances generally reflective of average business size within the sector. Significantly fewer employers than average in the construction sector (39%), other services (34%) and agriculture/fishing (24%) have recruited anyone in the last 12 months, while the proportion that have recruited staff is significantly higher than average in public administration/education and health (77%).

Bucking the trend in size being the key determinant of recruitment activity, is the fact that younger businesses are significantly more likely than those established for 5 or more years to have recruited in the last 12 months (57%, compared with 47%). Businesses in a formative stage of their lifecycle are particularly likely to be in the position of adding new staff. This is confirmed when we look at whether businesses that have recruited have filled existing posts or taken on staff to new posts. Young businesses (up to 5 years) are significantly more likely to have recruited staff into newly created posts (71%, compared with 49% of longer established businesses).

It is more common for employers to recruit into existing posts than into newly created posts (67%, compared with 53%).

As business size increases, so too does the extent to which staff are recruited into existing posts. As mentioned, the age of the business is another key factor, as is employment growth in the last 12 months.

Figure 7.2: Type of posts recruited for, by business size, age and employment change (where recruited in the last 12 months)

Unweighted sample bases in parentheses

QB5. Were these staff recruited to fill...?

**Bold font signifies a statistically significantly higher figure compared with the average minus the sub-group tested;** *italics signifies a statistically significantly lower figure than average minus the sub-group tested*

The job roles that employers have recruited into are summarised in the figure below.

Figure 7.3: Jobs into which employers have recruited (where recruited in the last 12 months)

Unweighted sample base = 785

QB6. Into which of the following levels or types of job role did you recruit staff?

Employers have most frequently recruited into semi-skilled or unskilled posts. As business size increases so does the range of posts recruited into. The types of job recruited into, varies widely by sector, as one might expect, with semi- and unskilled posts significant within distribution/hotels/restaurants and skilled manual/technical/craft jobs significant within construction and manufacturing.

Table 7.4: Jobs into which employers have recruited (where recruited in the last 12 months)

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Column percentages | Greater Lincolnshire | Agriculture/fishing | Energy/water\* | Banking/finance/ insurance | Manufacturing | Construction | Distribution/hotels/ restaurants | Transport /communications | Other services | Public administration/ education/health |
| Managerial/directors/senior officials | 16 | 3 | 11 | 20 | 13 | 11 | 15 | 9 | 19 | 18 |
| Professional | 21 | 0 | 11 | 26 | 25 | 23 | 9 | 24 | 22 | **42** |
| Associate professional/Technical | 11 | 3 | 11 | 15 | 14 | 11 | *6* | 12 | 26 | 10 |
| Supervisory | 13 | 0 | 11 | 13 | 17 | 13 | 13 | *3* | 23 | 11 |
| Clerical/administrative/secretarial | 20 | 3 | 47 | **40** | 17 | 27 | *8* | **34** | 27 | 20 |
| Skilled manual/technical/craft | 26 | 30 | 42 | 24 | **40** | **55** | *20* | 24 | 32 | 27 |
| Semi-skilled | 35 | 55 | 33 | *16* | 43 | 23 | **41** | 40 | 40 | 35 |
| Unskilled | 32 | 27 | 43 | *20* | 24 | 26 | **49** | *16* | *12* | 26 |
| *Unweighted sample bases* | *785* | *18* | *10* | *157* | *42* | *52* | *253* | *47* | *31* | *175* |

**Bold font signifies a statistically significantly higher figure compared with the average minus the sub-group tested;** *italics signifies a statistically significantly lower figure than average minus the sub-group tested*

Employers were asked if they had recruited any staff from so-called ‘disadvantaged’ groups in the last 12 months. These groups include people at either end of the age spectrum i.e. the over 45s and under 19s; women returners, new entrants to the job market, including the long term unemployed, recent graduates and government supported trainees; people from ethnic minority groups or from outside the UK; ex-forces personnel; and people with disabilities.

Employers that have recruited in the last 12 months are most likely to have recruited people aged 45+ (43%) and around a third have recruited people aged under 19 (35%), the longer term unemployed (31%) and/or women returning to work after a career break to have children (30%).

Overall, more than four-fifths of recent recruiters (83%) have recruited people from any of the groups mentioned.

Figure 7.5: ‘Disadvantaged’ groups from which employers have recruited (where recruited in the last 12 months)

Unweighted sample base = 785

QB10. In the last 12 months, have you recruited any people from the following groups?

## Recruitment difficulties

Nearly one in four employers that have recruited (23%) reports some of the vacancies as being hard-to-fill. This equates to 11% of all employers.

By occupation, the posts that are most likely to have been hard-to-fill are professional (28% of employers that have tried to recruit into these positions) and managerial/directors/senior officials (23%).

Figure 7.6: Proportion of employers that report hard-to-fill vacancies among posts they have tried to fill, by occupation of vacancies (where recruited into these occupations in the last 12 months)

Unweighted sample bases in parentheses

QB7. Were any of these posts hard-to-fill?

Lack of skills, experience and qualifications predominate as reasons for vacancies being hard-to-fill; applicants not having the required working experience/job specific skills (39%) and/or the required qualifications/skills (37%).

Around one in four employers that have had hard-to-fill vacancies (23%) have experienced a general lack of applicants. One in eight (12%) have received applications from applicants with poor motivation/attitude.

Figure 7.7: Reasons for recruitment difficulties – unprompted, multiple response (where have had hard-to-fill vacancies)

Unweighted sample base = 187

QB8. What are the main reasons for these difficulties? These could be people, skills or job-related

# Skill Gaps and Skill Development

## Key findings

Across Greater Lincolnshire, employers estimate that 6% of their workforce has no qualifications, while 18% have level 4 equivalent qualifications or above.

One in six employers (17%) highlight skill deficiencies among their workforce. As a proportion of all employees, this is estimated to involve 5% of the workforce.

One in ten employers (10%) reported a significant gap between the type of skills that current employees have now and those that they need to meet their current business objectives.

One in seven employers (15%) anticipates a significant gap within their workforce in meeting future objectives.

Employers are most likely to mention technical, practical or job specific skills as those that need improving to meet their business objectives (71%).

Half the employers in Greater Lincolnshire (50%) have a training plan or budget.

Nearly half the employers (48%) have funded or arranged off the job training in the last 12 months for any employees. A slightly higher proportion (51%) have funded or arranged on the job training in that time.

Overall, 64% of Greater Lincolnshire employers have funded or arranged any training in the last 12 months.

Business size is the key determinant of the propensity to train.

Training is mainly delivered by private training providers, with around one in four employers that have delivered training using public sector educational FE/HE institutions in the area.

Two-third of employers that have delivered training (68%) formally assess whether any training and development has had an impact on an employee’s performance. This is more common where off the job training has been undertaken.

Training delivery can be limited by the capacity of the business to release employees for training and to cost. However, more than half of employers have had no difficulty in finding suitable training.

## Current skill levels

Employers were asked about the qualifications levels of their workforce. They were asked to estimate the percentage of their workforce with no qualifications or with highest qualifications at NVQ equivalence levels 1 to 4.

Across Greater Lincolnshire, employers estimate that 6% of their workforce has no qualifications, while 18% have at least level 4 equivalent qualifications.

A significantly higher than average proportion of the workforce in North Lincolnshire (12%) and West Lindsey (12%) are unqualified. By sector, the proportion is significantly higher than average in manufacturing (13%). It is significantly higher in organisations that identify skill gaps than those that do not (13%, compared with 5%), suggesting that a lack of qualifications within the workforce could be undesirable, although it is likely that it is not a problem in some low/un-skilled occupations.

The table below compares the qualifications profile of the workforce by sector. It highlights higher levels of qualifications amongst the workforce in service sectors, particularly within public administration/education/health, where more than half the workforce is qualified to level 3 and 4 and a predominance of level 2 within utilities and manufacturing. Within construction, three-fifths of the workforce is qualified to level 2/3.

Table 8.1: Breakdown of the workforce by highest qualification (All employees – where employers have provided a response)

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Column percentages | Greater Lincolnshire | Agriculture/fishing | Energy/water\* | Banking/finance/ insurance | Manufacturing | Construction | Distribution/hotels/ restaurants | Transport /communications | Other services | Public administration/ education/health |
| Level 1 qualifications such as an NVQ Level 1 or BTEC Introductory Diploma | 5 | 2 | **39** | **7** | 2 | 5 | 5 | **8** | 5 | 3 |
| Level 2 qualifications such as an NVQ Level 2, GCSEs or BTEC First Diploma | 26 | *12* | **41** | *20* | **39** | **31** | 26 | *20* | 27 | 27 |
| Level 3 qualifications such as an NVQ Level 3, A-Levels or BTEC Nationals | 22 | *8* | *10* | **28** | **24** | **29** | *17* | *14* | **27** | **29** |
| Level 4 qualifications or above such as degrees, HNC/HNDs, postgraduate degrees or high level specialist professional qualifications | 18 | *6* | *6* | **22** | *13* | 19 | *11* | **23** | **22** | **28** |
| No qualifications | 6 | 7 | *3* | 4 | **13** | **8** | **8** | 6 | *4* | *2* |
| *Unweighted sample bases (employees)* | *24131* | *1150* | *448* | *3363* | *1968* | *915* | *8054* | *2201* | *908* | *5124* |

**Bold font signifies a statistically significantly higher figure compared with the average minus the sub-group tested;** *italics signifies a statistically significantly lower figure than average minus the sub-group tested*

## Skill Gaps

One in six employers (17%) highlights skill deficiencies among their workforce. This is a similar proportion to that reported by the Employer Skills Survey 2013 (15%).

The proportion increases with business size, reflecting the increasing probability of some staff needing further skill development where there are more of them.

Figure 8.2: Proportion of employers identifying skill deficiencies in the workforce, by size (all employers)

Unweighted sample bases in parentheses

QC1. You said that there were ... staff on the payroll at this establishment, I’d like to know how many you think are fully proficient at their job i.e. able to do the job to the required level.

By sector, the proportion of employers with skill deficiencies in their workforce is significantly higher than average within public administration/education/health (25%). As we have seen, staff qualifications levels are relatively high in the sector, so skill gaps are more likely to arise from the higher skill demands or a greater awareness of skill needs within these businesses than due to low levels of skills among the workforce.

There is evidence that the skills of the workforce are not keeping pace with the demands of businesses where growth is reported. Of employers that have reported an increase in the workforce in the last 12 months, 29% report skill deficiencies, compared with 13% of employers reporting no change. Employers that have introduced new or improved products, services or processes in the last 12 months are significantly more likely than those that have not to report skill deficiencies (23%, compared with 13%).

Skill gaps are most evident within the district of North Kesteven (24%).

As a proportion of all employees, 5% of the workforce is reported as not being fully proficient. This varies little by business size, sector or district. It is the same as the proportion reported by the Employer Skills Survey 2013.

The survey also asked about skill gaps in a slightly different way; asking if there is a significant gap between the type of skills that your current employees have now and those they need to meet their current and also future business objectives.

One in ten employers (10%) reported a significant gap between the type of skills that current employees have now and those they need to meet their *current* business objectives.

One in seven employers (15%) reported a significant gap between the type of skills that current employees have now and those they need to meet their *future* business objectives.

Sector differences in the extent of skill gaps are highlighted in the figure that follows, but the main point to note is that while manufacturers are significantly more likely than average to report current skill gaps, it is construction employers that are particularly likely to anticipate skill gaps for the future.

By district, employers in North East Lincolnshire are significantly more likely than average to cite current skill gaps (17%), with those in East Lindsey least likely to (5%).

Figure 8.3: Proportion of employers identifying skill gaps, by sector (all employers)

Unweighted sample bases in parentheses \*denotes less than 0.5%

QC3. Would you say that there is a significant gap between the type of skills that your current employees have now and those they need to meet... ? Current business objectives: Future business objectives.

**Bold font signifies a statistically significantly higher figure compared with the average minus the sub-group tested;** *italics signifies a statistically significantly lower figure than average minus the sub-group tested*

Employers that identify either current or anticipated skill gaps (16% of all employers in aggregate) were asked about the skills that will need improving.

These skill needs are summarised in the figure below. Technical, practical or job-specific skills are most frequently selected from the list with which employers were prompted (71% of those identifying skill gaps). Also significant are planning and organising skills, problem solving and oral communication skills.

Figure 8.4: Skills that need improving in the workforce in order to met business objectives (where have skill gaps)

Unweighted sample base = 249

QC4. Please tell us about these skill gaps. Which, if any, of the following skills do you feel need improving...?

## Training activity

### Training plans and budgets

Half the employers in Greater Lincolnshire (50%) have a training plan or budget. The proportion in Lincolnshire County is 51%, while it is significantly higher in Lincoln district than average (62%).

Reflecting a higher propensity to train which is frequently documented in employer surveys, having plans and budgets relating to training increases with business size to 92% of employers with 25 or more staff.

Figure 8.5: Proportion of employers that have a training plan or budget, by size (all employers)

Unweighted sample bases in parentheses

QC5. Does your company have a training plan or budget?

Business size is the key determinant of the propensity to offer training within a business. This reflects both the number of staff that potentially needs training and the resources available to fund it or facilitate it. With a larger throughput of staff that needs to be sufficiently skilled in their jobs, it becomes more worthwhile to put in place processes and practices that make the provision of staff training better organised and therefore easier to arrange and more effective in terms of both having identified the right type of training for staff and assessing the outcome.

### Off-the-job training

Off-the-job training is training away from the individual’s immediate work position, whether or not on the business’ premises.

Nearly half the employers in Greater Lincolnshire (48%) have arranged or funded any off-the-job training or development for employees at their site in the last 12 months. This compares with 49% reported in the Employer Skills Survey 2013 (UK-wide).

In line with observations regarding the propensity to train increasing with business size, this increases to 90% of 100+ employers.

### On-the-job training

On-the-job training is activities that would be recognised as training by the staff and not the sort of learning by experience which could take place all the time. It is on an informal basis.

Half the employers in Greater Lincolnshire (51%) have arranged or funded any on-the-job training and development in the last 12 months. This compares with 52% reported in the Employer Skills Survey 2013 (UK-wide).

The proportion providing on-the-job training in Greater Lincolnshire increases to 94% of 100+ employers.

### Summary of training

Overall, 64% of Greater Lincolnshire employers have arranged or funded any on or off-the-job training in the last 12 months. A third (34%) have arranged or funded both, while minorities have only arranged or funded on-the-job training (17%) and off-the-job training (13%). The increased propensity to train at all within larger businesses is illustrated in the figure below.

The overall figure of 64% compares with 66% reported in the Employer Skills Survey 2013 (UK-wide).

Figure 8.6: Proportion of employers that have funded or arranged on or off-the-job training, by size (all employers)

Unweighted sample bases in parentheses

QC6. Over the past 12 months, have you arranged or funded any off-the-job training or development for employees at this site?

QC7. Over the past 12 months, have you arranged or funded any on-the-job or informal training and development over the last 12 months.

**Bold font signifies a statistically significantly higher figure compared with the average minus the sub-group tested;** *italics signifies a statistically significantly lower figure than average minus the sub-group tested*

By sector, levels of training are significantly higher in public administration/education/health, while lower than average within distribution/hotels/restaurants. Both construction and banking/finance/insurance report higher than average propensities to offer off-the-job training.

Table 8.7: Proportion of employers that have funded or arranged on or off-the-job training, by sector (all employers)

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Column percentages | Greater Lincolnshire | Agriculture/fishing | Energy/water\* | Banking/finance/ insurance | Manufacturing | Construction | Distribution/hotels/ restaurants | Transport /communications | Other services | Public administration/ education/health |
| Any off-the-job training | 48 | 50 | 50 | **53** | 44 | **59** | *36* | 46 | 41 | **80** |
| Any on-the-job training | 51 | *34* | 72 | 54 | *40* | 49 | 46 | *46* | 50 | **81** |
| On-the-job training only | 17 | *5* | 25 | 16 | 15 | 13 | **20** | 14 | 19 | 13 |
| Any training | 64 | 56 | 75 | **70** | 59 | **72** | *56* | 60 | 60 | **93** |
| No training | 36 | 44 | 25 | *30* | 41 | *28* | **44** | 40 | 40 | *7* |
| *Unweighted sample bases* | *1515* | *75* | *18* | *325* | *89* | *133* | *461* | *95* | *88* | *231* |

**Bold font signifies a statistically significantly higher figure compared with the average minus the sub-group tested;** *italics signifies a statistically significantly lower figure than average minus the sub-group tested*

By district, there is little variance in training levels. The lowest proportion of employers arranging or funding any training is 60% in Lincoln, while the highest is 67% in North Lincolnshire.

### Ways in which training is delivered

External training providers used by employers are summarised in the figure below:

Figure 8.8: External training providers used by businesses to train their staff – prompted, multiple response (all employers)

Unweighted sample base = 1037

QC8. Which, if any, of the following external training providers does your business use to train its staff?

Private sector training providers are more frequently used to deliver training than those in the public sector, including FE/HE institutions.

One in five employers that have trained their staff in the last year (22%) arrange all their training in-house and this proportion is highest amongst employers with fewer than 10 staff at the site (26%) and increases to 38% of distribution/hotels/restaurant businesses.

Local FE colleges have been used by one in four employers (25%) that have trained any staff in the last 12 months. This proportion increases to two in five employers with 25 or more staff (39%) and half of public administration/education/health businesses that have trained (48%).

### Assessment of training delivered

Two-thirds of employers that have funded or arranged any training for staff in the last 12 months (68%), formally assess whether any training and development has had an impact on an employee’s performance.

This proportion increases to 75% of employers with between 10 and 24 staff and 83% of those with 25 or more, while it is significantly higher than average within the public administration/education/health sector (87%).

Assessment of the impact of training is more common among employers that have funded or arranged off-the-job training than where only on-the-job training has been provided (70%, compared with 63%).

### Obstacle to training delivery

All employers were asked about obstacles to delivering training. They were read out a list of potential reasons for difficulties. More than half (54%) did not consider any a problem, while a further 12% said they had not offered training.

Typically, employers that have not funded or arranged training in the last 12 months tend to cite many of the reasons less frequently. This reflects the fact that they are less likely to have considered the possibility and to have become aware of any issues in obtaining training.

Figure 8.9: Reasons why employers have found it difficult to provide or source training for their staff – prompted, multiple response (all employers)

Unweighted sample bases in parentheses

QC9. Have you found it difficult to provide or source training for your staff for any of the following reasons?

**Bold font signifies a statistically significantly higher figure compared with the average minus the sub-group tested;** *italics signifies a statistically significantly lower figure than average minus the sub-group tested*

Amongst those highlighting difficulties in providing or sourcing training, more than two-fifths of employers (44%) cite the availability of training provision locally as an issue. However, a similar proportion cite the cost of training (45%) and more than half of those citing obstacles (53%) cite difficulties in sparing people from their jobs to undertake training.

Employers in the district of East Lindsey are significantly more likely than average to consider the availability of training provision locally as an issue (20%). By sector, this proportion is highest in public administration/education/health (31%) and construction (21%).

# The Environment

## Key findings

A third of Greater Lincolnshire employers (33%) report having introduced any energy efficiency measures in the last 12 months.

Lighting is the most common area of investment (82%), while some two-thirds of employers (65%) have undertaken recycling or waste reduction measures. Half have taken action with regard to their heating (50%) and/or energy efficient measures (49%). Around three in ten employers that have undertaken energy efficiency measures have improved their insulation (31%) and/or water conservation (29%).

Nearly all employers (96%) agree that their business is taking some action or has a pro-active approach to environmental issues and energy efficiency.

A quarter of employers *strongly* agreed that their business actively works to reduce company waste (27%) and actively tries to improve their energy efficiency (24%). Fewer strongly agreed that their business considers the environmental impact of their buying decisions (17%) and actively tries to reduce work-related car emissions (16%).

Overall, the majority of employers agree at all that their business is actively working to reduce company waste (91%) and/or actively trying to improve their energy efficiency (88%).

Overall, 41% of employers considered the issue of flood risk as being of relevance to their business. More than half the employers (57%) agreed that their business is concerned about flood risk. A similar proportion (59%) of those that provided a response agreed that the issue of flooding is greater now than previously, while a smaller proportion (48%) agreed that their business is actively trying to reduce the possibility of flooding. However, just one in five (21%) employers agreed that the risk of flooding is having an impact on their business planning.

## Introduction of energy efficient measures

A third of Greater Lincolnshire employers (33%) report having introduced any energy efficiency measures in the last 12 months.

This proportion is similar across the area, although significantly higher than average in South Kesteven (39%). It increases with business size, from 30% of employers with between 2 and 9 employees to 65% of those with 100 or more staff.

By sector, employers within distribution/hotels/restaurants are significantly more likely than average to have introduced energy efficiency measures in the last 12 months (39%), while those in banking/finance/insurance are least likely to have done so (24%).

Figure 9.1: Proportion of employers that have introduced any energy efficiency measures in the last 12 months, by size and sector (all employers)

Unweighted sample bases in parentheses

QE24. Thinking now about environmental issues and energy efficiency within your business, has your business introduced any energy efficiency measures in the last 12 months?

**Bold font signifies a statistically significantly higher figure compared with the average minus the sub-group tested;** *italics signifies a statistically significantly lower figure than average minus the sub-group tested*

In terms of the areas in which employers have invested, lighting is the most common (82%). Some two-thirds of employers (65%) have undertaken recycling or waste reduction measures, while half have taken action with regard to their heating (50%) and/or energy efficient measures (49%). Around three in ten employers that have undertaken energy efficiency measures have improved their insulation (31%) and/or water conservation (29%).

Figure 9.2: Energy efficiency measures that employers have undertaken (where introduced energy efficiency measures)

Unweighted sample base = 507

QE25. Which of the following areas have you invested in energy efficiency measures?

## Steps taken by the business to reduce their impact on the environment

Employers were asked the extent to which they agree or disagree with a few statements about environmental issues and energy efficiency.

A quarter of employers *strongly* agreed that their business actively works to reduce company waste (27%) and actively tries to improve their energy efficiency (24%). Fewer strongly agreed that their business considers the environmental impact of their buying decisions (17%) and actively tries to reduce work-related car emissions (16%).

Overall, the majority of employers agree at all that their business is actively working to reduce company waste (91%) and/or actively trying to improve their energy efficiency (88%).

Nearly all employers agree with any (96%), while half (53%) agree with all the statements and just 4% do not agree with any.

Responses are summarised in the figure that follows:

Figure 9.3: Extent to which employers agree or disagree with statements about their contribution to green issues (all employers)

Unweighted sample base = 1515

QE26. To what extent would you agree or disagree with the following statements?

Propensity to strongly agree with any of the statements increases with business size, suggesting that larger businesses are more conscious of contributing to green issues and reducing their impact on the environment.

Businesses in production/construction sectors are significantly more likely than those in services to strongly agree with any of the statements. This is likely to reflect both larger average business size but also the extent to which these production/construction sectors undertake activities that have a more visible, direct and potentially detrimental impact on the environment and, as a result, these businesses are more aware of the need to contribute towards green issues.

Table 9.4: Proportion of employers that strongly agree with statements about their contribution to green issues, by size and broad industry group (all employers)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Greater Lincolnshire | No. of employees | | | | Production/ construction | Services |
| Row percentages | **2-9** | **10-24** | **25-99** | **100+** |
| We consider the environmental impact of our buying decisions | 17 | *15* | 19 | **24** | **38** | **21** | 16 |
| We actively work to reduce company waste | 27 | 25 | 31 | **38** | **56** | **35** | 26 |
| We actively try to improve our energy efficiency | 24 | 22 | 27 | **33** | **51** | **31** | *23* |
| We actively try to reduce work-related car emissions | 16 | 16 | 15 | **22** | **38** | 18 | 16 |
| *Unweighted sample bases* | *1515* | *1018* | *307* | *151* | *39* | *315* | *1200* |

**Bold font signifies a statistically significantly higher figure compared with the average minus the sub-group tested;** *italics signifies a statistically significantly lower figure than average minus the sub-group tested*

## Flood management

Following the extreme wet weather conditions and incidents of flooding during the winter of 2013/14, employers were asked the extent to which they agree or disagree with statements about flood risk and management.

Overall, 41% of employers considered the issue of flood risk as being of relevance to their business and provided a response with regard to the statements about flood risk and management.

More than half the employers that consider it a relevant issue (57%) agreed that their business is concerned about flood risk. One in five (21%) strongly agree that this is the case.

A similar proportion (59%) of those that provided a response agreed that the issue of flooding is greater now than previously, while a smaller proportion (48%) agreed that their business is actively trying to reduce the possibility of flooding. Just one in five (21%) employers agreed that the risk of flooding is having an impact on their business planning. The majority of employers providing a response (76%) disagreed that flood risk is affecting their business planning.

Figure 9.5: Extent to which employers agree or disagree with statements about flood risk and management (where provided a response)

Unweighted sample bases in parentheses

QE27. And with regard to flooding and issues of flood management with regard to your business, to what extent would you agree or disagree with the following statements?

By district, employers based in Boston are significantly more likely than average to be concerned about flood risk and to be actively trying to reduce the possibility of flooding (see table below.

Table 9.6: Extent to which employers agree or disagree with statements about flood risk and management, by district (where provided a response)

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | All employers | Lincolnshire County Council | North East Lincolnshire | North Lincolnshire | Boston | East Lindsey | Lincoln | North Kesteven | South Holland | South Kesteven | West Lindsey |
| We are concerned about flood risk | 57 | 55 | 67 | 56 | **81** | 68 | 42 | 47 | 49 | *33* | 46 |
| The issue of flooding is greater now than previously | 59 | 55 | **74** | 67 | 44 | 67 | 54 | 51 | 42 | *37* | 48 |
| We actively try to reduce the possibility of flooding | 49 | 47 | 44 | 60 | **65** | 64 | 35 | 39 | 31 | 36 | 43 |
| The risk of flooding is having an impact on our business planning | 21 | 20 | 26 | 23 | **35** | 27 | 14 | 14 | 13 | *7* | 18 |
| *Unweighted sample bases* | *620* | *466* | *75* | *79* | *85* | *92* | *57* | *47* | *80* | *57* | *48* |

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# Focus on Priority and Emerging Sectors

## Description of priority and emerging sectors

The GLLEP has identified three industry sectors in which it has the most competitive advantage in within the UK. These priority sectors are:

* Agri-food
* Visitor economy
* Power engineering (manufacturing)

These sectors are already important to the national and local economy but they could provide even more wealth and jobs.

The GLLEP also recognises that there are three particularly strong sectors that, with the appropriate focus, could be grown to become nationally important and increase wealth and provide job opportunities locally. These emerging sectors are:

* Health and care sector
* Ports and logistics
* Renewables/low carbon initiatives

This chapter of the report will provide a brief summary of the survey findings relating to the priority and emerging sectors in a tabular form. Significant differences are highlighted.

## Profile

Table 10.1: Employer profile (all employers)

|  | Greater Lincolnshire | Lincolnshire county | Priority Sectors | | | Emerging Sectors | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Agri-food | Manufacturing/ Engineering | Visitor Economy | Renewables\* | Ports & Logistics\* | Health & Care |
|  | *1515* | *1141* | *172* | *85* | *169* | *6* | *30* | *126* |
| No. of employees at that site | |  |  |  |  |  |  |  |
| 2-4 employees | 47 | 47 | 45 | 54 | 44 | 42 | 41 | *12* |
| 5-9 employees | 26 | 27 | 24 | 27 | 30 | 32 | 32 | 19 |
| 10-24 employees | 16 | 16 | 18 | 14 | 16 | 11 | 14 | **31** |
| 25-99 employees | 9 | 8 | 6 | 4 | 9 | 0 | 13 | **33** |
| 100-249 employees | 1 | 1 | **4** | 1 | 1 | 0 | 0 | **4** |
| 250+ employees | 1 | 1 | **2** | 1 | 0 | 15 | 0 | 0 |
| No. of sites |  |  |  |  |  |  |  |  |
| Single site | 66 | 66 | *52* | **85** | **73** | 53 | *43* | *48* |
| This site is a branch/subsidiary | 27 | 27 | ***36*** | *12* | 24 | 0 | **46** | **40** |
| This site is HQ | 7 | 7 | **13** | 3 | *3* | 47 | 11 | *12* |
| Summary: Multi site | 34 | 34 | **48** | *15* | *27* | 47 | **57** | **52** |
| No. of years trading |  |  |  |  |  |  |  |  |
| Less than 6 months | 1 | 1 | 0 | 1 | **5** | 0 | 0 | 1 |
| Between 6 months and 1 year | 2 | 2 | 1 | 2 | **4** | 0 | 0 | 3 |
| 1 - 2 years | 3 | 3 | 2 | 4 | 5 | 0 | 4 | 3 |
| 2 - 5 years | 9 | 8 | 7 | 8 | 12 | 11 | 5 | 7 |
| 5 - 10 years | 17 | 18 | *8* | 23 | 20 | 37 | 22 | 21 |
| 11 - 20 years | 22 | 22 | *15* | 28 | 18 | 15 | *7* | 24 |
| More than 20 years | 47 | 47 | **67** | *33* | *37* | 37 | 63 | 40 |

**Bold font signifies a statistically significantly higher figure compared with the average minus the sub-group tested;** *italics signifies a statistically significantly lower figure than average minus the sub-group tested*

## Workforce change, skill needs and training

Table 10.2: Summary of workforce change, skill gaps, recruitment and training (all employers)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Greater Lincolnshire | Lincolnshire county | Priority Sectors | | | Emerging Sectors | | |
|  | **Agri-food** | **Manufacturing/ Engineering** | **Visitor Economy** | **Renewables\*** | **Ports & Logistics\*** | **Health & Care** |
|  | *1515* | *1141* | *172* | *85* | *169* | *6* | *30* | *126* |
| Breakdown of workforce | |  |  |  |  |  |  |  |
| Full time | 65 | 66 | *61* | **91** | *40* | **98** | **97** | *55* |
| Part time | 34 | 33 | **39** | *9* | **59** | *2* | *3* | **39** |
| Workforce change in the last 12 months | | | | | | | | |
| Increased | 22 | 22 | 18 | **32** | 22 | 48 | 19 | 22 |
| Decreased | 9 | 9 | 10 | 7 | 6 | 0 | 12 | 7 |
| Remained the same | 68 | 68 | 72 | 60 | 70 | 52 | 69 | 71 |
| Workforce change in the next 12 months | | | | | | | | |
| Increase | 27 | 27 | *20* | **41** | 28 | 26 | 24 | 28 |
| Decrease | 3 | 3 | 4 | 1 | 4 | 0 | 3 | 5 |
| Remain the same | 68 | 68 | **75** | *54* | 65 | 74 | 72 | 66 |
| Recruitment |  |  |  |  |  |  |  |  |
| Have recruited in last 12 months | 48 | 48 | 46 | *38* | 49 | 63 | 36 | **77** |
| Skill gaps |  |  |  |  |  |  |  |  |
| Have skill gaps in current workforce | 1 | 8 | 10 | 15 | 7 | 0 | 8 | 8 |
| Have skill gaps in terms of meeting future objectives | 15 | 14 | 16 | 12 | 16 | 0 | 5 | 11 |
| Training and development |  |  |  |  |  |  |  |  |
| Any off-the-job training | 48 | 47 | 45 | 41 | *36* | 58 | 54 | **79** |
| Any on-the-job training | 51 | 50 | 48 | 43 | 44 | 80 | 53 | **82** |
| Both on and off-the-job training | 34 | 34 | 31 | *23* | *27* | 58 | 41 | **69** |
| Off-the-job training only | 13 | 13 | 14 | 18 | 9 | 0 | 14 | 10 |
| On-the-job training only | 17 | 16 | 16 | 20 | 17 | 22 | 12 | 14 |
| Any training | 64 | 63 | 62 | 61 | *53* | 80 | 66 | **92** |
| No training | 36 | 37 | 38 | 39 | **47** | 20 | 34 | *8* |

**Bold font signifies a statistically significantly higher figure compared with the average minus the sub-group tested;** *italics signifies a statistically significantly lower figure than average minus the sub-group tested*

## Perceptions of Greater Lincolnshire

Table 10.3: Perceptions of Greater Lincolnshire as a place to do business (all employers)

|  | Greater Lincolnshire | Lincolnshire county | Priority Sectors | | | Emerging Sectors | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Agri-food | Manufacturing/ Engineering | Visitor Economy | Renewables\* | Ports & Logistics\* | Health & Care |
|  | *1515* | *1141* | *172* | *85* | *169* | *6* | *30* | *126* |
| Access to suppliers | |  |  |  |  |  |  |  |
| Very negative (1-2) | 3 | 3 | 2 | **7** | 3 | 0 | 0 | 2 |
| Quite negative (1-4) | 10 | 11 | 11 | **19** | 6 | 0 | 8 | 8 |
| Quite positive (6-10) | 70 | 68 | 68 | ***58*** | **79** | 84 | 66 | 68 |
| Very positive (8-10) | 42 | 40 | 43 | 38 | 44 | 48 | 34 | 46 |
| Access to customers |  |  |  |  |  |  |  |  |
| Very negative (1-2) | 3 | 4 | 2 | **11** | 2 | 0 | 3 | 5 |
| Quite negative (1-4) | 10 | 11 | 7 | 14 | 11 | 0 | 11 | 13 |
| Quite positive (6-10) | 75 | 74 | 74 | *66* | 76 | 53 | 61 | 68 |
| Very positive (8-10) | 48 | 46 | 55 | 46 | 45 | 53 | 41 | 46 |
| Availability of skilled staff |  |  |  |  |  |  |  |  |
| Very negative (1-2) | 5 | 6 | 2 | **16** | 4 | 0 | 3 | 5 |
| Quite negative (1-4) | 17 | 18 | 14 | **29** | 12 | 15 | 19 | 21 |
| Quite positive (6-10) | 61 | 59 | 65 | *48* | 64 | 70 | 46 | 60 |
| Very positive (8-10) | 33 | 31 | 38 | 24 | 30 | 0 | 14 | 38 |
| A place my business can grow | | | | | | | | |
| Very negative (1-2) | 4 | 3 | 4 | 7 | 3 | 0 | **13** | **7** |
| Quite negative (1-4) | 10 | 10 | 12 | 11 | 12 | 20 | 19 | 12 |
| Quite positive (6-10) | 73 | 72 | 67 | 70 | 71 | 53 | 57 | 67 |
| Very positive (8-10) | 42 | 41 | 37 | 42 | 40 | 22 | 33 | 42 |
| Support is available for businesses to grow | | | | | | | | |
| Very negative (1-2) | 9 | 9 | *4* | **18** | 6 | 15 | 18 | *13* |
| Quite negative (1-4) | 19 | 20 | *11* | 27 | 21 | 51 | 24 | 22 |
| Quite positive (6-10) | 52 | 52 | 47 | 42 | 53 | 22 | 53 | 52 |
| Very positive (8-10) | 25 | 24 | 25 | 21 | 24 | 22 | 22 | 32 |
| The profile of the county in terms of attracting people to move here to work | | | | | | | | |
| Very negative (1-2) | 7 | 6 | 4 | 7 | 6 | 0 | **21** | **15** |
| Quite negative (1-4) | 23 | 22 | 19 | 22 | 20 | 57 | 30 | **31** |
| Quite positive (6-10) | 53 | 53 | 52 | 44 | 56 | 32 | 40 | 49 |
| Very positive (8-10) | 21 | 23 | 23 | 20 | 21 | 16 | 21 | 19 |
| Transport infrastructure |  |  |  |  |  |  |  |  |
| Very negative (1-2) | 17 | 19 | 18 | 18 | 15 | 0 | 15 | 17 |
| Quite negative (1-4) | 37 | 42 | 35 | 37 | 36 | 26 | 45 | 41 |
| Quite positive (6-10) | 45 | 39 | 47 | 46 | 46 | 55 | 27 | 40 |
| Very positive (8-10) | 20 | 16 | 21 | 28 | 19 | 18 | 19 | 16 |

**Bold font signifies a statistically significantly higher figure compared with the average minus the sub-group tested;** *italics signifies a statistically significantly lower figure than average minus the sub-group tested*

## Growth factors

Table 10.4: Factors that are beneficial to the stability or growth of the business (all employers)

|  | Greater Lincolnshire | Lincolnshire county | Priority Sectors | | | Emerging Sectors | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Agri-food | Manufacturing/ Engineering | Visitor Economy | Renewables\* | Ports & Logistics\* | Health & Care |
|  | *1515* | *1141* | *172* | *85* | *169* | *6* | *30* | *126* |
| Factors sometimes valuable in improving business stability or which help businesses to grow that are significantly beneficial for the business | | | | | | | | |
| Suitable low cost premises | 58 | 58 | *50* | 65 | *47* | 80 | *40* | 61 |
| Availability of highly skilled labour | 54 | 55 | 45 | 57 | *46* | 64 | 55 | **64** |
| Availability of other skills your business needs | 52 | 51 | 45 | 55 | 48 | 80 | 48 | **61** |
| Availability of local training | 54 | 54 | 47 | 61 | 49 | 64 | 41 | **75** |
| Access to business mentoring, coaching and networking | 41 | 41 | 36 | 37 | 37 | 80 | *21* | **63** |
| Assistance with E-commerce and internet-based technologies | 44 | 44 | 38 | 41 | 41 | 43 | 52 | 48 |
| Support with tax, national insurance law and payments | 43 | 43 | 37 | 43 | 47 | 64 | 46 | 43 |
| Support with Planning Regulations and related matters | 41 | 41 | 46 | 38 | 43 | 64 | **61** | 42 |
| Support with recruiting staff with the right skills | 45 | 46 | *37* | 44 | 39 | 80 | 35 | 49 |
| Support with (new product or service development) | 37 | 38 | *29* | 43 | 33 | 80 | 22 | 45 |
| Support to develop new UK markets | 35 | 36 | 36 | 43 | 29 | 68 | 41 | 29 |
| Support to develop new export markets | 16 | 17 | **22** | **27** | *8* | 68 | *40* | *9* |
| Access to funding | 56 | 55 | 51 | 59 | 57 | 80 | 50 | 69 |
| Access to Business Growth programmes | 45 | 45 | 43 | **56** | 41 | 80 | *25* | 49 |
| Other | 6 | 7 | 6 | 6 | 2 | 16 | 3 | 5 |
| None of these | 10 | 9 | 12 | 9 | **16** | 20 | 9 | 8 |
| Don't know | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 |

**Bold font signifies a statistically significantly higher figure compared with the average minus the sub-group tested;** *italics signifies a statistically significantly lower figure than average minus the sub-group tested*

Table 10.5: Factors that are obstacles to the growth of the business (all employers)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Greater Lincolnshire | Lincolnshire county | Priority Sectors | | | Emerging Sectors | | |
|  | **Agri-food** | **Manufacturing/ Engineering** | **Visitor Economy** | **Renewables\*** | **Ports & Logistics\*** | **Health & Care** |
|  | *1515* | *1141* | *172* | *85* | *169* | *6* | *30* | *126* |
| Factors preventing the business from growing | | | | | | | | |
| Availability of appropriately skilled staff | 19 | 19 | *10* | **30** | *11* | 30 | 24 | 23 |
| Availability of appropriate local skills training | 13 | 13 | 10 | 16 | *8* | 15 | 14 | 15 |
| Poor transport infrastructure | 30 | 35 | *22* | 29 | 33 | 22 | 25 | **40** |
| Poor IT infrastructure | 19 | 21 | 17 | 24 | 14 | 31 | 24 | 14 |
| The way the local planning and development control system operates | 19 | 21 | 15 | 14 | 19 | 26 | 14 | 14 |
| Lack of available premises/land | 14 | 15 | 12 | 15 | 10 | 49 | 13 | 15 |
| Poor local supply chain | 10 | 10 | 6 | 11 | 9 | 15 | 19 | 14 |
| Lack of business support services | 13 | 14 | *6* | 14 | 12 | 58 | 9 | 14 |
| Poor cash flow | 24 | 25 | *15* | **36** | 25 | 31 | 21 | 24 |
| Lack of capital for investment | 25 | 26 | *18* | **34** | 28 | 22 | 23 | 24 |
| Poor county profile i.e. in terms of attracting staff from outside the county | 16 | 17 | *6* | **24** | 12 | 15 | 7 | 19 |
| Poor sector profile | 13 | 14 | *8* | 14 | 14 | 37 | 14 | **23** |
| Other | 10 | 10 | 9 | 7 | 9 | 20 | 0 | **15** |
| None | 29 | 25 | **37** | 27 | 32 | 0 | 32 | 25 |

**Bold font signifies a statistically significantly higher figure compared with the average minus the sub-group tested;** *italics signifies a statistically significantly lower figure than average minus the sub-group tested*

## Performance measures

Table 10.6: Proportion of employers that have experienced any growth in the last 12 months or anticipate any in the next 12 months (all private sector employers)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Greater Lincolnshire | Lincolnshire county | Priority Sectors | | | Emerging Sectors | | |
|  | **Agri-food** | **Manufacturing/ Engineering** | **Visitor Economy** | **Renewables\*** | **Ports & Logistics\*** | **Health & Care** |
|  | *1466* | *1099* | *172* | *85* | *169* | *6* | *30* | *113* |
| Performance measures; increases in the last 12 months | | | | | | | | |
| Profitability | 51 | 51 | 50 | 58 | 52 | 43 | 60 | *29* |
| Turnover | 55 | 55 | 56 | 58 | *47* | 58 | 72 | *36* |
| Market share | 32 | 32 | 31 | 30 | 29 | 28 | 46 | *15* |
| Domestic sales | 40 | 39 | 38 | 48 | 34 | 58 | 41 | *18* |
| Overseas sales | 7 | 7 | 6 | **14** | 4 | **53** | **29** | *1* |
| None of the above | 30 | 30 | 26 | 27 | 36 | 20 | 14 | **42** |
| Experienced any increases | 65 | 65 | 65 | 69 | 59 | 80 | 77 | *43* |
| Performance measures; expected increases in the next 12 months | | | | | | | | |
| Profitability | 65 | 65 | 59 | 68 | 66 | 85 | 64 | *41* |
| Turnover | 66 | 66 | *56* | 70 | 65 | 85 | 59 | *42* |
| Market share | 46 | 46 | 41 | 49 | 41 | 64 | 51 | *25* |
| Domestic sales | 51 | 51 | 46 | 59 | 46 | 85 | 41 | *20* |
| Overseas sales | 10 | 10 | 10 | *25* | 6 | 38 | **25** | *2* |
| None of the above | 21 | 21 | 23 | 16 | 22 | 15 | 22 | **36** |
| Expect to experience any increases | 72 | 72 | 66 | 75 | 70 | 85 | 69 | *47* |

**Bold font signifies a statistically significantly higher figure compared with the average minus the sub-group tested;** *italics signifies a statistically significantly lower figure than average minus the sub-group tested*

Table 10.7: Proportion of employers that introduced new or significantly improved products, services or processes in the last 12 months (all employers)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Greater Lincolnshire | Lincolnshire county | Priority Sectors | | | Emerging Sectors | | |
|  | **Agri-food** | **Manufacturing/ Engineering** | **Visitor Economy** | **Renewables\*** | **Ports & Logistics\*** | **Health & Care** |
|  | *1515* | *1141* | *172* | *85* | *169* | *6* | *30* | *126* |
| Innovation in the last 12 months | | | | | | | | |
| Introduced new products/ services | 38 | 38 | 38 | 47 | 38 | 47 | 27 | 32 |
| Introduced new processes | 34 | 34 | 32 | 36 | *26* | 30 | 29 | 38 |
| Introduced either | 49 | 50 | 46 | 56 | 44 | 47 | 37 | 50 |
| No innovation | 51 | 50 | 54 | 44 | 56 | 53 | 63 | 50 |

**Bold font signifies a statistically significantly higher figure compared with the average minus the sub-group tested;** *italics signifies a statistically significantly lower figure than average minus the sub-group tested*

Table 10.8: Proportion of employers that export their goods or services (all private sector employers)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Greater Lincolnshire | Lincolnshire county | Priority Sectors | | | Emerging Sectors | | |
|  | **Agri-food** | **Manufacturing/ Engineering** | **Visitor Economy** | **Renewables\*** | **Ports & Logistics\*** | **Health & Care** |
|  | *1466* | *1099* | *172* | *85* | *169* | *6* | *30* | *113* |
| Exporting | | | | | | | | |
| Export | 12 | 12 | 14 | **30** | 4 | 68 | **27** | *1* |
| Do not export | 87 | 87 | *82* | 70 | **96** | 32 | *73* | **98** |

**Bold font signifies a statistically significantly higher figure compared with the average minus the sub-group tested;** *italics signifies a statistically significantly lower figure than average minus the sub-group tested*

Table 10.9: Proportion of employers that agree with statements about broadband access and access to mobile networks and social media (all employers)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Greater Lincolnshire | Lincolnshire county | Priority Sectors | | | Emerging Sectors | | |
|  | **Agri-food** | **Manufacturing/ Engineering** | **Visitor Economy** | **Renewables\*** | **Ports & Logistics\*** | **Health & Care** |
|  | *1515* | *1141* | *172* | *85* | *169* | *6* | *30* | *126* |
| Agreement with statements about broadband | | | | | | | | |
| Universal access to superfast broadband | 93 | 92 | 90 | 91 | 94 | 80 | 87 | 92 |
| Having access to superfast broadband is important for my business | 86 | 87 | *79* | 84 | 87 | 80 | 91 | 90 |
| Access to broadband for home-working is important for my business | 67 | 67 | 61 | 65 | 66 | 80 | 76 | 64 |
| Reliable and widely available mobile connections for employees while out on the road in Greater Lincolnshire are important for my business | 77 | 77 | 73 | 77 | *67* | 100 | 89 | *64* |
| Social media (e.g. Twitter and Facebook) is an important tool for my business | 54 | 54 | *44* | ***38*** | **71** | 80 | *36* | 47 |
| Any of these | 98 | 97 | 97 | 98 | 97 | 100 | 96 | 97 |
| None of these | 2 | 3 | 3 | 2 | 3 | 0 | 4 | 3 |

**Bold font signifies a statistically significantly higher figure compared with the average minus the sub-group tested;** *italics signifies a statistically significantly lower figure than average minus the sub-group tested*

# Employer Profile

The description of the sample profile that follows reflects the employer profile across Greater Lincolnshire. This is due to the application of weighting factors that have been used to adjust for deliberate over-sampling in some sectors and in larger employer size bands. Over-sampling compared with representation within the employer population enables more robust analysis of these sub-samples that would otherwise not be possible.

## Business size

The majority of employers (73%) employ fewer than 10 staff at their site. This included nearly half of all employers (47%) that employ fewer than 5 staff. In contrast, just two per cent of employers employ 100+ staff at their site.

Figure 11.1: Business size (all employers)

Unweighted sample base =1515

QA1. Including you and any working proprietors, how many people are on the payroll at this location?

The following figure highlights variances in business size by sector. There are a particularly high proportion of employers with fewer than 10 staff within agriculture/fishing (93%) and construction (84%), while only 38% of employers in public administration/education/health have fewer than 10 staff at that site.

Figure 11.2: Business size, by sector (all employers)

Unweighted sample bases in parentheses

QA1. Including you and any working proprietors, how many people are on the payroll at this location?

## Industry sector

The industry profile of employers across Greater Lincolnshire is summarised in the figure below.

Just over a third of employers operate within sector of distribution/hotels/restaurants (36%). This sector also covers retail and wholesale, repair of motor vehicles etc. The next biggest group of sectors is that of banking/finance/insurance (16%). Overall, service companies account for 81% of employers in the area; production/construction for 19%.

Figure 11.3: Industry sector (all employers)

Unweighted sample base = 1515

QA3. What is the main business activity that you undertake? SIC 2007 (grouped)

## Number of sites

Two-thirds of employers (66%) are single site organisations. This proportion declines as business size increases. Three in ten 100+ employers (30%) are headquarters sites, compared with just 7% of all employers on average. Three-quarters of 100+ employers (76%) are part of a multi-site organisation, compared with just 26% of 2-9 employers.

Single site establishments are more prevalent than average in the manufacturing (82%) and construction (85%) sectors. Employers that are part of multi-site organisations are more prevalent than average within the distribution/hotels/restaurants sector (43%).

Figure 11.4: No. of sites, by size and sector (all employers)

Unweighted sample bases in parentheses

QA4. Does the business just operate from this site or does it have other sites?

**Bold font signifies a statistically significantly higher figure compared with the average minus the sub-group tested;** *italics signifies a statistically significantly lower figure than average minus the sub-group tested*

## Age of establishment

The majority of employers (69%) have been trading for in excess of 10 years. Just two per cent have been trading for less than a year and a further 12% for between 1 and 5 years.

Figure 11.5: Number of years trading (all employers)

Unweighted sample base = 1515

QA5. For how long has the business been trading

## Turnover

Seven in ten employers (70%) provided an answer when they were asked to provide an indication of their business turnover in the last 12 months.

Thirty per cent indicated that their turnover was below the VAT threshold (then £73,000). In aggregate, 70% reported a turnover of less than £250,000.

Figure 11.6: Establishment turnover in the last 12 months (private sector employers - where provided a response)

Unweighted sample base = 656 \*denotes less than 0.5%

QG1. Can you please tell me the approximate turnover of your business in the past 12 months at that site?

# Appendix: Statement of Terms

**Compliance with International Standards**

BMG complies with the International Standard for Quality Management Systems requirements (ISO 9001:2008) and the International Standard for Market, opinion and social research service requirements (ISO 20252:2012).

**Interpretation and publication of results**

The interpretation of the results as reported in this document pertain to the research problem and are supported by the empirical findings of this research project and, where applicable, by other data. These interpretations and recommendations are based on empirical findings and are distinguishable from personal views and opinions.

BMG will not be publish any part of these results without the written and informed consent of the client.

**Ethical practice**

BMG promotes ethical practice in research: We conduct our work responsibly and in light of the legal and moral codes of society.

We have a responsibility to maintain high scientific standards in the methods employed in the collection and dissemination of data, in the impartial assessment and dissemination of findings and in the maintenance of standards commensurate with professional integrity.

We recognise we have a duty of care to all those undertaking and participating in research and strive to protect subjects from undue harm arising as a consequence of their participation in research. This requires that subjects’ participation should be as fully informed as possible and no group should be disadvantaged by routinely being excluded from consideration. All adequate steps shall be taken by both agency and client to ensure that the identity of each respondent participating in the research is protected.



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With more than 20 years’ experience, BMG Research has established a strong reputation for delivering high quality research and consultancy.

BMG serves both the public and the private sector, providing market and customer insight which is vital in the development of plans, the support of campaigns and the evaluation of performance.

Innovation and development is very much at the heart of our business, and considerable attention is paid to the utilisation of the most up to date technologies and information systems to ensure that market and customer intelligence is widely shared.